

Innovations

Corporate Strategies applied by hospitality companies to tackle the Pandemic-a global preview

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Abstract: *This research paper focuses on the global context on how hotels were successful in pandemic situation, challenges faced by them, new trends and concepts which were introduced for the first time by global companies. Due to the short supply of potential customers, hotel managers and operators the research paper utilized mostly data available through magazines and web pages. This study gives the characteristics of global hospitality industry and also the effect of pandemic on management and on human resource.*

Key words: *1.Hotel, 2. Strategies, 3.Hospitality and Pandemic*

Introduction: the word hospitality refers to a cordial invitation or reception. There are so many companies related to hospitality industry namely 5 star hotels, tourism, aviation, cruise lines, retail sector to name a few. Covid -19 pandemic has affected all these sectors. This research paper focuses on how these companies were able to tackle the situation and also the effect of it on global market. Strategy is a plan of action of a company or organization to achieve targets or success in future, it also implies to tackle situation and

problems faced by the company. Strategies are long term and short term depending on the company plan of action. Oxford dictionary defines strategy as plan of action to acquire long term goals or over all aim of a company or organization. Strategy require the involvement and support of employees of a company at all levels along with the sources available in the company like the finance, materials and technology etc. to develop a strategy the company must define its vision, mission and their targets. The strategy require facts about a particular situation to be tackled, strategy must have focus and systematic plan of action. It requires the information about internal and external environment of a company. Strategy helps access, organize and synthesize the acquired information it helps us in thinking new ways to achieve results, before designing a strategy the person should become a lay man understand the situation at lay man level instead of the designation or position which he is holding in the company. Strategy provides directions to all employees about what is been expected from them without losing vision or deviate from the direction. Strategies are of four type's corporate level, business level, functional level and operational level, depending on the circumstances and situations it needs to be designed as per that level. Strategy identifies what needs to be done to achieve objectives whereas plan is a detailed description of how strategy needs to be executed.

Types of strategy:

1.1 Corporate level strategy: these strategies are empanelled at the head quarters of the organization.

1.2 Business level strategy: these strategies are created at the unit level

1.3 Functional level strategy: they are developed at the department level of a company

1.4 Operational level strategy: these are designed for the operational employees who are working in the company

Hotels: it is defined as a place where a traveler /guest/customer receive food and shelter provided they are in a position to pay for it and in a fit condition to receive it. There are so many hotels located in India and in international countries. FHRAI (federation of hotel and restaurant association of India) is responsible for providing star ratings and categorization of hotels in India these star ratings range from 1 star to 5star deluxe, besides star rating they also give ratings to stand alone restaurants in India as A class, B class and C class restaurants, there exists a standard format and procedure for classifying all star hotels and restaurants in India. Hotels are classified in many different ways they are basing on location, ownership and on star categorization. Basing on location they are categorized as down town hotels, resorts, motels, air port hotels and transit hotels.

2.1 Down town hotels: they are located in city centers and offer full fledged services to the guest.

2.2 Resorts: they are located on hill stations or near to beaches and rivers there business is completely seasonal and they provide limited number of services

2.3 Motels: they are located near to the national high ways, they provide over night accommodation with a facility of garage to repair their motor vehicles.

2.4 Air port hotels: they are located near to domestic and international air ports provides full-fledged services to the guests

2.5 Transit hotels: they are located at the exit and entry point of city or in the suburban areas mostly utilized for freshen up services.

Basing on ownership hotels are classified as follows:

3.1 Independent hotels: they are operated only in one particular area and they don't have any branches anywhere in the world,

3.2 Chain hotels: the chain hotels are operated in multiple location in India and abroad, they share a common SOP.

3.3 Franchisee hotels: the concept of franchisee is it is an agreement between independent hotel and chain hotel where in the chain will provide brand name, SOP, marketing support, brand promotion etc in turn the franchisee has to pay franchisee fee .

3.4 Management contract hotels: the concept of management contract is that the owner of the property will lend his hotel to a chain operator for all their activities including staffing, day to day business, pay rolls and brand promotion in turn the owner will get a share in the profits or as per their contract . The owner will be responsible for paying building taxes and for minor and major repairs.

Basing on star categorization hotels are classified as 1 star, 2 star, 3star, 4 star, 5 star and 5 star deluxe hotels in India. When we move to other countries they have different organization which will look after the categorization.

Pandemic: it means a disease present all over the country or world. The novel corona virus for the first time entered into human beings causing cold, and severe body pains, fever and death at last. It was first identified in china on 30th January and the world health organization declared it as a pandemic on 11th march 2020. The covid 19 virus can survive for 72 hours on plastic, 4 hours on copper and 24 hours on card board. The virus names are based on genetic structure and they are named by international committee on taxonomy of

viruses (ICTV) another name for corona virus is (SARS-COV-2) which means severe acute respiratory syndrome corona virus. This virus has different variants also named as alpha, beta, gamma and delta variants. When we go through the human history we will find number of pandemic such as smallpox, Black Death, Russian flu, Spanish flu, Asian flu, cholera, SARS, honking flu etc.

Literature Review:

As per FHRAI (PTI-may-16-2021) hospitality industry lost 1.3 trillion in revenue in the year 2020-21. The Indian hotel industry total revenue for the financial year 2020-21 is 1.82 lakh crores. Approximately 75% of revenue got wiped off that is more than 1.30 lakh crore revenue.

As per FHRAI vice-president (Gurbaxi singh kohli-2020) the hotel industry is struggling for its statutory and capital expenditure at this stage it is difficult to not only repay loans matter of fact it is impossible.

As per FHRAI secretary (shetty-2020) working capital support with low interest rate will help the hospitality establishments to restart and sustain their operations.

As per FHRAI president (surendra kumar jaiswal-2020) along with the moratorium extension of 3 years there should be a complete exemption of interest waiver to hotels. He also adds that the government should compensate the hospitality employee and families for the loss of income.

As per Indian school of hospitality (CEO –Dilip puri-2020) hospitality education will undergo tremendous changes where in highly advanced technology need to be combined with professional and personalized services and it should be imparted to students. The students must have multi-task, multi-skills and ability to work in virtual environment. Apart from students joining in 3star to 5star deluxe hotels they have other sectors to choose from namely luxury retail, luxury real estate, QSR and restaurant business etc. The emerging sectors for chefs are food photography, food blogging, food technology and food entrepreneurship etc.

As per Mandeep.s.Lamba-2020 V.P. HVS-Global hospitality south Asia:

Recommendations for the government of India:

1. Monetary support:

- a) Provide moratorium of 6-12 months on all loans
- b) Ensuring credit rating agencies do not downgrade the business.
- c) Subsidy on (HLP)-heat-light-power.

2. Fiscal support:

- a) 12 month corporate tax holidays.
- b) Defer all taxes, custom-duties, bank charges and PF etc.
- c) Waive/reduce GST on products offered.
- d) Renewal of license fees should be extended.
- e) Ltc should be a part of new income tax slabs.

Recommendations for the operator:

- a) Stop-gap plan to ensure when demand bounce back hotels are ready to benefit the upswing.
- b) Create task force management team.
- c) Prepare plan for the re-opening.
- d) Re-engagement and support for returning team members.
- e) Sales and marketing teams should gear up to promote business.
- f) Maintain price charts
- g) Front house facilities needs to be prioritized.
- h) Increase Ancillary revenue.
- i) Prudent spending
- j) Compliance with government policies.
- k) Vendor management
- l) Initial working capital
- m) Control over power consumption and new equipment purchase.
- n) Conduct a dry run

Findings:

The following are the strategies applied by corporate companies to tackle the pandemic

1. Apeejay surendra group: the company focused on local market and created a concept of uniqueness for all branches
2. Lemon tree hotels: the company implemented management contract concept.
3. Accor group: the company tied up with Microsoft for creating technical advancement.
4. CG corp. global: the company concentrated on controlling expenses, working with existing staff, concentrating more on F&B revenue and local domestic market.
5. Panchshil realty: The company implemented concept of survive then revive and thrive, focused more on team's agility.
6. Oyo hotels: the company converted most of their hotels into quarantine centers and introduced self on board tools.

7. Charlet hotels: the hotel concentrated on mobile apps and IOT along with staycations, seafarers, and quarantine centers for Vande bharth flight passengers. They offered the banquet halls for film and web series shoots. Special offers were given to sports team members.
8. Embassy property developments: the company ventured into new market by promoting clubs and leisure travel and introduced co-living bed to reduce room price.
9. Pride group: concepts introduced were energy efficiency, green technology and digital advancement.
10. Atmosphere group: concentrated on management contract hotel concept
11. IHG: fee relief package to customers , renovations to be done at a later stage
12. Hyatt: pro people activities and honor the committed staff members.
13. Horwath HTL: Implemented stress management for owners and operators, Conducted paperless audit and concentrated more on data management
14. EIH group: Established joint ventures and conducted loyalty privilege program.
15. Choice hotels: conducted quality audits and controlling costs
16. Bridge hospitality: The Company converted rooms into temporary office spaces, arranged pop-up food courts near apartments. They have arrested the expenses and postponed non essential apex expenditures.
17. Prestige hospitality group: Focused on team work, positive outlook, empathy, understanding guest and employees requirements in the pandemic.
18. Radisson hotel group: they concentrated on expansion in tier 4 and 5 cities along with boosting up the f&b revenue.
19. Wyndham hotels: introduced franchise model and mobile app (oracle hospitality and opera cloud property management)
20. Marriott group: the onus is cosmetically clean to clinically clean property, concentrated on staycations, food delivery and conservation of cost.
21. Hilton: the strategy applied by Hilton group is to empowering the team spirit among employees.
22. ITC group of hotels: Responsible luxury, short term goals, F&B Revenue, stick to basics were few strategies applied by ITC hotels.
23. Hotelivate: IOT –solution and management contract concept was focused.
24. HVS-ANA Rock group: shifting of business to different product line and food delivery.
25. Post card hotels: the company applied management contract concept
26. Mahindra group: Safety, hygiene, conserve energy, contactless service, digital mode, multi tasking staff and short duration products like 3yr package from 25yr package etc were implemented.

27. Ambuja Netia group: The target market for this group during pandemic is MICE-segment, introduced few concepts like no cancellation charges on room bookings, home style food, food delivery, hotels were converted to quarantine centers.
28. Inter globe hotels: Trimming costs and revenue generating ideas from employees were encouraged.
29. SAMHI- hotels: Designed concepts named as unlearn, relearn and repeat.
30. Royal orchid group: implemented a strategy named as bio bubble business, applied strategies like tech centric, data driven and work actions.
31. Leela palace hotels: designed a concept named as "re-imagine, re-design and re-set" and implemented business transparency with Suraksha certification issued by Bureau-VERITAS.
32. Juniper hotels: the company concentrated on reducing operating costs and become very cost conscious.
33. Sarovar group of hotels: communicate clearly to your team about cost factor, full refund on cancellation, utilizing of cash reserves properly.
34. Radisson: The Company considered the pandemic as national priority and insisted that government should revamp fiscal and tax policies.

Objectives:

1. To Study the strategies applied by Corporate companies to tackle the pandemic (Covid-19)

Source of data:

The research paper used mostly secondary data available in books, magazines and by browsing through different web pages related to hospitality and tourism.

Suggestions:

1. The research paper helps us in tackling the future pandemic situations which may arise.
2. The research paper provides new strategies to be implemented in hospitality industry.
3. The research paper provides new avenue to be developed in hotels and tourism sector.

Conclusion: The research paper provides new concepts which were introduced for the first time by the corporate companies namely (re-imagine, re-design and re-set), bio-bubble business, tech centric, data driven, work actions, (unlearn, relearn and repeat), IOT, Staycations, Quarantine centers etc. The journal given clear picture of corporate hotel strategies to tackle pandemic along with the initiation required from central as well as

state government were specified. The net revenue losses to different hotels and how to start the operations after they recovered from pandemic were highlighted. New strategies, new innovations, new techniques which are implemented for the first time in the corporate arena were mentioned.

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