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Coronavirus: The Impact on Hospitality Industry and How to Plan Ahead

© 23 March 2020 Written by Yoana Baynova



Covid-19 has set foot firmly on all continents and its presence can no longer be ignored. With governments all over the world taking drastic measures to limit the virus' reach to the general population, hospitality professionals have been forced to ask themselves what happens next.

The coronavirus will affect all levels of hospitality, but not everyone has the same capacity for recovery. Large hotel chains will certainly bounce back quickly, but for all other establishments, the Covid-19 pandemic is a test of adaptability and resourcefulness.

The industry fallout which is currently unfolding is undoubtedly challenging for even the most experienced hoteliers, which is why it has never been more important to gather all the tools at your disposal and plan ahead.

1 Use the Downtime to Restructure

The hectic every day of running a hotel can lead to a time crunch that often does not allow the proper planning out for any improvements to hotel marketing and revenue strategies. Now that the entire travel and hospitality sector is backed into a wall, these improvements have become the top priority.

Read more: Ready for a Change? Does Your Hotel Adapt to Survive or Adapt to Improve? (<https://www.clock-software.com/blog/hotels-adapt-survive.html>)

Many hospitality providers will take the time to look at their segment and develop a better understanding of their ideal hotel guest. Some providers will be faced with greater challenges than others, as say establishments which rely heavily on tourism-driven revenue will have a rough start trying appeal to guests who are weary of travelling for non-essential purposes.

There are exceptions, of course, remote locations and more exclusive establishments will likely suffer less from this, especially if they cater to private events such as weddings parties and receptions.

“The biggest piece of all of this is sympathy for people trying to do their jobs and having to cancel their events...Everybody loses, but we want to minimize the loss on both sides, so when things are back to normal, people are comfortable with the people they did business with before and nobody has a bad taste because of the way someone behaved.”

This is a great reminder that the coronavirus is yet another one of the many crises that have befallen hospitality over recent years. And the industry has found ways to thrive and improve on itself regardless. Hospitality is in many ways better equipped to handle Covid-19 than any of the previous cases combined.

2 Use Data Analytics To Build A Better Crisis Management Strategy

This is the time to determine what direction you want your hotel to take in the years to come. While it might seem adverse to the current situation, in order for your hotel to rise above this you would need to consider where you would like to be this time next year, and then the year after that.

Read more: COVID-19 and the global hotel industry: A roadmap to recovery (<https://www.phocuswire.com/coronavirus-global-hotel-strategy-part-1>)

Data analytics is going to play a major role in outlining the damages to your current revenue stream, but it will also allow you to build a more flexible business strategy for revenue in the lowest months, select cost-saving strategies, and in the long term, aid you in bouncing back.

Thanks to the advancements available to current hospitality providers, you have plenty of tools at your disposal, many of which integrate for convenience, but also allow users a more comprehensive view of their business.

Many hoteliers will choose to invest in new guest personas, as guest behaviour is certainly going to be altered after quarantines are lifted and life slowly returns to normal. Panic tends to cause long term behavioural shifts in people, which is why it needs to be taken into consideration when evaluating who your new target guest demographic is.

The Chinese government, in its current attempts to kickstart business in its entertainment sector, has announced the screening of various award-nominated films and cult classics, such as Green Book and the Harry Potter films in order to draw people back into the cinemas.

The decision came almost instantly after the government loosened up quarantine measures, meaning that it was planned ahead on how to convince people that things are going to be alright and that a return to their routine is in order.

Such a strategy needs to be locked and ready for when the disease passes through your region and spirits begin to settle. For instance, it is possible to appeal to guests whose events had been cancelled with personalized offers, assuring that even though hotel revenue is dropping rapidly at the moment, you will have a stronger season later in the year that would stabilize your business.

Read more: How Hoteliers Can Get Over the Coronavirus (<https://www.hospitalitynet.org/opinion/4097566.html>)

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WAYS TO GET THROUGH CRISIS IN BUSINESS

1

DON'T MAKE THINGS WORSE BY
DOING NOTHING



2

DEAL WITH FACTS NOT FICTION

3

CEMENT YOUR RELATIONSHIP
WITH YOUR EXISTING CUSTOMERS



4

USE THIS SITUATION TO RETHINK
YOUR BUSINESS

5

GET OUT AND CHASE BUSINESS

6

BE PREPARED TO TRY "NEW"





(<https://innmind.com/articles/494>)

3 Do Not Succumb To Discount Panic

Many businesses are suffering greatly due to reduced hours or entire closing of locations due to quarantine measures. The issue with this when it comes to hospitality is that hotels which cut down room rates and do so for prolonged periods of time they have a hard time raising them again once the market stabilizes.

If your business is new and strapped for cash you can always look into what government aid is available to you, along with refinancing loans and looking for a better payment plan with your bank. You need to stay involved and not give in to the need to wait it out and see what happens next, this way the crisis will pass over less painfully.

Scheduling employees should be appropriate to demand, but you shouldn't be in a hurry to dismiss recent hires. In all likelihood, you would not have as strong a year as last year, which means that seasonal help would not be needed and you would want to rely on staff that you have trained properly, who would be glad to have a job, even if it means taking a few shiftless at the current moment.

For some of the affected businesses the worst is yet to come and while we can never be certain how bad it is going to become, it is more important than ever to retain connections to partners and suppliers, as very little of your business would remain the same if you were to suddenly cut ties with everyone that helped evolve it into what it is today.

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Why are Hospitality Providers Falling out of Touch with Industry Advancements? (/blog/hospitality-providers-holding-back-hotel-technology.html)

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