

Assessing the Implications of the Covid-19 Pandemic on the Hospitality Sector in Delhi

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Abstract: The hotel management industry in Delhi has been under severe pressure throughout the past year to survive with little to no business. The COVID-19 Pandemic, and the travel restrictions that followed virtually reduced the ambit of the industry to the minimum. In this scenario, various facets of the industry had to employ creative mechanisms to stay afloat. This study focuses on the heavy impacts on various businesses across Delhi, the creative methods adapted to tackle them, and their deliverability. Two separate groups, one of staff working in the management industry in the Delhi NCR region, and another of tourists from and frequently traveling to Delhi were interviewed on the alterations they witnessed, early results of modifications as well as the expected long-term outcomes. New marketing strategies were analysed and an overview of their outcome has been indicated. The introduction of recent liquidity measures and their expected impact have also been highlighted.

Keywords: Covid-19, Delhi, Travelling.

1. Introduction

The coronavirus disease-2019 (COVID-19) pandemic, brought about by the new Coronavirus SARS-CoV-2, has spread throughout the planet with unrivaled aftermath for the well-being of millions of individuals. While the pandemic is yet in progress, with new occurrences being accounted for consistently, the strength of the global society is continually being tested. Under these conditions, the future appears to be dubious. SARS-CoV-2 Covid has spread frenzy among civilians and weaknesses at all socio-political and monetary levels, significantly disturbing day-to-day activities, worldwide

economy, global travel, and trade. The travel and hospitality industry flourishes with the patterns of visitations. It is, thus, that extensive endeavors are put by leaders to draw in guests to help the sector and improve the multiplier impact from the business. Yet, because of the ongoing circumstances, travel limitations are being seen at public and global levels. These travel bans, border closures, event cancellations, isolation prerequisites, and dread of spread, have set immense difficulties on the travel industry and hospitality sectors.

The Travel and Tourism industry was crippled by the coronavirus pandemic and saw one of the worst phases impacting all the segments of its geography and almost all verticals of tourism like cruise, corporate, leisure, heritage, etc. In India, the entire sector suffered from about a loss of Rupees 15 lakh crores in 2020. There was a near-zero revenue inflow and high debts for many.

1) Question and objectives

The research aims to address the following purpose:

Assessing the implications of the Covid-19 Pandemic on the Hospitality Sector in Delhi, in addition to studying in more detail the various alternative approaches that may have helped the sector stay afloat, while also analyzing the extent of their success if any. The statement becomes important to address since the hospitality sector includes a diverse range of occupations ranging from Tourism, Accommodation, Adventure, Attractions, and Events to Trade, Food, and Beverages. According to the reports of (ET. Hospitality world.com), this sector has faced an approximate loss of INR

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90,000 crore due to the pandemic but it has not gone into shut down keeping in mind the alternative ways they adopted.

2) *Focus and scope of the research*

The hospitality sector, indeed, has adapted to the constantly changing preferences of customers. It is, therefore, that this paper aims to analyze its impact on all the stakeholders that have faced, and continue doing so, a most distressful phase. In addition, the paper also seeks to examine the Various Alternative Approaches that were adopted to help the hospitality sector stay afloat during the pandemic and in brief, changes expected in this sector in the future.

To begin with, the paper focuses on determining if the hospitality industry has stayed afloat during the pandemic. Therefore, it will try to explore the different ways in which the various areas of the hospitality industry have tackled the ongoing crisis. Attention will then be concentrated on the areas that couldn't cope up. The paper also tries to widen its scope by considering the future of the hospitality industry whereby several things are anticipated - like a higher use of technology giving way to new patterns.

Though all stakeholders like the staff, suppliers, customers, tourist guides, families of the people employed, etc. were impacted, their ability to adapt to, cope with, and innovate during this crisis significantly varied. Therefore, apart from the alternative approaches adopted by the hospitality sector during the pandemic, this research also highlights the importance of prioritizing resilience within the tourism industry to ensure that tourism stakeholders can cope with the complex challenges that they encounter as our world continues to change. Along with this, emphasis will be given to the government initiatives taken to back the hospitality sector.

3) *Relevance and the importance of the topic*

While the hospitality sector comprising hotels and restaurants is reeling under the massive decline in the number of inbound tourists, travel agencies and tour operators are facing the heat of mass cancellations of trips by the outbound tourists from the city. India's hotels and restaurants are seeing only 20 to 30 % business of what they used to get before the COVID-19 hit. Considering the large-scale monetary contribution made by the hospitality sector to our cumulative GDP, it is of extreme significance that we understand the plight of the stakeholders involved in this sector and provide a critical appraisal of the alternative methods that they could have adopted to make through these turbulent times. This research seeks to provide a greater understanding of the need for alternative approaches in times of such a global crisis. This study holds relevance for the industry and its various stakeholders as they face the crucial task of reviving and sustaining the industry at large. In the interest of the general public, they will find out the ways this sector has survived amid the drastic situation.

4) *Overview*

As our country faces a drastic pandemic, every sector in the economy is brutally affected. However, this research aims to bring to light the entire study of the tourism and hospitality sector in Delhi. This study holds relevance for the industrial players, decision-makers, and businessmen as they face the

crucial task of reviving and sustaining enterprises and industry at large. The viewpoints of the key individuals are investigated for guiding others who are engaged in managing and observing this segment. At the outset, the paper apprises readers about the ongoing pandemic with our question to research in general and goes on to summarise the literature, analysis, limitations, references, methodologies, and the scopes in the context of tourism and hospitality. Each chapter of this paper comes under realistic investigation and every point contributes to the way this sector has been performing and striving in the economy. The emergent themes from the analysis of our studies and responses of eminent personalities in this sector are proposed as an important contribution to this study.

2. Literature Review

Vikrant Kaushal and Sidharth Srivastava, Hospitality and tourism industry amid COVID-19 pandemic: Perspectives on challenges and learnings from India (2020). The paper explores the impact of the COVID-19 pandemic on the hospitality and tourism industry under 27 sub-themes. It discusses the challenges the industry faces in devising ways to stay afloat and the takeaways from these efforts. The research relies on qualitative data input via e-mail interviews of 15 personnel from the fields of Tourism, Hospitality, and Education, selected by judgmental sampling. The paper touches upon human management, media biases, and the need to formulate national standards for the tourism and healthcare industry. Research shows implications on two levels- Managerial and theoretical. On the managerial level, it found multiskilling the employees to be a solution to manage funds and retain human resources. Hygiene and sanitation are the biggest challenges for the industry. On the theoretical level, the study adds to the existing literature on Human Resource Management, Health and Hygiene, and Sustainability. Much importance is given to the need to accept the tremendous change and adopt novel methods- as Artificial Intelligence technology- to prepare for the future. Clear communication to assist and prepare for crisis management, digitalization, and effective leadership needs to be worked upon. The research was limited by the non-availability of quantitative data, social distancing measures, and the lack of availability of literature on the topic.

Vikas Singh and Prof. (Dr.) Tanuja Kaushik, Hotel Marketing Strategies during COVID-19: A perspective of Delhi 5-star Hotel (2020). The paper critically evaluates novel Marketing strategies adopted by 5-star hotels in Delhi to accommodate the drastic impact the pandemic has had on the Hospitality industry. It highlights the importance constant communication holds in promotion through social media platforms and the use of Customer Relationship Management (CRM) tools. According to Wall Street, the adoption of robotics and AI to introduce digital assistants, digital room keys, and messenger chatbots would ensure minimal physical touch and enhance guest experience post-COVID-19. The Digital Marketing sphere has shown rapid growth as the daily internet traffic has increased by 30% during the pandemic. This platform can be used to capitalize on the growth of digital activities, also giving a chance to introduce cost-effective

promotional campaigns. An emerging theme is a new consciousness among customers to lead a healthier lifestyle, which can be aided by including healthier meals, meditation, and detox programs, etc. The ever-growing importance of building lasting relationships with visitors and displaying a proactive cleanliness and safety protocol is imperative to gain trust and credibility. The study was limited by the non-availability of quantitative data and the novelty of the situation.

Kavitha Holdorai and Souji Gopalkrishna Pillai, COVID-19 and hospitality 5.0: Redefining hospitality operations (2021). This study explores the effects of past catastrophes on the global hospitality industry, and how the industry responded to them. In any epidemic, disaster, or crisis, the hospitality industry is among the hardest hit, and in the pandemic, it is the worst hit. During this pandemic, the emphasis is on hygiene and cleanliness, as well as the synergy that can be accomplished through hospitality 5.0. With 3.9 million hotel support jobs lost (Chen *et al.*, 2007; Jiang and Wen, 2020) and international arrivals dropping by 74% in 2020 (UNWTO, 2021), a similar, albeit less widespread, situation was encountered during the SARS (severe acute respiratory syndrome)-associated coronavirus outbreak, China and four other countries with 3% of the affected population diagnosed with an illness (WHO, 2003). The coronavirus pandemic has wiped out at least 100.8 million jobs worldwide in this industry, with India's travel industry losing about 1.25 trillion rupees in 2020. The pandemic wiped out the entire travel industry in Delhi/NCR, with foreign tourism dropping by 68 percent in just one month, April 2020. This research focuses on the industry's attempts to enhance protection and hygiene perceptions through contactless services. This research goes on to explain how automation can ensure sanitation and cleanliness at different points in the consumer path. The author expresses his thoughts on "Industry and Technology," which is defined by closer collaboration between man and machine. Following both outbreaks, the focus became sanitization, health, cleanliness, and encouragement to 'contactless contact,' which Hospitality 5.0 intends to implement. The 5.0 series is distinguished by a fusion of intelligent systems and devices with human intelligence. The post-pandemic time in the hospitality industry will be the core use of HCPS (combo-cylindrical-physical), IOT (internet-off-the-works), IOS (internet-of-services), AI (artificial intelligence), and major pillars for industry 5.0 viz. interoperability, modularity, virtualization, real-time capabilities, and digitalization. The study elucidated the measures hotels have chosen to increase customer trusts, such as the mandatory use of masks and gloves for their employees, in-room dining services, web-based pickup, cashless transactions, contactless service, sanitization, limited access to public areas, and other hotel restrictions.

Ms. Monalisha Dash, Chef Vikas Sharma, and Rohit Jaswal, The impact of COVID-19 pandemic on tourism: A case study on tourist behavior and preferences in Delhi/ NCR hotels (2020). The study investigates the impact of COVID-19 on tourist behavior and preferences in Delhi/NCR hotels. The Hotel Association of Canada recommended the use of appropriate disinfectants, sanitizers, and cleaning human-

touched areas such as door handles, no sharing of crockery, and the mandatory wearing of masks by employees. It focuses on the financial crisis caused by the pandemic and the negative effects it has had on the hospitality industry. It investigates the shift in tourist behavior and how hotels should take immediate steps to focus on the needs of customers lest they become paranoid and hesitant to use hospitality services. To determine their choices, they conducted an online survey of various hotels in Delhi using Google forms, which included a questionnaire about changes in hotel facilities during the pandemic and how people responded to it for their comfort. List of the hotels where the survey was conducted Crowne Plaza Okhla, Jaypee Green Resort & Spa, Greater Noida, Holiday Inn, MayurVihar, The Eros Nehru Place, Hilton Garden Inn, Delhi, Radisson Blu Greater Noida, Radisson Blu Kaushambi, etc. Among the survey's findings were contactless check-in, purchases, mobile key entry, and restricted access to public places, room eating, and vegetarian food. According to the research, 80 percent of tourists were pleased and satisfied. Many visitors are dissatisfied with valet services, baggage handling, cashless payments, limited hotel access, and vegetarian food. The paper also discusses Industry 5.0, which uses big data to gather information about customer preferences and create a highly customized service, as well as its five design principles.

3. Methodology

The research is conducted to study and analyze the various alternative measures taken by the Delhi hospitality industry and their implications to stay afloat during the difficult times of COVID-19. It compares the condition of the industry, strategies adopted, and peruses the recommendations given by different bodies. The paper focuses on both primary as well as secondary data with a combination of qualitative and quantitative research for its study. Primary data is collected primarily through two different sets of questionnaires and interviews. The researchers collected data from 65 respondents who were predominantly hotel staff and managers in Delhi NCR hotels and 105 tourists who had traveled to Delhi. The survey conducted was framed with closed-ended, open-ended, and subjective questions which focused on various aspects i.e. government regulations, adoption of new strategies, banking policies, effect on food and beverage industry, customer satisfaction, COVID-19 protocols, future expectations, and tourist behavior with the ongoing uncertainty. The researchers have exerted secondary data as well before devising the conclusion. Secondary data include published content available on the internet i.e. articles, reports, journals, and various research papers related to the study. The data available is analyzed thoroughly to understand the effect of COVID-19 on the Delhi hospitality industry and how they managed to stay afloat.

4. Discussion

1) Direct impact of Covid-19

The year 2020 will go down in history books as the year that agitated the world – economies, businesses, organizations, and people – out of its comfort zone. The Indian hotel sector has not

been any different. There is no denying that the year broke several records, but not the kind that the sector players were hoping for, as the onslaught of the COVID-19 shock pushed the sector off its growth path. Despite the chaos caused, the pandemic has also helped in accelerating certainly required transformations, which, in our view, will help in the sector's growth in the future. After reaching record-low occupancy in April 2020, the sector closed the year with an India-wide occupancy in the range of 33- 36%, reflecting a decline of 31-33 percentage points. In the wake of falling demand and occupancies, hotels reduced tariffs significantly to attract business, thus, pulling down revenue per available room (RevPAR) to a dismal low of ₹1,500 - ₹1,800 in 2020, reflecting a decline of 57-59%. The estimates indicate that the sector has incurred a total revenue loss of approx. ₹900 Bn in 2020.

2) *Losses Incurred*

Since March 2020, the industry has been struggling to manage its statutory and capital expenditure obligations. Due to the present surge under the severe economic environment, repayment of loans with interest is impossible. According to an assessment study titled COVID-19 & Its Impact On The Indian Hotel Industry, Hotelivate, India's organized hotel industry's loss due to the Covid-19 epidemic would be around US\$1.3 to 1.55 billion this year. The hospitality segment depends chiefly upon tourism which is debilitated due to the impact of the pandemic. For instance, Delhi, one of the major tourist destinations, recorded a more than 50 percent drop in tourist traffic in the first half of March. After the lockdown, the traffic turned to zero. It is expected that the occupancy and average daily rate will reach pre-Covid levels by 2022 and 2023 respectively. According to FHRAI (the Federation of Hotel & Restaurant Associations of India), the Indian hotel industry has taken a hit of over Rs 1.30 lakh crore in revenue for the fiscal year 2020-21. The total revenue of the Indian hotel industry in FY 2019-20 stood at Rs 1.82 lakh crore. As per their estimates, in FY 2020-21, approximately 75 percent of the industry's revenues got wiped off. HVS ANAROCK released 'Indian Hospitality Industry Overview 2020.' The report showcases key findings for the hospitality sector.

3) *2020 Quarterly Highlights*

- *Q1:* In February, all the major hotel markets recorded the highest-ever business-on-books. However, the euphoria started to fade when corporates started to cancel bookings as early as the end of January, which reflected in the market performance as it recorded a RevPAR close to ₹3,700 in Q1, around 19 percent lower than last year.
- *Q2:* The quarter was marred with lockdown, travel restrictions, and uncertainty. Demand was limited to stranded tourists and compulsory institutional quarantine business. As a result, the country recorded only 15 percent -16 percent occupancy at below ₹3,500 rates.
- *Q3:* Since the lockdown regulations eased, early symptoms of revival were visible in the market. This revival was primarily due to people traveling to motorable leisure destinations. In the absence of

corporate demand and authority restrictions on event size, the revival in the conventionally corporate-heavy markets was assisted through social events.

- *Q4:* The festive season in the last quarter brought some cheer as people flocked to leisure destinations. This was complemented by the easing of government regulations on event sizes and the availability of a larger number of auspicious wedding dates as per the Hindu calendar. The sector focused on social events and other indirect room demand generators such as staycations and stay events. This enabled the industry to achieve an occupancy level closer to 35 percent and ADR north of ₹4,000 during the quarter.

4) *The Federation of hotel and restaurant associations of India's view on the matter*

The FHRAI pointed out that lack of capital, dearth of the workforce, and mounting losses are threatening the Tourism and Hospitality industry. It advocated strongly - both directly and through various other industry associations platform to the Government of India, seeking support in terms of subsidies, tax relief, waivers of GST at both central and state level, deferment for fiscal statutory compliance such as paying EMI's, reduction of bank interest rate, and a special package for the hospitality industry. They firmly believed despite the tall claims by the government, the relief measures could not bring any respite to the hospitality sector which was waging a battle for its survival. The measures as claimed by the Government were conceived without considering the plights and specific conditions of our industry and they were also found to be out of bounds for the majority of the sector due to varied reasons. The Federation had several suggestions for the government. They wanted a waiver of property tax, water charges, electricity charges, and excise license fees for the lockdown period. They added that along with a moratorium extension of three years the industry will need a complete waiver of interest on the loans from March 2020 till the time that business is normalized. The FHRAI requested the Government to announce a special measure for one of the worst affected sectors and bear the interest for a fixed period. They urged the Government to direct the RBI to charge the interest on loans at fixed deposit rates plus 2 percent for all loans taken by the hospitality sector. By doing this, banks will go without only a part of the profit which still can be sustained as there are other avenues from which banks can earn profit.

Ahead of the GST Council meeting scheduled on 28th May 2021, they also submitted a representation to the Finance Minister requesting the Council to include impactful policy measures required to help the Hospitality industry in its survival efforts. They requested the threshold limit for charging GST on hotel room tariffs to be raised. They mentioned that a mechanism should be in place to enable the establishments to avail inputs of GST paid on rent and other GST costs. This will make the business more viable. All Food and Beverages revenue in a hotel and standalone restaurants should be treated as bundled services. IGST billing to the hotels for corporate bookings and MICE (Meetings, Incentives, Conferencing, and Exhibitions) should also be allowed. That will enable the companies to avail GST input credit which in turn will

incentivize them to spend their annual budgets in Indian cities. More importantly, hospitality establishments must be allowed to get a refund of unutilized GST credit lying with State Governments which will enable them to get the much-needed liquidity. They requested a new provision in the law for an immediate refund of GST paid by new hotel projects and existing expansions as this will reduce the dependence on debt-financing and bank loans.

5) *Countermeasures by the government of India*

Recognizing the potential of the sector, the Government has provided targeted policy support.

- The Government of India granted Rs. 3 lakh crores to provide additional credit at a lower rate of interest, with a 100% government guarantee and no fresh collateral under the Emergency Credit-Linked Scheme. The scheme has been extended with higher financial limits to 27 impacted sectors. These include the restaurant and hotel sectors.
- The Ministry of Tourism has proposed two major schemes:
 1. Swadesh Darshan for Integrated Development of Theme-Based Tourist Circuits;
 2. *Prashad*- Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive. It is for the development of tourism infrastructure in the country, including historical places and heritage cities.
 3. The Finance Ministry on March 31, 2021, introduced ECLGS 3.0 to cover enterprises in hospitality, travel & tourism, and leisure & sporting sectors with total credit outstanding, as of February 29, 2021, not exceeding Rs 500 crore and overdue, if any, were for 60 days or less on the said date. These sectors would be among the other 27 sectors added under ECLGS 2.0 scope in November 2020 to the original scheme for the 18 percent (Rs 54,000 crore) of the Rs 3 lakh crore left to be sanctioned.
 4. The Central Government also granted Rs 20,000 crore subordinated debt with partial credit guarantee for over two lakhs stressed MSME units including the hospitality sector.
 5. They launched a Credit Linked Capital Subsidy Scheme for Technology Upgradation. It facilitates technology up-gradation in MSEs by providing an upfront capital subsidy of 15 percent (on institutional finance of up to Rs 1 crore availed by them. This would be provided for the induction of well-established and improved technology in the specified 51 sub-sectors/products.
 6. The government also focused on promoting 'medical tourism' by setting up the National Medical and Wellness Tourism Board (NMWT), incorporating stakeholders like hotels, medical experts, etc. 100% FDI (Foreign Direct Investment) was allowed, while a five-year tax holiday was granted to 2-, 3- and 4-star category hotels located around UNESCO World Heritage sites (IBEF).

More than 90% of the tourism industry in India are MSME

and they can leverage benefits out of 70-odd schemes of the government. Once the businesses are registered under MSME, they become eligible for credit under the priority sector lending. They also get protection from the Insolvency and Bankruptcy Code (IBC) proceedings. Therefore, Task Forces have also been set up to review and rework existing schemes for the MSME by the government.

6) *RBI Regulations*

The governor of RBI mentioned that tourism has been one of the sectors in the economy that has been most severely impacted by COVID-19. At the same time, it is also believed that this is a sector where pent-up demand could drive a V-shaped recovery when the situation normalizes. The Reserve Bank of India has decided to open a separate liquidity window of Rs 15,000 crore for 'contact-intensive sectors' like hotels and restaurants, tourism, and aviation ancillary services. Under the scheme, banks can offer clean lending assist to hotels and restaurants; entities associated with tourism — travel agents, tour operators, and adventure/heritage facilities; aviation ancillary services — ground handling and supply chain; and other services that consist of private bus operators, car repair services, rent-a-car service providers, event/conference organizers, spa clinics, and beauty parlors/salons. The separate liquidity window of Rs 15,000 crore is being opened until March 31, 2022, with tenors of up to 3 years at the repo rate. Infusing liquidity will offer the much-wanted assistance to cash-strapped hospitality businesses without which the industry couldn't have survived. One of the most important relief citizens got last year was the moratorium on loan repayments announced by the Reserve Bank of India. It was initially announced for a length of three months and prolonged for another three months until August 2020. During this era borrowers — business and individual — had been given complete EMI compensation relief. So, if someone opted for a moratorium of six months, he/she was exempted from paying equated monthly installments on loans for the whole duration.

The moratorium period provided by the RBI for loan repayments and interest payments, due to Covid -19 pandemic, ended by 31st August 2020. Subsequently, the RBI introduced the Resolution Framework for Covid -19 Related Stress under which corporate, individual borrowers, and MSMEs are allowed to adopt a one-time restructuring of their stressed exposures. By choosing the restructuring plan, in a manner, the members can avail of moratorium continuance, an extension of loan tenor, moratorium of interest payment, or EMI, or both for such period as may be required depending on their repute of business/revenues.

7) *Budget allocation*

Amid the pandemic, the budgetary allocation for the ministry of tourism has been slashed from Rs 2,500 crore in 2020-21 to Rs 2026.77 crore. The budget has allocated Rs 1088.03 crore for the improvement of tourism infrastructure. With the coronavirus crisis limiting not just foreign tourist footfalls into the country but also keeping domestic tourists at bay, the budget has targeted pushing funds for promoting and exposure to help woo tourists back. Out of the Rs 668.72 crore allocated in the direction of promotion and publicity, Rs 524.02 crore is for the

foreign market and Rs 144.70 crore has been saved for domestic tourists. The remaining allocation would be used for investing in other Schemes like Capacity Building for Service Providers, Champion Service Sector Scheme among others. While infrastructure measures introduced in the Budget might additionally boost tourism over the long term, the possibility for immediate support has regrettably been ignored.

The Union Budget has given proposals for reinforcing rail, road, ports, metro lite infrastructure, and PPP in buses, airports, and ports, including vista coaches in traveler routes. There are nearly 217 projects worth over Rs 1 lakh crore to be completed under the National Infrastructure Pipeline to bolster the domestic tourism and hospitality industries. Regarding the various budgetary provisions benefitting the tourism sector in Delhi, Secretary Tourism, Shri Arvind Singh said that the annual outlay in FY 2021-22 is 61% higher than the revised annual outlay in FY 2020-21. Out of the proposed budget allocation of Rs 2026.77 crores, Rs 950.00 crores would be used for the creation of tourism infrastructure at different destinations spread over different States and about Rs. 670 crores would be spent on tourism advertising activities. The remaining allocation would be used for funding other Schemes like Capacity Building for Service Providers, Champion Service Sector Scheme, etc. They have also announced an INR 100 crore scheme to transform the capital as a tourism brand which would help create new jobs in the sector.

5. Limitations

This paper, however, is subject to several limitations as well. The COVID-19 has impacted the paper as it has put limitations on the research study. Due to the lockdown, the research has been restricted to limited online data available, no ground-level research was possible. The scope of the paper has been narrowed down and the topic has not been explored much in the past, resulting in fewer previous studies available and delimited in-depth knowledge. Due to the paucity of time and resources, the survey taken into consideration had a finite number of respondents. The responses analyzed based on qualitative data may not be subject to accurate interpretation for the entire industry since the findings have been generalized as a whole. With the issue at hand, it is advised to investigate further for future research.

6. Analysis

Data was collected from the owners and different-tiered staff of various hotels across the Delhi NCR region. 65 responses were recorded in total. These are the first-hand accounts of the functioning of their institutions, the changes they incorporated to stay afloat, and the direct and indirect implications of the COVID-19 pandemic on the industry as a whole. We also surveyed the tourists and have concluded certain observations after analyzing their responses. There are different types of inferences that we have been able to draw based on these responses. A total shutdown of travel and recreation has directly resulted, in many cases, in a complete collapse of businesses. Most respondents saw major changes in the functioning of the

hotels in Delhi, resulting in 55% of them being affected severely.

1) Economic effect

The survey showed that the majority of the tourists prefer to go out on vacations twice a year to refresh themselves and they preferred to stay at hotels (refer to Fig. 1.1, 1.2) because of their economic and social capabilities. Hence, people traveling for recreation is the main source of revenue for the hospitality industry. However, after the pandemic, lack of recreation had impacted the inflow of revenue of the hospitality sector to a large extent. The survey also states (refer to Fig. 1.3) 50% of the people agree that there has been an increase in their expenses which straight away points at the hotels increasing their costs to compensate their losses. These expenses are due to the mandatory covid protocols that the hotels need to comply with.

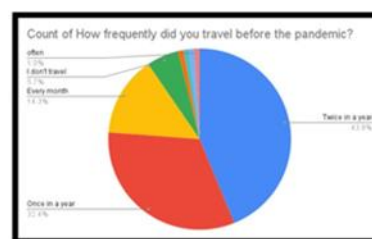


Fig. 1. Count of frequency travel before pandemic

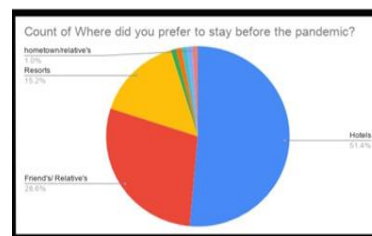


Fig. 2. Count of stay before pandemic

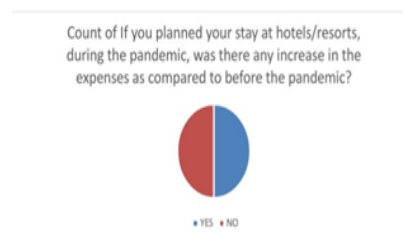


Fig. 3. Count of stay in hotels/ resorts during pandemic

More than 80% of staff respondents reported a reduction in salaries, expressing concerns over increased job insecurity (refer to Fig. 1.4, 1.5). Such overwhelming responses clearly show the looming uncertainty throughout the industry. Many workers are already looking for newer sources of income, or are moving back to their hometowns. Data from the Centre for Monitoring Indian Economy (CMIE) estimates a loss of 5 million jobs in the Indian Travel and Tourism Industry alone, while about 3.5 million jobs were lost in the restaurant and hospitality sectors. In the short run, it would surely result in the reduction of staff to room ratios, therefore requiring a smaller number of workers to perform more tasks and cover a wider

range of responsibilities than before.

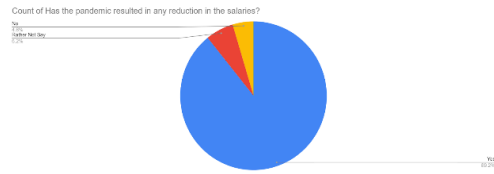


Fig. 4. Count in pandemic in reduction of salaries

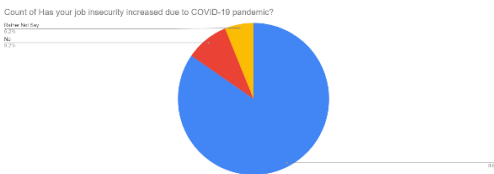


Fig. 5. Count of job insecurity during pandemic

The sector needed Government backing and safety nets, but data shows that many of the government’s efforts to support the industry turned out to be futile. The data, collected from workers and owners of hotels in Delhi NCR directly affected by the policies, clearly highlights their dissatisfaction. More than 78% of the respondents said that the hotel did not look for any alternative sources of income, like bank loans, etc. even when they were severely impacted (refer to Fig. 1.6). A reason for this could be the lack of available and approachable options. Respondents who mentioned taking help heavily relied on contingency funds and funds from their Board. It is visible that very few believed they could rely on the government for their recovery.

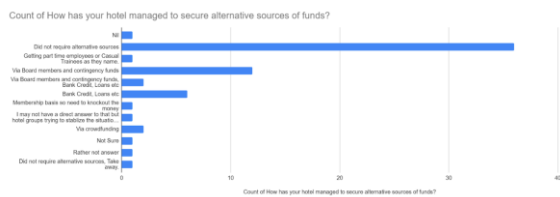


Fig. 6. Count of hotels manages to secure source of funds

Most hoteliers in Delhi believed that banking and monetary policies had little to no impact on their current struggle against COVID-19. Many small chain hotels rely on fiscal policies to survive when their income dries up. While online banking and payment services have made contactless transactions easier, Delhi hotels still have to face the implications of economic recession and the unavailability of funds for loans. Hoteliers had to reduce staff salaries by 20-30% and cut off jobs by 20%, according to the data collected. The monetary relief extended by the general moratorium on term loans by one quarter, later extended till August 31st, 2020, and relaxation of NPA norms was welcomed by hotels across Delhi NCR. However, various appeals to allow hotels to utilize the credit line for any business purpose, complete or partial waiver of statutory expenses like property tax, lease rentals, license fee, excise fee, and introduction of a plan or policy for hotels to renegotiate lease rentals/license fee so that for the remaining term, the lessor or licensor can have incremental revenues, while hotels can recover losses, received a blow in the recent budget where no

direct relief was directed towards the hospitality industry. This would imply that hotels have to pay off loans and GST without much revenue generation. This lack of financial backing would affect the revival of the Delhi Hospitality industry, as hotels are less likely to take risks or adapt to long-term projects, especially in these times.

2) *Strategies adopted by the hotels to remain afloat*

The survival and growth of the industry have become heavily reliant on innovative and feasible marketing strategies. Hotels, restaurants, and similar businesses in Delhi have begun experimenting with newer strategies that could help bring in revenue within the limited room for business available. Many hotels increased the use of ICT- based technology for promotion and functioning. 53.8% of the respondents believed that social media and online marketing strategies proved to be very useful to promote their business (refer to Fig. 2.1).



Fig. 7. Count of how useful for social media and digital marketing

For better functioning, hotels began regularly adapting new systems like keyless check-ins, digital menus, and contactless transactions. Many of these systems had been in place before, but COVID-19 made sure that these became the norm. Efficient usage of technology helped in reducing operating costs, improving profitability, and streamlining processes while enhancing the guest experience and personalization. (HVS Anarock Indian Hospitality Overview). Most hotels have introduced exclusive discounts, travel packages focusing on local spots in Delhi, and the option to waive cancellation fees, etc. to use economic benefits as a potential magnet for tourists. Out of the total, 69.2% of respondents agreed that they had to revise their food menu to make it cost-effective (refer to Fig. 2.2). Restaurants had to reduce capacity almost by half, train staff to minimize contact, and introduce arrival instructions for the guests to reduce crowding. They expressed that they needed to clearly show their safety protocols to attract more tourists. They recognized that it is of utmost importance that visitors feel safe while getting benefited economically to see steady business growth during such difficult times.

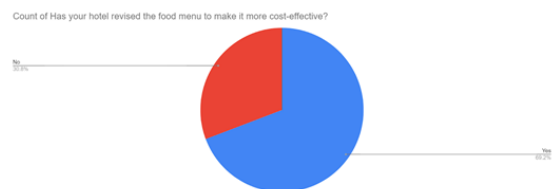


Fig. 8. Count of how hotels revised the food menu

Following government protocols, sanitization played a crucial role in bringing business and helping the hotels in Delhi

maintain their operational costs, as it established trust among the customers. Hotels said that temperature checks while entering the hotels were made mandatory, and no entry was allowed for people not wearing masks. They ensured that masks and sanitizers were provided to every guest. The staff made sure that people came in minimum contact with each other and elevators and corridors were sanitized regularly to ensure safety. Hotels made sure that the staff wore protective gear and were trained to minimize contact. Another way of achieving this was laying markers on the floor. The guests' luggage, rooms, and public areas were regularly disinfected. 44.6% of the interviewees said that the government was serious about COVID-19 protocols and interfered in the functioning of the hotel if required, while the rest did not feel such pressure from the guidelines (refer to Fig. 2.3).

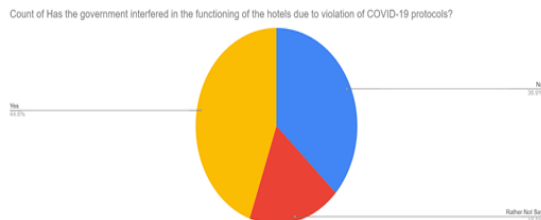


Fig. 9. Count of how useful for social media and digital marketing

The staff was divided into various shifts and hotels ensured sanitization after every shift so that there was minimum crowding with proper sanitation at all times. They raised their dependence on mechanical ways of work, in-house dining was limited to only a few hours, and the tables were distant from each other. The visitors were only allowed food provided by the hotel so that there is minimum contact, and the hotel could generate more revenue. The hotels introduced several discounts on food, lodging, and wedding packages to attract maximum customers. And they were open to bookings for corporate purposes. However, corporate meetings have evolved to at least partially take place online, and this trend might be here to stay. It is predicted that there would be a reduction in corporate travel and meetings even in the post-pandemic period. (HVS Anarock- Hotel Operations in the COVID Era Report). The hotels also brought changes to the existing packages to attract more visitors. For example- adding a free night stay in a package of 3 days and 2 nights. Due to the reduced prices or extravagant offers, they witnessed a surge in visitors and an increase in revenue. Hotels needed to ensure the maximum safety of their customers, which would also get them good reviews and referrals. Delhi hoteliers focused on smooth query resolving by strengthening their customer services, hence building trust.

Local tourism is viewed by many as the savior of the industry. Lack of travel from far-off regions was expected to spark local travel. Businesses are now introducing travel and exploration packages within Delhi. Many businesses (40% of the respondents) saw a major rise in visitors from or around Delhi. Smart packages were made available at discounted rates to attract local customers, and the strategy is yielding quite noticeable results, as expressed by 33.8% of the respondents.

While many hotels did not provide lodgings to Delhi locals earlier, it was adopted as an additional source of income. People whose relatives were admitted to nearby hospitals could now lodge in hotels, ensuring the customer's convenience and the hotel's profit.

81.5% of the respondents denied the presence of any governmental pressure on them to convert into COVID-relief centers, while the rest felt the pressure to do so (refer to Fig. 2.4). Out of the hotels in Delhi that were converted into COVID centers, about 65% were able to cover their operational costs, 24% profited out of it, and 11% had to incur losses (refer to Fig. 2.5). Proper care, lodging, and good-quality food were provided to the patients and their families. Hotels sought to benefit, or at least cover operational costs, by introducing special quarantine and COVID-care packages. While most responders denied the presence of governmental pressure, it is also true that many hotels had to still convert or hand over their premises to COVID-relief centers as a last resort to keep themselves afloat. When other sources of income are unavailable, this is bound to become the last alternative, at least for hotels with limited or no financial backing.

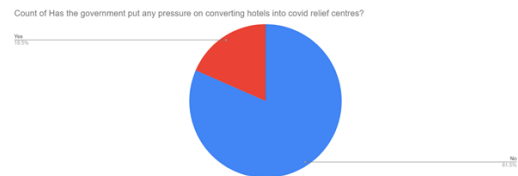


Fig. 10. Count of how useful for social media and digital marketing

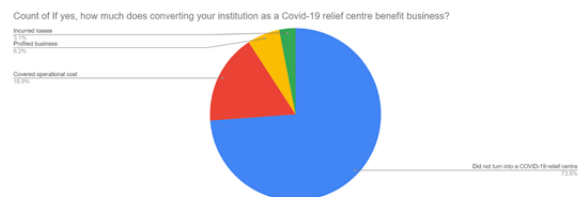


Fig. 11. Count of how converting institution as a covid-19 relief center

An overwhelming section of the population, (the tourists) also believe that the Hotel Industry increasingly tried to adapt to the catastrophic situation by bringing about major changes in their way of functioning in terms of tourists' safety, as well as the safety of their staff which was of primary importance for the Industry (refer to Fig. 2.6).

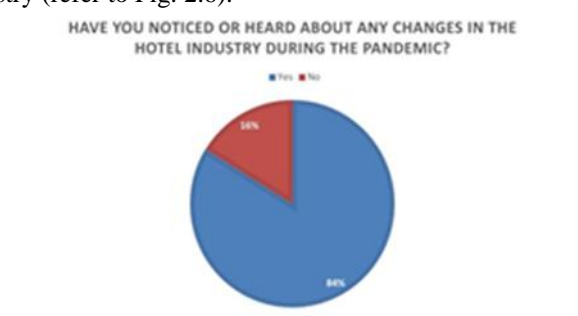


Fig. 12. Have you notice changes in hotel and industry during pandemic

The data visibly shows that the Industry was taking more steps and was being more cautious with regards to the state of Sanitation and Hygiene of the Hotels. This points to the fact that hotels had to invest more to offer better services to the tourists. The Industry is making consistent efforts and is taking considerable steps to stay afloat, and one of the major ways it has done so is by ensuring the Health and Safety of its customers.

3) *Expectations for the future*

The tough times, however, have not dampened the spirit of the industry. Out of the 65 interviewees, 60% were hopeful for a quick recovery. Hoteliers in Delhi recognize that with the eventual removal of travel restrictions, there is bound to be a surge in the number of customers, probably even more so than before. Hoteliers also highlighted that the travel restrictions might work in their favor, as the lack of travel in the past year would hopefully encourage tourists to travel more in the upcoming year. This is being termed as ‘revenge travel.’ This might encourage stakeholders to invest and support the steady growth of the industry in the future. While healthy growth was predicted by the majority, a large portion of the responders also had some discouraging views. Many pointed out the lack of safety nets and the ongoing decline of profits in the industry, especially amid smaller businesses. There is fear of further unemployment and in some cases, complete loss of ownership from businesses. For owners of smaller businesses, who face a very real threat of possibly having to hand over their businesses to larger firms, immediate reliefs are crucial. Long-term recovery policies would not affect them if they lost power over their businesses now. There is also a lot of fear and uncertainty about what lies ahead, considering the deadly effects of the second wave of the pandemic in Delhi and the chance of a potential relapse not completely gone. Responders, especially staff not at higher, more secure positions, await clearer government guidelines while tackling the very real threat of losing their sources of income permanently. The initial lockdown saw huge transmigration throughout the country as more and more workers were being laid off, and many people working in businesses around Delhi fear that the second wave might compel them to migrate as well.

Amid this uncertainty, the vaccination drives have brought new hope for the industry. There is hope amongst the hoteliers that with the introduction and distribution of the COVID-19 vaccines, people might begin to see an end to the Pandemic. Vaccination drives are being viewed as the first step towards recovery, and Delhi hoteliers see it as the beginning of the post-pandemic era, after which it might become safe to travel and stay in hotels again. 13.8% of the respondents claimed that they witnessed a surge in the number of bookings after vaccination drives were introduced (refer to Fig. 3.1). However, it is also true that the vaccination drive is nowhere near its end, and traveling would probably not become a common activity for some time. At least in Delhi, one of the worst-hit regions during the pandemic, the situation has just begun to stabilize, and restrictions on leisure and travel are probably not going to be relaxed anytime soon. Even after the beginning of vaccination drives, Delhi has a long way to go before completely becoming

safe for hotels to function as before.

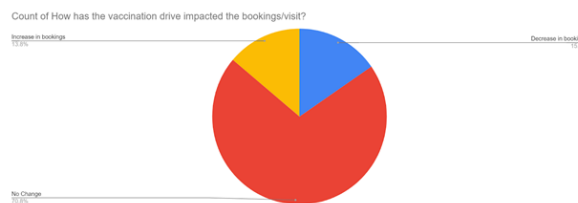


Fig. 13. How the vaccination drive impacted the booking/ visit

In Post-Pandemic travel, customers will have to alter their travel itinerary a little- they would, at least initially, carry ‘immunity passports’ and ‘COVID Certificates’. The Hotel Industry is expected to go through a lot of changes that might stay even after the situation stabilizes. It is expected that many hotels, particularly standalone ones that joined larger brands, will go through major rebranding. There will be more attention paid to maintaining hygiene and cleanliness as health awareness would increase amongst both the customers and the brands. HVS Anarock expects several design changes for the future, like smaller lobbies & rationalized room sizes, keyless check-ins, a lesser number of specialty restaurants, sustainable design elements, etc. These new changes might become the new normal. There are also expectations of growth of the ‘Rental Homes’ service, as a preference to isolated, sanitized, and private lodgings might be more preferred by travelers now. There might also be an effort to incorporate healthier, more eco-friendly practices. This is because awareness about sustainability was highly promoted during the pandemic. According to HVS Anarock, the COVID-19 pandemic became an eye-opener for many people, and adapting sustainable, “greener” practices would be a point of attraction for brands in the future, more so than before.

According to the tourists’ data, more than 60% of the population (refer to Fig. 3.2, 3.3) will be planning their next trip after proper safety measures are incorporated, more than 20% will be planning the next trip as soon as it will be allowed and less than 20% of the people are planning to come after 2022 indicating that due to the increase in the death toll in Delhi, people have become highly skeptical of the conditions in Delhi. From this, we can conclude that hotel revenues will not be increasing until and unless sufficient safety measures are effectively incorporated by the Delhi government. Hence, the hotel incomes, as well as their profits, are directly dependent on the policies of the Delhi government

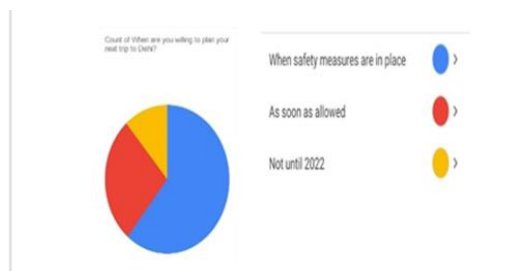


Fig. 14. Safety measures

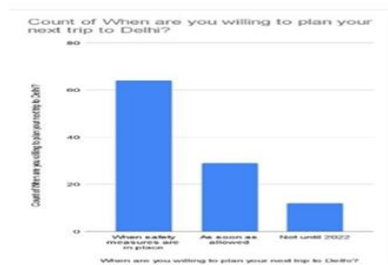


Fig. 15. When you willing to plan your next trip to Delhi

Contrary to the above fact, the hotels have started rescheduling cancellation policies by taking forward the stay towards the next trip which keeps the faith of the customers intact in them, which would benefit them in keeping the potential customer relations which will help them in long run. There is a mixture of hope and despair, while the industry waits with bated breath for a quick recovery. The hospitality and tourism industry affects a large portion of the country's workforce, directly and indirectly. While businesses adopted novel strategies to stay afloat and cover costs, they mostly expect a quick and aided recovery shortly. The government would play a large role in this recovery. Conclusively, the research effectively captured the uncertainty of the current situations with increasing job insecurity, the introduction of new measures and discounts, and the use of alternative strategies, while also highlighting the worker's belief in a brighter future for their industry.

7. Conclusion

There was a great deal of disappointment and dismay because of no initial support, incentive, or acknowledgment that the Hospitality Industry was suffering from deep losses. It felt as if the worst-hit industry was not being given any attention by the government in the beginning nor had it been granted any sector-specific bailout. The tourism, travel and hospitality industry was looking for immediate and short-term measures for vital revival. The lack of immediate support in the Budget disappointed them though measures to reinforce infrastructure may assist the beleaguered segment. However, infusing liquidity would provide much-needed support to cash-strapped hospitality businesses without which the industry couldn't have survived.

The pandemic has worsened the industry at large as more than half of the hotels in Delhi do not have a leg to stand on. Revenue has backed its way which also resulted in the reduction of the in-house staff compelling them to find alternate sources of income. More than half the hotels are believed to have not looked for any alternate sources from outside to back their finances which resulted in more downfall. The hospitality industry has come up with many innovative strategies to accommodate the changes that came with COVID, providing discounts, revising menus and stay in offers, safety options, cancellation norms which helped them stay just afloat in the business. Sanitisation was a huge component, which had to be thoroughly practiced at a much larger scale than before. There

are new intelligent technologies that have been adopted to minimize contact as well. Since the travel curtailments had a severe impact on hotels and tourism, the lifting of lockdown and vaccination drives will bring a new ray of hope, both among tourists as well as hotel management. There is a hope that the operations will soon continue in full swing and gradually the industry will be able to recover. The industry must focus on customer satisfaction to sustain basic operations. Keeping up with the new virtual reality, it is the need of the hour to explore technology and introduce incentives and promotions of digital payments. This will boost India's transition into a digitally-enabled economy. The government feels that the hospitality industry has a lot of potential to recover earlier than other sectors, as pent-up demands and the ensuing wish to travel amongst the people could trigger a V-shaped recovery. Of course, this would not be possible unless the threat of the pandemic has completely subsided, as many tourists voiced their doubts about the execution of safety protocols in public spaces. Therefore, it is projected that there is hope for a quick recovery in the Hospitality Sector.

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