



## Aviation and Hospitality Post Covid19 in India

**Sanjay Wadhwa**

Ph.D. Research Scholar Department of Tourism

The Hermitage

Kumaun University, Nainital

**Abstract:** Travel Trade was stabilizing and prelude of cold zone with major online and offline travel agents, Oyo Rooms, Swiggy, Ola, IHCL, Tripadvisor et al. showing positive results. Challenges in handling the technological advancements not beyond the commerce sector were gradually overcome with various PMS interfaces and integrations. Massive expansions of international hotels chains were back to square one and various new projects were on verge of opening like Taj Selections Jaipur, Hyatt Jaipur, JW Marriot Ahmedabad, Leela Gandhinagar, Raffles Udaipur et al. . The travel-tech market was poised to cross the \$9 billion market size by 2025, which was giving major boost to Travel and Hospitality. Breed of young founders and innovators were churning out new ideas and thoughts. Hostel Startups, vacation homes, homestay cum premium, Ola, Radipdo to Oyo rooms. (1)

Covid19 - the omnipresent pandemic has realigned all activities and have compelled to review existing business models and its sustainability. Entire socio-economic structures and its connected logistics are confronted by the question of survival courtesy to standstill situation and lockdowns. Ecommerce in travel will play key role in revival of economic activities with in India to give fresh lease of lifeline of hospitality and travel post Covid19 pandemic.

The paper analyses tourism and hospitality revival in India post Covid. Patronizing the domestic destination will be key for growth of this segment. (Domestic destination promotion are going to be key role for growth during this segment.)

**Keywords:** E-Commerce, Hotels, Tourism, Hospitality, Covid19 crisis and impact, recovery.

1.1.

### RESEARCH METHODOLOGY, AVIATION, LEISURE

The study on the Hospitality and Travel industry is utterly primary and extensive secondary research. In secondary research, different approaches get adopted to derive on conclusion and analyze trends inside the industry courtesy of the COVID-19 pandemic. The analysis of the country by analyzing various zonal operators, players, laws & policies, consumer behaviour, macro-economic factors and impact of the pandemic as per report.

## 2. GLOBAL PANDEMIC (COVID19).

Mysterious fever with symptoms dry cough, headache, shortness of breath and fatigue happened amidst of a wholesale seafood market of Huanan, in Wuhan of Hubei province of China, Few cases were discovered as early as December of 2019. WHO got first information in Chinese local office of 31 Dec 2019 for pneumonia like symptoms (2). Public Health Emergency of International Concern was declared on 30 January 2020. WHO named this coronavirus disease as COVID-19 on 11 February 2020. (2)

Mid – 1960s – Coronaviruses were discovered in homo sapiens and was also passive in animals including mammals, Birds and rare species. Outbreaks SARS-CoV (Severe Acute Respiratory Syndrome) identified in humans was discovered in 2003 in china, which was transmitted though in animals in 2002. Saudi Arabia discovered in 2012 infections through MERS-CoV (Middle East Respiratory Syndrome. Total on 1600 deaths were caused by both caravan infections. (3)

Figure 1



(4) European Centre for Disease Prevention and Control (11May 2020)

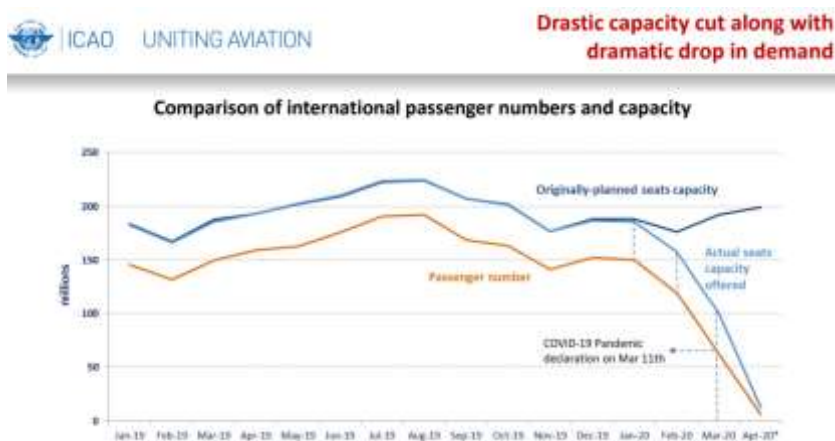
### 3. AVIATION AND HOSPITALITY – IMPACT

From tarriance flying and hospitality, the industry will incur enormous losses and probably be the last to recover. “Once things settles, we predict visit resume initially with weekend staycations, road trips and domestic getaways. this may be later followed by international travel,” says Riaz Munshi. "However, if the authorities do not facilitate the revial of the travel industry, multiple companies will decamp, inciting huge unemployment. Even after things normalize , we do not expect an overnight recovery, and to sustain that,the need of hour is that authorities come up with a stimulus to support businesses and facilitate their recovery.” (5)

#### 3.1. Aviation:

With empty skies and grounded aircrafts, they post new challenge for aviation industry and to airports hangers. 16,000 and more passenger jets aren't flying and are in hangers worldwide, undeviating according to industry researcher Cirium, thanks to covid 19 and it is damaging finances of aviation industry. Priorities of 2020 for aviation is searching right place, well maintained with frequent checks on hydraulics and flight controls. Fuel Tanks are well oiled and filled on airport for dislodging. Bird nests, corrosion is another challenge or stranded planes. (6)

Figure 2



(7) As per aviation Bureau, ICAO data and research

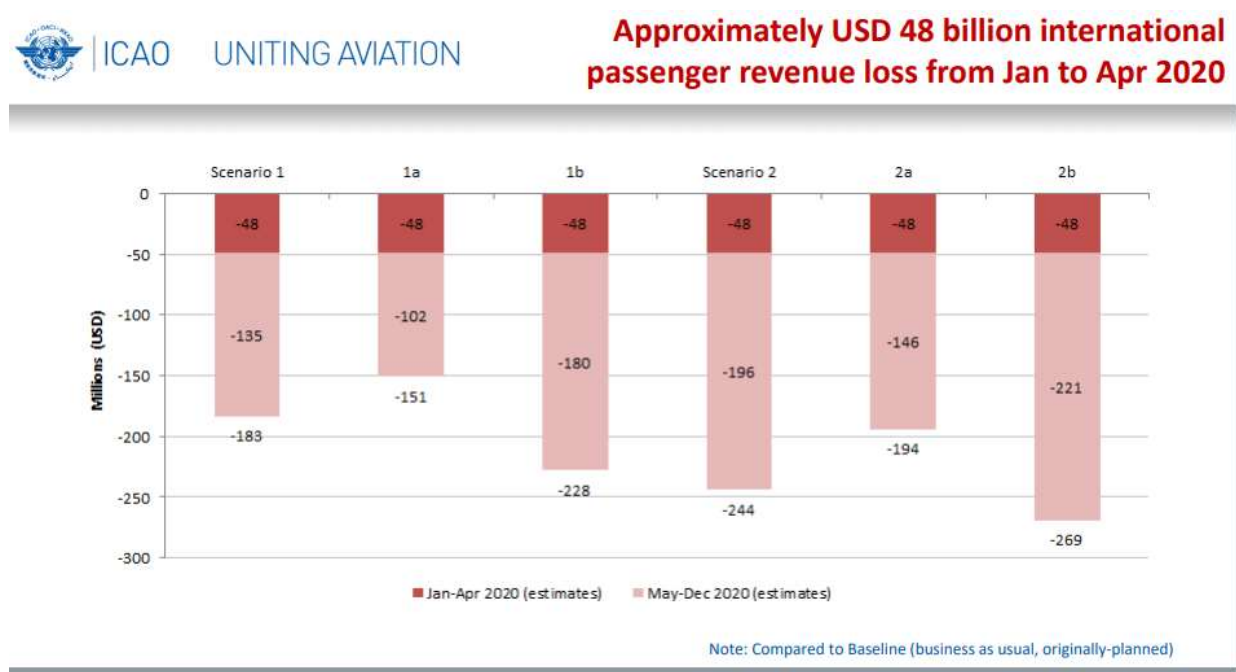
### 3.2.1. The way forward:

“V-shaped business path (Scenario stage 1: a primal sign of recovery in May end post relaxation of lockdown) –38% to 55% less seats are up for offer by airlines – will reduce 861 to 1,292 million passengers – Approx. USD 151 to 228 billion potential loss of gross operating revenues of airlines

U-shaped business path (Scenario case 2: crash of aviation market and later rebounded in third quarter or later) –48% to 71% less seats will be offered by airlines reducing 1,108 to 1,524 million passengers – Approx. USD 194 to 269 billion potential loss of gross operating revenues of airlines”

The impacts will be based on evolution of life post covid19 and extend of disservice done to countries economy and other socio-economic reasons (7)

Figure 3



(7) Source: ICAO estimates

International air Travelers traffic: An overall reduction of international air travels passengers from 44% to 80% in 2020 compared to 2019 levels (by ICAO) •

Airports: 57% or over USD97 billion airport revenues in 2020 compared to business as 2019 usual and approx. loss of over 50% of traveler’s movement (by ACI) •

Tourism: Decline of international tourism receipts of between USD 910 to 1,170 billion in 2020 (1st two quarters), compared to the USD 1500 billion generated in 2019, with 96% of worldwide destinations having travel restrictions (by UNWTO) •

Airlines: There is a 48% reduction in operating revenue passenger kilometers (RPKs, both international and domestic) in 2020 compared to 2019 (by IATA)

Trade: A fall of worldwide merchandise trade volume by between 13 and 32% in 2020 compared to 2019 (by WTO) •

Global economy: -3% is projected contraction in GDP of world in 2020, which is less than the 2008–09 financial crisis (by IMF)

Shutdown in India is resulting ₹75 - ₹90 crore per day losses with 35-42% of expenses in running airline are fixed in nature

\$3.3- 3.6 billion loss projected to be incurred by Indian Airline Industry which integrates Airports, Ground Handling Industry, refueling, incurred by the Indian aviation industry for April- June 2020 quarter. Meanwhile, Airline loss would be \$1.75 billion during primal financial quarter, while concessionaires and airports would be expected to lose \$1.50-1.75 billion. Ground handling organization losses are expected to be \$80-90 million. Airports will run in future quarter two with 50 cognizance and domestic travelers will decline from 30 to 50 to level of 140 million FY 20 passengers to 90 million passengers in FY 21(11) \*Data credit- CAPA India, FlightRadar24, ICRA, JLL India, CARE Ratings

6 different paths up till 4th Quarter 2020 are considered thanks to extreme uncertainty

Baseline – which is not practical (no COVID-19 pandemic) – Forecasted and planned or business movement with no trend and projected growth from 2019 level

Scenario case 1 (V-shaped path, a projected sign of recovery in May end) Projection 1: Slow and phased capacity and traffic recovery to 80% of Baseline level by end December but low demand return – Projection 1a: Quick capacity rebound to 90% pushed by sudden demand – Projection 1b: Slow recovery with 60% capacity with downside risk in demand

• Scenario case 2 (U-shaped case path, bottom out and exhaust in 3/4th Quarter or later) – Projection 2: Slow progression of capacity recovery to 50% of Baseline with slow and erratic demand growth – Projection 2a: Quick and fast capacity rebound to 90% by December, outpacing demand recovery – Projection 2b: Prolonged low and slump towards 2021 with marginal seasonal adjustments (7)

#### 4. HOSPITALITY (HOTELS AND RESORTS):

Lockdown by India was done to contain spread of Covid 19 and was in interest of population. However, it's disturbed entire supply chain management of country and have stopped all economic activity. Recession in India is knocking door and to boost this sector ₹ 20 Lac Crore (\$265 Billion), stimulus package was announced on May 12, 2020 to sustain economic activity. Cancellation of trains, roadways and flights have resulted in massive cancellation of hotel bookings and fear factor has resulted in cancelling of social functions for forthcoming months. Train and other mode. Travel agents, tour operators, taxi operators, Ola, Uber, online travel operators, handicrafts showrooms, get rippled affected. Hotels and its related hospitality across India have generated almost zero revenue for last 50 days of lockdown, while fixed costs remained same. The landlords are not willing to reduce their rentals, small vendors will need payments. Few utility suppliers in India are supportive in deferring fixed or demand charges, further helping hotels in precious saving. Bank EMIs are deferred / Monetarism for next six months. “Force Majeure” by operators that will arm twist vendors to defer their invoices or offer discounts, this will reduce industry’s negotiating power during this pandemic.(9)

Consulting firm Hotelivate, estimates that number of rooms in India at 27.2 lac (September 2019) and with 72 a listing is allocated to unorganized and unbranded sector. Home Stays, Hostels, youth hostels, backpackers share in course of national holiday . Hotelivate estimates that approx. 24 lac people are employed by the hotel industry as compared to 81 you're employed by independent / Unbranded hotels. (9)

Confederation of Indian Industry report states that the 60 days lockdown will evolve to impact business in slowdown for next five months. Business will gradually assimilate from Nov 2020, in mean time streamline in Dec 2020 if vaccine is found in the period . (10)

Large-scale erosion of employment opportunities will happen alternatively massive closure of 15-20 room properties in city locations and industrial hubs. Sharing hostels was on boom intend to deeply impacted and sharing economy will take back seat. Unemployment will be oriented from non or less education background, who are trained for specific jobs like kitchen, stewarding or housekeeping For them getting alternate jobs is about to be a mounting task, crowning in overall mass unemployment..

Daily rough / primary data shows occupancy declines drops to 10 -12 ascensional to 80% levels and ADR declines from 19-25 % (10)

#### 5. FLIP-SIDE OF THE VIRUS OUTBREAK:

We contribute 9 % GDP to industry is through hospitality. Domestic travel will move faster. International travel will not pick up for next 15 -18 months. Drivable locations like Agra, Jaipur, Jaisalmer, Uttarakhand, Himanchal Pradesh will pick up.

5.1. 68% of listed companies do not have cash reserves for more that two months. We are spending lot of time to tweak technology and processes to make hotels more efficient. Good hygiene practice will here to stay, digital will be driver to hotels like mobile check-in, electronic keys etc. Food and Beverage business will be driver specially food delivery. As per Mr KB Kachru - Chairman Emeritus & Principal Advisor, Radisson Hotels APAC

5.2. As per Mr Kapil Chopra – Managing Director – Postcard Hotels, driving location with not Covid cases, will pick up fast like Shimla, Goa, south India. Postcard hotels and like them will be at advantage that will revise fast and budget segment hotels will pick in next stage. Budget hotels will be required for consumer business / FMCG. Luxury hotels will revive gradually.

5.3. Mr Anurag Bhatnagar- CEO Leela Hotels have feeling that luxury segment will revive once fear factor is mitigated. Guests will stay to move in safe hotels. Post lockdown, guests will try to move to same city hotels to unwind, however business will be low till early 2021. 1.5 million inbound travel only, people in India make more that 1 billion trips. Hence, domestic



travel is going to be key driver in this. This time to built up and focus on asset management, with better geographical mix will stay on.

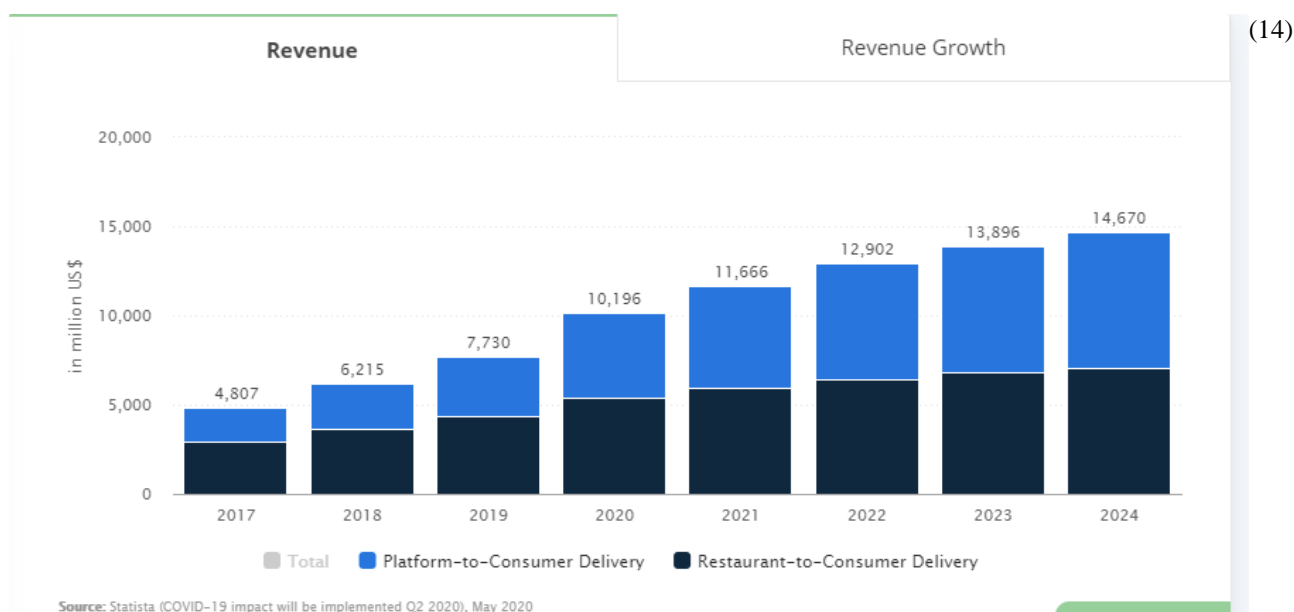
5.4. Bounce back sentiment is there in industry as per Mr Mandeep Lamba President (South Asia) HVS. Good part will be that there will be not additional supply and it will be limited. 25 % of hotels will be cease to operate. Demand will pick up in India as compared with China model, there was trend of revenge travel post Wuhan become Covid free. 11 million inbound, 26 million outbound, this is target market, which should be focused on. Outbound conversion to domestic will be key occupancy driver. Luxury, Economy and business sector will pick up. Vaccine again will be booster in-case it is found fast. Other sources of revenue will be focus point like food delivery, ware houses, office rentals etc. Hotel rooms will change in design element, front office will fine tune to technology.

5.5. Yateendra Sinh Principal at YS & Associates feels that we should have campaigns to focus on in stay in India. Travel to home places will pick up, destinations quite and safe.. Companies will focus of emotional quotient and now emotional returns.

5.6. Puneet Chatwal of IHCL says that branded hotels will revive first. People will prefer to stay which can assure about hygiene levels. New revenue options to be looked into. Re-adjust our hotels operating costs. Relationship of owners / Management company will be important. Digital is great opportunity to focus upon and hotels will be more digitally competitive. (13)

With business downturn, property lease rentals will drop in range of 20-30 % from current levels .Existing tourist hot spots will take back seat, since travellers will prefer to visit quite serene places and avoid crowds. Hence, commercial property rentals in Shimla, Dharmshala, Ooty, Manali will trip. Since, inventory will not increase further and unsafe hotels will close, this will help in ADRs to increase by Dec 20 to match 2019 levels. Restaurants and other F & B outlets will rationalise and with cheaper rentals and low footfalls, business owners having high working capital will sustain. This will create new set of business and brand with different operating models. Safe could kitchens with brands will revive back. Most online travel agents will also get into premium food deliver business which is collectively US\$10,196m in 2020 per year.

Figure 3



Till a year back, an hotel operator non branded had the option of partnering with Hospitality management operators like Treebo, Fab, Cygnet, Sarovar on minimum guarantee basis or management / reservation fee basis. There is major churn our happening in Oyo, Fab and treebo. Sustainability of these companies will be inquestion as all major management companies have started posting losses. Funding freeze I angel and venture Capital is making things tough of hotel operators / management companies. (8)

Figure 4

**Upscale Business properties** are expected to open sooner than others.

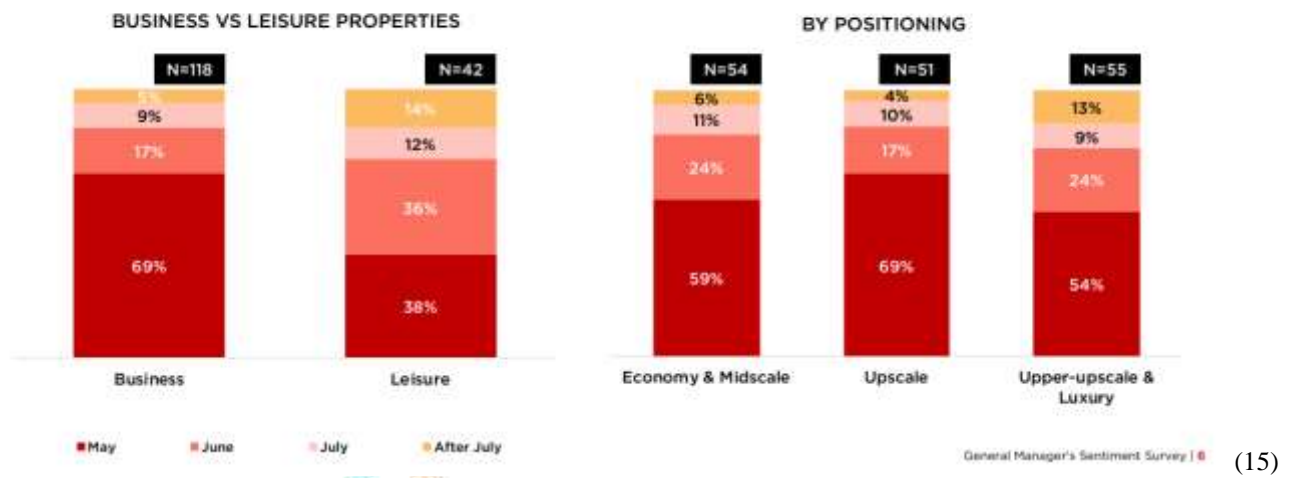
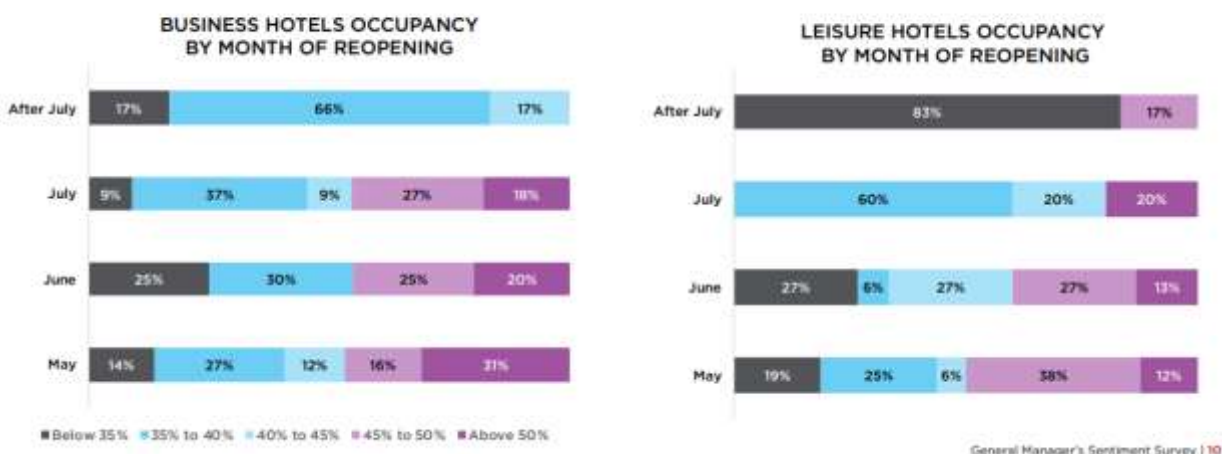


Figure 5

**Business hotels opening in May** are more confident of occupancy exceeding 50%. **Leisure hotels** to see a slower build up of occupancy.



(15)

Figure 6

**Expected Occupancy by Q4 2020**  
By Segments & Positioning



**Business hotels** likely to see quicker recovery. **Economy & Midscale hotels** most confident of achieving 50% and more occupancy.



(15)

**5.7. The way forward:**

Consumer’s behaviour will change gradually from traditional consumer behaviours due to pandemic and due to drastic changes in tradition briefs of consumers and more reliance of technology and digital economy. Ecommerce in travel and hospitality will be becoming increasingly important for businesses and individual travellers due to social distancing practices, Revised service protocol and SOPs were laid in travel trade and hospitality to assure guests using these facilities about good hygiene’s processes post covid.

The coming few months are going to be extremely tough if vaccination is not invented. Business with deep capitals and social reputations / guest experiences might survive this financial tsunami.

Hotel operators in non-branded space operators who manage to survive and continue on this journey should focus on :

- Revoke Force Majeure for the duration of the lockdown and re-negotiate rental or lease contracts with property owners for next 6 months

- Salaries to be re-worked and pending leaves to be exhausted. Furlough to be done with in ambit of law to sustain costs and save working capital for next few months.
- Expenses and cost need to be rationalised and reviewed microscopely. Hotels and restaurants should work on new operating models for be in market and create positioning.
- Overall experience of guests during stay should be increased to superlative levels for better guest loyalty once Covid fear is over.
- Utilise social media channels and emails to implement this. Digitally aggressive approach should be implemented
- Commissions with various OTAs such as Agoda, MakeMyTrip, Yatra, Booking.com etc to be renegotiated and business model to be reviewed. (8)
- Insurance policies should retweeted with major disasters clauses like Covid19 , personal travel policies of guests should be encouraged by booking agents and lodging companies. (16)
- Length of stays will reduce and it will reduce revenue streams, since cooperates will conserve capital by reducing travel costs, stay expenses, other misc. business expenses.
- A strong and effective leader to assure its teams about this stressful time will be over and create positive impact on your team. (9)

### 6.1. Future Travel and Hospitality changes post COVID 19 (5)

The travel & hospitality business is closed for last 52 days due to prolonged lockdowns, and country with sealed borders state and district wise. No trains, Buses, interstate travel, no inbound or out bound, quite airports, Flights grounded with docked cruise ships. Social like at standstill with closed Hotels, Restaurants, Malls, Bars and Pubs. are shut. Restaurants, Malls and clubs may open with Social distancing as new lifestyle mantra

No holiday planning, only short drivable distance trips will be post opening of lockdown. India's Inbound was 10.5 million last year; out of which 5 million NRIs travelled back home to be with their near ones; 1.8 billion Indians trips were made with in country for Leisure, social connect, and holidays; 26 million was out bound travel from India. Initial research should that outbound chunk will covert to domestic luxury once appropriate vaccination for covid 19 is found.

India's estimated 15,000 adventure companies, 53,000 travel agents, 115,000 tour operators, will be aggressively selling Incredible India and five lakh restaurants will support them.

### 6.2. New business trends in near future:

- Countries border will be kept sealed for next few months, with will give boost to domestic travel and dollar conversion / airlines will be expensive to travel abroad.
- As per research by global agency Sewells. Two third of businesses worldwide have set targets to reduce their volume of internal travel. 60% of businesses have targets to cut trips to suppliers. 66% of corporates have targets to lower the number of journeys to clients. 65% of businesses consider video conferencing as a viable alternative to business travel. Business travel will take major hit and only FMCG / Consumable / service sector travel will begin first.
- IPL, Wimbledon, Grand Prix, Google I/O, ITB Berlin, NBA, Various Motor shows, festivals, seminars, symposiums, conventions and EXPOs being cancelled or postponed. Hence MICE, Groups, FIT business to participate in these events will go in yearlong coma stage.
- Mega events will be replaced by boutique events as big events will be non-attractive. With major infra boost done by Govt, MSME will organize small teaser product showcase and this will result in new set of Expo business. The flagship events of 2020 were surely the Olympics in Tokyo and the Expo in Dubai. Both have been rescheduled by an year later with the hope of the world will limping back to normalcy by March – August 2021.
- 7.53 lac Indian students were studying in universities abroad in 2019 with number close to 8 lac this year. 50% of these students will postpone international education this year, will result in better admission rate in universities and Hostels will be given for lease to hotel operators for better management due to Covid 19 pandemic and required hygiene levels.
- People working in Gulf countries are returning back due to job losses, and also in India reverse migration, this will result in enhanced activities in F& B Space from cash rich NRIs and also small business creations specially F & B or Homestays back home.



- Gods place of worships are closed, hence religious tourism will drop. Mass gatherings being avoided with administrative directions due to Covid19. Post inoculation, this will be major tourism boost areas for mid aged / elderly people.
- Mature' travelers, retirees, will be staying at home for precautionary reasons for next 2 years. This segment of travel will be in coma for premium / luxury travel companies and hotels.
- Destination weddings may suffer a serious setback. International wedding destinations will be strict no for Indian Rich due to safety and heavy costing reasons. Destinations in drivable distance of hills will be preferred like Udaipur, Shimla, Theog, Nainital, Ooty, Munnar etc.
- Study tours by schools will dry and will impact Hotel Occupancy in lean time and also other logistic related companies who arrange travel on tours.
- AirBnB accommodations, and homestays, Nature retreat and palaces will be pick up in local travels. Remote locations like Naval Garh, Madawa, Theog, Binsar, Jageshwar will pick up in travel chart f domestic travelers.
- Air travel will become more expensive due to social distancing and high hygiene standards and operating norms. In fact, travel insurance will get costlier too. Cabin baggage for few months will not be allowed. Luxury Buses will have to keep on seat vacant and it will increase travel charges and other costs.
- Luxury hotels may become affordable for FY 2021 due to low occupancy, and lower ADRs
- This year will be for bankruptcy of cruises operators low travel ratio due to Covid19 pandemic. So, the cruise line shipping business is in really suffering and projecting massive losses.
- 'Hometown' tripping will an additional booster segment big segment. People will connect with families and explore areas near their hometowns, Unexplored segment.
- Banqueting will face challenge due to social distancing. Wedding will be smaller and boutique and conference will be slow gear. Restaurants will be no buffet for some time, till cure is found. Clubs and PUBs will not be able to take higher capacities due to social distancing norms. Food & Beverage consumption will be impacted. Chinese and pan Asian will be no for food ravelers for next 12 months. Non Veg food consumption will drop by 70 % based on initial market sentiment.
- Customers will be having more options and choice with freebees like cancellation, advance, change other policies will be relaxed. Amenities in hotel rooms or travel kits will increase to entice guests.

#### 7. **FLIP-SIDE OF THE VIRUS OUTBREAK:**

We contribute 9 % GDP to industry via hospitality. Domestic travel will move faster. International travel will not consummate for next 15 -18 months. Drivable locations like Agra, Jaipur, Jaisalmer, Uttarakhand, Himanchal Pradesh will grow .

68% of listed companies do not have cash reserves for more that two months. We are spending lot of work power to tweak technology and processes to conform hotels more efficient. Good hygiene practice will stay , digital is new driver to hotels like mobile check-in, electronic keys etc. Food and Beverage business will be driver specially food delivery. As per Mr KB Kachru - Chairman Emeritus & Principal Advisor, Radisson Hotels APAC

As per Mr Kapil Chopra – director – Postcard Hotels, driving location with not Covid cases, will consummate fast like Shimla, Goa, south India. Postcard hotels and like them will gain advantage, revising fast and budget segment hotels will pick in next stage. Budget hotels will be required for consumer business / FMCG. Luxury hotels will revive gradually.

Mr Anurag Bhatnagar- CEO Leela Hotels have feeling that luxury segment will revive once fear factor is mitigated. Guests will stay to steer in safe hotels. Post lockdown, guests will strive to move to same city hotels to unwind, however business will be low till early 2021. 1.5 million inbound travel only, people in India make more that 1 billion trips. Hence, domestic travel is to be key driver in mean time, This moment to built up and train in asset management, with better geographical mix will remain .

Bounce back sentiment is there in industry as per Mr Mandeep Lamba President (South Asia) HVS. Vitality is that there will be not additional supply and it shall be limited. Demand will consummate in India as compared with China model, there was trend of revenge travel post Wuhan become Covid free. 11 million inbound, 26 million outbound, which is often target market, which should be focused on. Outbound conversion to domestic will be key occupancy driver. Luxury, Economy and Trade will Consummate . Vaccine again will be booster in-case invented. Other sources of revenue are focus point like food delivery, ware houses, office rentals etc. Hotel rooms will change in design element, front of fice will fine tune to technology.

Yateendra Sinh Principal at YS & Associates feels that there should be campaigns to train in stay in India, Companies will focus of emotional quotient and now emotional returns.

Puneet Chatwal of IHCL says that branded hotels will revive first. People will prefer stay, post assuring about hygiene levels. New revenue options to be looked into. Re-adjust our hotels operating costs. Relationship stakeholders / Management company will be important. Digital is great opportunity to focus upon and hotels will be more digitally competitive. (13)

With business downturn, property lease rentals will reduce by range of 20-30 against current levels. Existing tourist hot spots will take back seat, since travellers will prefer to visit quite serene places and avoid crowds. Hence, commercial property rentals in Shimla, Dharmshala, Ooty, Manali will trip. Since, inventory won't increase further and unsafe hotels will close, which might help in ADRs to rise by Dec 20 to match 2019 levels. Restaurants and other F & B outlets will rationalise and with cheaper rentals and low footfalls, business owners having high Principle will sustain, creating new set of business and brand with different operating models. Safe could kitchens with brands will revive back. Most online travel agents may get into premium food deliver business which is collectively US\$10,196m in 2020 perrinally.(14)

Till a year back, an hotel operator non branded had option of partnering with Hospitality management operators like Treebo, Fab, Cygnet, Sarovar on minimum guarantee basis or management / reservation fee basis. there's major churn our happening in Oyo, Fab and treebo. Their Sustainability will be in question as all major management companies have started posting losses. Funding freeze and equity capital is making things tough of hotel operators / management companies. (8)

(15)

## 8. THE WAY FORWARD:

Consumer's behaviour will change gradually from traditional consumer behaviours due to pandemic and drastic changes in tradition briefs of consumers and more reliance of technology and digital economy. Ecommerce in travel and hospitality will be becoming increasingly important for businesses and individual travellers due to social distancing practices, Revised service protocol and SOPs were laid in travel trade and hospitality to assure guests using these facilities about good hygiene's processes post covid.

The next 6 months are will be extremely tough for business. Business with deep capilals and social reputations / guest experiences might survive this financial tsunami.

Hotel operators in non-branded space operators who manage to survive and continue on this journey should train in :

- \* Revoke act of God for the duration of the lockdown and re-negotiate rental or lease contracts with property owners for next 6 months
- \* Salaries to be re-worked and pending leaves to be exhausted. Furlough to be determined in ambit of law to sustain costs and save equity for next few months.
- \* Expenses should be rationalised and reviewed microscopely. Hotels and restaurants should work on new operating models to sustain.
- \* Overall experience of guests during stay should be increased to superlative levels for better guest loyalty once Covid fear is over.
- \* Utilise social media channels and emails to implement this. Digitally aggressive approach should be implemented
- \* Commissions with various OTAs like Agoda, MakeMyTrip, Yatra, Booking.com etc to be renegotiated and business model to be reviewed. (8)
- \* Insurance policies should retweeted with major disasters clauses like Covid19 , personal travel policies of guests should be encouraged by booking agents and lodging companies. (16)
- \* Length of stays will reduce and it'll reduce revenue streams, since cooperates will conserve capital by reducing travel costs, stay expenses, other misc. business expenses.
- \* A Potent and effective leader to assure its teams about this stressful time will be over to make positive impact on your team. (9)

## 9. FUTURE TRAVEL AND HOSPITALITY CHANGES POST COVID 19 (5)

The travel & hospitality business is closed for last 52 days due to prolonged lockdowns, and country with sealed borders state and district wise. No trains, Buses, interstate travel, no inbound or out bound, quite airports, Flights grounded with docked cruise ships. Social like at standstill with closed Hotels, Restaurants, Malls, Bars and Pubs. are shut. Restaurants, Malls and clubs may open with Social distancing as new lifestyle mantra

No holiday planning, only short drivable distance trips will be planned post opening of lockdown. India's Inbound was 10.5 million last year; out of which 5 million NRIs travelled back home to be with their near ones; 1.8 billion Indians trips were made with in country for Leisure, social connect, and holidays; 26 million was out bound travel from India. Initial research should that outbound chunk will covert to domestic luxury once appropriate vaccination for covid 19 is found.

India's estimated 15,000 adventure companies, 53,000 travel agents, 115,000 tour operators, will be aggressively selling Incredible India and five lakh restaurants will support them.

### 9.1. New business trends in near future:

- \* Countries border should be kept sealed for next few months, with will give boost to domestic travel and dollar conversion / airlines will be expensive to travel abroad.
- \* As per research by global agency Sewells. 66% of business entities worldwide have set targets to roll back their volume of internal travel. 60% of entities have targets to cancel trips to suppliers. 66% of entities have targets to lower the amount of journeys to clients. 65% of entities consider video conferencing as a viable alternative to business travel. Business travel will take major hit and only FMCG / Consumable / service sector travel will begin first.
- \* IPL, Wimbledon , Google I/O, ITB Berlin, NBA, Various Motor shows, festivals, seminars, symposiums, conventions and EXPOs being cancelled or postponed. Hence MICE, Groups, FIT business to participate in these events will experience yearlong coma stage.
- \* Mega events will be replaced by boutique events as big events will be non-attractive. With major infra boost done by Govt, MSME will organize small teaser product showcase and may culminate in new set of Expo business. The flagship events of 2020 were surely the Olympics in Tokyo and the Expo in Dubai. Both got rescheduled by a year later with the hope of us limping back to normalcy by March – August 2021.
- \* 7.53 lac Indian students were studying in universities abroad in 2019 with number on verge of 8 lac this year. 50% of students will postpone international education this year, will culminate in better admission rate in universities and Hostels will be given for lease to hotel operators for better management due to Covid 19 pandemic and required hygiene levels.
- \* People working in Gulf countries are returning back due to job losses, and also in India reverse migration, It may culminate in enhanced activities in F& B Space from cash rich NRIs and also small business creations specially F & B or Homestays back home.
- \* Gods place of worships are closed, hence religious tourism will drop. Mass gatherings being avoided with administrative directions due to Covid19. Post vaccination It can be major tourism boost areas for mid aged / elderly people.
- \* Mature' travelers, retirees, will be staying home for precautionary reasons for next 2 years. This segment of travel will be in coma for premium / luxury travel entities and hotels.
- \* Destination weddings may suffer a major setback. International wedding destinations will be strict no for Indian Rich due to safety and heavy costing reasons. Destinations in drivable distance of hills will be preferred like Udaipur, Shimla, Theog, Nainital, Ooty, Munnar etc.
- \* Study tours by schools will dry, impacting occupancy in lean time and also other logistic related entities who arrange travel on tours.
- \* AirBnB accommodations, and homestays, Nature retreat and palaces will be consumed in local travels. Remote locations like Naval Garh, Madawa, Theog, Binsar, Jageshwar will devour in travel chart f domestic travelers.
- \* Air Travel will become dearer due to social distancing and high hygiene standards and operating norms. In fact, travel insurance will get costlier too. Cabin baggage for few months will not be allowed. Luxury Buses will need to keep seat vacant and increase travel charges and other costs.
- \* Luxury hotels may become affordable for FY 2021 due to low occupancy, and lower ADRs
- \* This year will be for bankruptcy of cruises operators low travel ratio due to Covid19 pandemic. Cruise line will have sustainability issues.
- \* 'Hometown' tripping will give boost to segment. People will connect with families and explore areas near their hometowns, Unexplored segment.
- \* Banqueting will face challenge due to social distancing. Wedding will be smaller and boutique and conference will be slow gear. Restaurants will be no buffet for a few time, till cure is found. Clubs and PUBs will not agree to take higher capacities due to social distancing norms. Food & Beverage consumption will be impacted. Chinese and pan Asian will be no for food ravelers for next 12 months. Non Veg food consumption will reduce. This can be established on initial market sentiment.
- \* Customers will be having more options with freebees like cancellation, advance, change other policies will be relaxed. Amenities in hotel rooms or travel kits will increase to entice guests.

## 8.2. The 5 key points in the overall travel scenario:

- Safety
- Health
- Hygiene
- Brands
- Value (17)

## REFERENCES

- (1) <https://yourstory.com/2019/12/ecommerce-outlook-2020-india-travel-startups-oyo-recykal>
- (2) The outbreak of COVID-19 An overview -Wu, Yi-Chia; Chen, Ching-Sunga; Chan, Yu-Jiuna (20).
- (3) Dr Charles Young Editor in Chief International Journal of Clinical Practice
- (4) <https://www.ecdc.europa.eu/en/publications-data/download-todays-data-geographic-distribution-covid-19-cases-worldwide>
- (5) <https://www.outlookindia.com/outlooktraveller/explore/story/70362/experts-share-insights-on-the-effects-of-coronavirus-on-the-tourism-industry> by Rupali Dean
- (6) <https://theprint.in/economy/this-is-what-happens-to-the-worlds-planes-when-they-cant-fly-for-weeks/403525/> This is what happens to the world's planes when they can't fly for weeks ANURAG KOTOKY, DAVID STRINGER and RAGINI SAXENA
- (7) [https://www.icao.int/sustainability/Documents/COVID-19/ICAO\\_Coronavirus\\_Econ\\_Impact.pdf](https://www.icao.int/sustainability/Documents/COVID-19/ICAO_Coronavirus_Econ_Impact.pdf) International Civil Aviation Organization
- (8) <http://bwhotelier.businessworld.in/article/Impact-of-Covid-19-on-Independent-Budget-Hotel-Industry-in-India/25-04-2020-190282/> by , Vatsal Jain Prateek Jain Impact of Covid-19 on Independent/Budget Hotel Industry in India
- (9) <https://www.hlb.global/covid-19-implications-on-the-hospitality-industry/> By Lena Combs, HLB USA
- (10) <https://str.com/data-insights-blog/covid-19-india-hotel-performance-impact> COVID-19: India hotel performance impact
- (11) Covid casts pall on all segments of Indian aviation by Rhik Kundu <https://www.livemint.com/news/india/covid-casts-pall-on-all-segments-of-indian-aviation-11587907822055.html>
- (12) The impact of COVID-19 on the Hospitality Sector [http://timesofindia.indiatimes.com/articleshow/75290137.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst/articleshow/75290137.cms](http://timesofindia.indiatimes.com/articleshow/75290137.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst/articleshow/75290137.cms)
- (13) Confronting the COVID-19 challenge? Evolve your #marketingstrategy and develop #resilience for future tough times and pave your way to success over the next 5 years. #hotelmartin (140520)
- (14) <https://www.statista.com/outlook/374/119/online-food-delivery/india>
- (15) [HVS%20ANAROCK\\_General%20Manager's%20Sentiment%20Survey\\_Outlook\\_2020.pdf](https://www.hvs.com/ANAROCK_General%20Manager's%20Sentiment%20Survey_Outlook_2020.pdf)
- (16) <https://www.withum.com/resources/covid-19-business-interruption-losses/> COVID-19: Business Interruption Losses By Jessica Hollobaugh Giresi
- (17) <https://brandequity.economictimes.indiatimes.com/news/business-of-brands/future-shock-25-travel-tourism-trends-post-covid-19/75463449> FUTURE SHOCK: 25 travel & tourism trends post COVID 19 by Sandeep Goyal