



EFFECT OF COVID -19 PANDEMIC ON HOSPITALITY INDUSTRY IN THE PAST PANDEMIC ERA

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ABSTRACT

The tourism industry is one of the sectors that would be greatly affected by COVID-19 pandemic. Data for the review was generated from desk review of secondary materials, online blogs and interview through social media chat. Findings of the review reveal that the outbreak of pandemic disease led to rapid shutdowns in cities and states across the country, which greatly affected the hospitality industry. This pandemic showed the rapid negative impact on the country tourism and hotel industry. The findings of the review reveal that COVID-19 has increased cancellations of hotels and travel bookings resulted in revenue loss and unemployment situations, resulting loss of substantial revenue to the government and increasing incidence of poverty among others. The review recommends that provision of alternative service and diversification of service and product and compensation to business operators in the sector to return back to normal operations.

Keywords: *Nigeria; Covid-19; Hospitality; Tourism; Impact*

INTRODUCTION

Unexpected occurrences of infections in the form of outbreaks are no longer exceptional. The world is encountering infection outbreaks of different types, with coverage, at times, having global ramifications. Going through the archives, one can see that there have been deadly outbreaks that have changed the course of human history. The plague that peaked from 1347 to 1351, for example, affected the landscape of Europe and the world, wiping out 17% of the then 450 million global populations. The Spanish flu and

subsequent outbreaks of different extents have offered worrying warnings to public health authorities and health systems in the globe. Evidently, advances in technology and science have improved global health systems, including, for example, artificial intelligence (AI), which can predict the location of the next outbreak, development effective drugs, the design of new molecules that could halt viral replication, and so on. Yet, threats of emerging and re-emerging infections have not shown much decline – rather, they have become more common. In the past few decades, the world has continued to witness and be threatened by infection outbreaks of varying severity in terms of consequence and geographical coverage. With the frequent occurrence of emerging and re-emerging infection outbreaks of different scales, predicting what would be the next one became rather elusive.

Since the world was hard hit by the Spanish flu, there have been a number of outbreaks, including Ebola, Zika, dengue, Middle East respiratory syndrome (MERS), severe acute respiratory syndrome (SARS), and influenza, as well as the looming spectra of rising antimicrobial resistance (AMR) in specific geographical settings. These infections have already threatened the health, social and economic mainstays of the countries affected by the outbreak [2]. Now, COVID-19 is rocking the globe with more threats, more uncertainties and mounting consequences.

The global communities wake up in December 2019 to an outbreak of a disease named novel Coronavirus disease 2019 (Abbreviated as COVID-19). The disease was described as an infectious disease that is caused by severe acute respiratory syndrome coronavirus. The COVID-19 disease has spread to about 196 countries and territories in every continent across the globe. Since then, there has been concerted effort to curtail the further spread of the infection which is believed to be transmitted by human-to-human. The disease has greatly slowed down economic activities across the world, with many countries coming under partial or total lockdown. The pandemic has not only brought entire socio-economic structures into a halt but has challenged the globalization and global operations of enterprises paradoxically, potential impacts and alternative way outs are yet volatile. However, for a speedy recovery and recover of the economy, employment and business functions a sustainable and fresh beginning is necessary in most of the worsened economic sectors. Conventionally, an infection used to attack the vulnerable groups with food, health care insecurity in their

lifestyle and they normally used to be the poor of the society. Ironically, COVID -19infections first attacked the international travellers and the pandemic was caused through the travel and thus has confronted mainly the affluent social class globally. The Covid-19 pandemic has resulted in mass production shutdowns and supply chain disruptions causing global ripple effects across all economic sectors in a manner that was never expected. It is projected that the spread of the disease will have serious humanitarian challenges to the countries of the world and especially Africa and Nigeria in particular. Economically, the effects have already been felt as demand for Africa’s raw materials and commodities in global market has declined and Africa’s access to industrial components and manufactured goods from other regions of the world has been hampered. This is causing further uncertainty in a continent already grappling with widespread geopolitical and economic instability . Some of the measures and policy put in place by the Nigerian government in its effort to restrict the further spread of covid-19 include social distancing, staying at home policy and other policy declined by state emergency for five month in which workers are expected to work from their individual houses and work place and public gatherings of all kind were banned. This policy imposed limitations in spending and declining consumptions. Many factories have responded by shutting down or cutting down production and output, while in other instances, staff works from home and other work place to limit physical contact. This has the potential of worsening the poverty and unemployment challenges in Nigeria.

REVIEW OF LITERATURE

Tourism is the temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during their stay in those destinations, and the facilities created and services provided to cater for their needs . Tourism was defined as people travelling abroad for period of over 24 hours (Vijaya, 2016). It involves the motivations and experiences of the tourists, the expectations of and adjustments made by residents of reception areas and the roles played by the numerous agencies and institutions which intercede between them . Tourism is multifaceted phenomenon which involves movement to and stay in destination outside the normal place of residence.

According to Tourism Society in Britain, “tourism is the temporary short-term movement of people to destination outside the place where they

normally live and work and their activities during the stay at their destinations, including movement for all purposes, as well as day visit or excursions”. Tourism mostly depends on the range and types of accommodation available at the destination. Accommodation is a core of the tourist industry, and plays a distinctive role in the development of this ever-expanding industry. Tourism also tends to give support to local handicrafts and cultural activities; both in urban and rural areas. Expenditure by tourists has a multiplier effect and also generates considerable tax revenue for local economy. Tourism has become a major and an integral part of economic, social and physical development (Viyaja, 2016). It comprises complete system of nature, the universe, the space and the galaxy which includes the man and his activities, wildlife, mountain and valleys, rivers and waters, forest and trees, social and cultural system, flora and fauna, weather and climate, sun and the sea. Tourism is a service industry, consisting of transportation, accommodation and hospitality. The term tourism and travel are often used interchangeably though literally there is a difference. The tourism industry is a major sector of the economy of any nation. The constituents of the tourism industry are varied ranging from small scale businesses operating at local levels to multinationals. More over these different components are closely linked to each other. This linkage is there in spite of the competition within one set of constituents. The tourism industry is made up of the following;

- a) Hotel and hospitality, this includes lodges, resorts, tourist homes, guesthouses, restaurant and eatery among others.
- b) Transportation services that include air, water, road, rail and foot.
- c) Entertainment services that is casinos, social halls, churches and mosques.
- d) Information services that is travel agencies, tour operators etc.
- e) Attraction services both natural and manmade.
- f) Education and research, which is tertiary colleges and universities.
- g) Stakeholders that is shareholders, local community and the government.

According to the World Tourism Organization (2020), the international tourism has indicated continues growth for the tenth consecutive year reporting 1.5 billion international tourist arrivals in 2019 and estimated 1.8 billion of international tourist arrivals by 2030)people are forecasted to be.

Reporting the COVID 19 or the Corona outbreak started from Hubei province, Wuhan City in China in November, 2019 and spread all over the world by March, 2020 has been remarkable in world history as the most challenging tragedy occurred in the world after decades may be the World War II. The major disruptions on the global economy from the transmission of this virus especially to the retail sector, food, consumer goods, healthcare delivery and a potential curtailing of travel and tourism as major drivers of the most of the countries in the world is in immeasurable and severe than expected by many. The situation should be strategically addressed with suitable proactive and reactive measures considering the current situation and to overcome future threats to ensure the socio economic wellbeing of all humans keeping space for increased travel and tourism.

METHODOLOGY

The review relied substantially on secondary (desk) research to identify existing literature on covid-19 through web-based generic search engines and its impact on global economy and tourism in Nigeria in particular. Relevant online materials, especially newspapers, broad cast media and blogs were used. Interview was also carried out through social media chat with some individual key players in the tourism and hospitality sector in Nigeria. The data generated were analyzed using content analysis.

FINDINGS

Impact on Travel Agencies

Travel agencies are business outfits whose functions include ticket sales outlets to book the airlines traffic, promote the business of the airline through intensive campaigns, use of effective media outlets to communicate innovations in the industry to the public and assisting the airline customers with information about desired flight information and reservation [9].

Impact of Hotel sector

COVID-19 is having an unprecedented impact on the Nigerian hotel industry. The full fallout is unknown, as the ultimate scale of the outbreak is yet to be determined. However, travel restrictions and social distancing policies have had a dramatic effect on the industry. Hotel occupancy in the Nigeria has dropped to 43% and revenue per available room has declined by 30.5% for the week ending March 14, according to Smith Travel Research

(STR). The World Travel and Tourism Council (WTTC) in 2020 estimates that more than 50 million jobs in the travel and tourism sector could be at risk globally. The hotels and hospitality sector is a major revenue earner, with potential of creating thousands of jobs annually. The hotels and hospital subsector of the tourism industry have also had their own share of the challenges from the covid-19 lockdown policy of the government of Nigeria. With government announcement of “stay-at-home policy” and “social distancing” movement restriction, most restaurant businesses were greatly affected. This led to rapid shutdowns in cities and states to control the spread of the covid-19 disease, which threw many restaurants and hotels across the country into sudden shock. Many hotels.

Impact on Airline Operation

Air transport is a very important sector of the Nigerian economy. The covid-19 outbreak led the governments of many countries to impose restrictions on non-essential travel to countries affected by the disease, indefinitely suspending tourism travel, work visas and immigrant visas [10]. Some countries placed a complete travel ban on all forms of inward or outward travel, shutting down all airports in the country. The federal democratic of Nigeria declare to close on April, 2020 of airline and its borders to all forms of movement and transportation except the commodities and material that needs for the prevention of pandemic.

RESULT

Impact of Covid-19 on Tourism in Nigeria

Covid-19 affects every aspect of human life in economically and socially across the world. These ranges from postponement of many social and cultural events, meeting, games and sporting events, shutting down of institutions and centers of learning and closing of internal and international borders. Although the severity of the impact of covid-19 varies across different sectors, this review focuses on the impact on the tourism & hospitality sector in Nigeria.

CONCLUSION

Presently, this unprecedented public health crisis has become a catastrophic economic crisis to the entire globe and consequently the tourism, hotel and event sector. The recovery has to be gradual parallel to the recovery of other

sectors, combatting the outbreak and regaining economic performances. Thus the measures proposed are to be implemented incrementally in response to the evolving conditions. Therefore, ensuring the safety of the guests and the staff has become a top concern of the hospitality industry stakeholders. At the same time, to recover business losses and to rebuild the positive image in the mind-set of the guests it is essential to initiate strong marketing and promotional campaigns both locally and internationally. Further, promoting flexible services' would be another strategic tool to attract potential customers. Hence, offering flexible prices, cancellation policies, flexible work environment etc.; would be beneficial in achieving long term sustainability of the hospitality business industry.

RECOMMENDATION AND SUGGESTION

Based on the findings of this review, the following recommendations are made: There is no doubt, that this pandemic situation has brought lot of negative impacts to the Nigeria Hospitality sector.

- a. Maintaining the safety and security of employees and guests is clearly the highest priority. That includes setting up a secure remote working environment. While there will inevitably be some loss of productivity as employees work away from the office, companies need to ensure that employees are engaged and productive in the new operating environment.
- b. Availability of cash: keeping cash on hand via liquidity management strategies, such as maximizing one-time revenue opportunities, realigning and reducing costs, employing working capital crisis management techniques and deferring capital expenditures.
Further, promoting flexible rates and allowing guests to move a booking to a new date is another key strategy to promote hotel business in compensation for emergency cancellations. Further, making some timely-modifications to existing hotel policies are also vital, such as flexible cancellation policies, flexible rates for all services, ensuring strict hygiene policies should be some of the key areas of concerns.
- c. At the same time, it is also recommended to promote flexi-services instead of promoting value-added services. Because of the pandemic situation people are very much concern about their health and safety. Thus, taking some additional time for cleaning the entire hotel is

essential. These strategies will positively impact on ensuring hygienically clean safety and secure environment for guest stay.

- d. Practicing E-marketing and Electronic transaction strategy with suppliers to prevent the spread of the pandemic and safe the frustration of customers and employees.

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