



## Effects of COVID-19 pandemic on hospitality industry: review of the current situations and a research agenda

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To cite this article: Dogan Gursoy & Christina G. Chi (2020) Effects of COVID-19 pandemic on hospitality industry: review of the current situations and a research agenda, Journal of Hospitality Marketing & Management, 29:5, 527-529, DOI: [10.1080/19368623.2020.1788231](https://doi.org/10.1080/19368623.2020.1788231)

To link to this article: <https://doi.org/10.1080/19368623.2020.1788231>



Published online: 05 Jul 2020.



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EDITORIAL



## Effects of COVID-19 pandemic on hospitality industry: review of the current situations and a research agenda

Due to the Covid-19 pandemic, the world's economy was shut down almost overnight (UNWTO, 2020). The pandemic has confronted the hospitality industry with an unprecedented challenge. Strategies to flatten the COVID-19 curve such as community lockdowns, social distancing, stay-at-home orders, travel and mobility restrictions have resulted in temporary closure of many hospitality businesses and significantly decreased the demand for businesses that were allowed to continue to operate (Bartik et al., 2020). Almost all restaurants were asked to limit their operations to only take-outs. Restrictions placed on travel and stay-at-home orders issued by the authorities led to sharp decline in hotel occupancies and revenues. However, the reopening process has slowly begun and authorities have started to ease restrictions, for example, allow dine-in restaurants to reopen at a reduced capacity with strict social distancing guidelines, and gradually reduce restrictions on domestic and international travel.

While the hospitality industry is slowly recovering, the COVID-19 crisis continues to exert profound impacts on how hospitality businesses operate. Hospitality businesses are expected to make substantial changes to their operations in the COVID-19 business environment in order to ensure employees' and customers' health and safety, and enhance customers' willingness to patronize their business (Gössling et al., 2020). This pandemic is also likely to have a significant impact on the research agenda of hospitality marketing and management scholars. With unprecedented challenges faced by the hospitality industry in the COVID-10 era, hospitality scholars are expected to shift their research focus to develop solutions for the industry. Hospitality scholar will need to provide answers to a number of critical questions such as: what are the customers' sentiments about patronizing a restaurant or a hotel in the time of coronavirus? Are they ready to return? If not, what will make them return?

Preliminary findings of a longitudinal study conducted by the editorial team of the Journal of Hospitality Marketing & Management suggest that reopening the sit-down restaurants and easing travel restrictions will not bring customers back immediately (Gursoy et al., 2020). A large portion of individuals (over 50%) are not willing to dine in at a restaurant immediately. The same is true for staying at hotels. Most customers (over 50%) are not willing to travel to a destination and stay at a hotel any time soon. Only around a quarter of the customers have already dined in a restaurant and only around one-third are willing to travel to a destination and stay at a hotel in the next few months (Gursoy et al., 2020). These findings suggest that customers in general still do not feel comfortable to dine in at a sit down restaurant, travel to a destination and stay at a hotel. Since the breakeven point in the hospitality industry is relatively high due to high operating costs, the survival of many hospitality businesses heavily depends on increasing the demand for their services and products. Thus, figuring out what will make customers return is essential and this requires intensive research efforts. The industry and the academia are in urgent need of behavioral and operational hospitality marketing and management research to guide the hospitality operations in the time of COVID-19 pandemic.

The research findings also indicate that around a quarter of the customers will only feel comfortable to patronize a sit-down restaurant when their communities' ability to test, trace, and isolate COVID-19 cases is significantly improved. Around 18% of the customers will only feel comfortable to travel to a destination and stay at a hotel when that destination has very few COVID-19 cases and has the ability to test, trace, and isolate COVID-19 cases. Furthermore, there is a group of customers who will only feel comfortable to patronize a sit-down restaurant (around 14%) and travel to a destination and stay at a hotel (around 17%) when the COVID-19 vaccine becomes available (Gursoy et al., 2020). These findings clearly suggest that we need further research on factors that can drive customers back to the hospitality businesses.

While preliminary findings indicate that visible sanitizing efforts (such as hand sanitizers at the entry, staff wearing masks and gloves), implementing social distancing, limiting the number of customers served, more rigorous and frequent cleaning of high-touch surfaces in common areas, and employee training of health and safety protocols are the most important safety precautions customers expect from a restaurant and a hotel (Gursoy et al., 2020), more behavioral and causal research is needed to determine the (differential) effects of these operational strategies on customers' attitudes and behaviors.

Preliminary findings also suggest that around one-third of restaurant customers and around 40% of the hotel customers are willing to pay more for increased safety precautions. While customers expect hospitality businesses to implement more rigorous safety/cleaning procedures, a portion of them are willing to pay for those added safety measures (Gursoy et al., 2020). Further research is needed to determine the importance of each of these safety precautions, how such measures will influence customers' attitudes and behaviors and whether customers are indeed willing to pay for them and by how much more.

Preliminary findings also indicate that a large proportion of restaurant customers (64.71%) and the majority of hotel customers (70.42%) believe that the use of various technologies in service delivery will be necessary in the COVID-19 environment in order to minimize human-to-human contact (examples: service robots, contactless payment such as Apply pay or contactless bank cards, digital menus that can be viewed on personal mobile devices via QR codes, contactless digital payments, keyless entry, touchless elevators, etc.) (Gursoy et al., 2020). These findings strongly suggest that technology integration and adoption into hospitality operations will likely be integral in the near future. While hospitality researchers have been studying the use of various technologies in hospitality service delivery over the years, most of those studies have focused on unintelligent technology adoption. Recent developments in artificial intelligence (AI) and social service robot technologies have enabled the use of AI technologies in service delivery and the Covid-19 pandemic may precipitate the popularity of such technology for public safety reasons. Therefore, it is crucial for hospitality researchers to investigate how AI device use in service delivery will impact operations, employees, and customers. Furthermore, it is critical to identify the factors, both physical and psychological, that can influence customers' and employees' acceptance of AI device use in service delivery.

While the COVID-19 pandemic has dealt the hospitality industry and the academia with uncharted challenges, it also presents great research opportunities for hospitality scholars. The magnitude of this crisis and its devastating effects on operations, employees, and customers are unrivaled compared to previous crises. Therefore, while using previous conceptual and theoretical frameworks may benefit future research, it is critical to generate

new knowledge that can provide insight to the industry about how to transform their operations according to newly emerging customers' needs and wants due to COVID-19 pandemic. The editorial team of the Journal of Hospitality Marketing & Management welcomes studies that promote new ideas, models, approaches, and paradigms that contribute to the development of knowledge and theory of hospitality marketing and management in the COVID-19 business environment. It is important that the study makes significant theoretical and/or practical contribution to the hospitality theory and practice. COVID-19 related studies submitted to the Journal of Hospitality Marketing & Management must offer something new and original, make an important contribution to the field, develop/propose a better/more efficient way of solving a problem, have good science and a sound methodology, offer sound conceptual and theoretical framework, and provide sound theoretical and practical implications.

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