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# IMPACT OF COVID-19 ON THE RECREATIONAL, HOTEL AND RESTAURANT BUSINESS

As the effects of COVID-19 spread across the entire world, the primary focus for governments and businesses is the safety of their people. Whilst this focus will continue, the implications for economic growth and corporate profits have to lead to a sharp sell-off in equity markets across the globe. Hospitality and recreation clients, being the first ones that experienced the extreme bad weather conditions, are moving quickly and remain focussed to understand and quantify the operational and financial impact for their business.

The aim of the theses is to highlight the impact of COVID-19 on the recreational sphere and accordingly hotel and restaurant business.

The impact of coronavirus pandemic is huge, and not yet predictable, on both revenue and supply chains. Decisions being taken to shut down hotels, restaurants, theme parks, cinemas, not to mention the entire disruptive effect of the travel ecosystem, all have a significant impact on worldwide tourism. As a team, operators and investors are trying to mitigate the cash and working capital issues, and stay in close contact with their stakeholders [1].

Clearly, the impact of COVID-19 on the travel and recreation, and eventually, the hotel industry is as deadly as the virus. Air travel, transportation, and borders are shut. Bookings have been cancelled, people

are continuously asking for a refund and there are no new bookings currently. Also, most of them have postponed their travel plans or are not even thinking about going anywhere for now.

But as it is rightly said, "Success always lies on the other side of the shore." So, even if the worst hits you now; stay calm to witness an enriching scenario ahead.

What should hotels do to survive COVID-19? Economies are going down, people might lose their jobs, businesses might close down and the list of consequences is endless.

So, to cope up with it, below are a few survival tips that one can take: implement cost control (1); adopt technology and automation (2); focus on staff training (3); work on property's reputation (4); make premises hygienic (5) [2].

Several key solutions for hospitality are helping organizations address challenges specific to our current situation. For hotel property management systems, for instance, developments such as mobile reservations, self-managed upgrades, and the use of mobile devices as room keys supports a "high-tech not high-touch" approach to contactless guest experiences. It supports mobile-based functionality to benefit housekeeping and maintenance staff, centralizing vital activities and empowering service staff with greater visibility of timelines, schedules, and activities. Enabled by cloud PMS, hotels can respond more intelligently and prioritize tasks to ensure strict cleaning regimens are executed consistently.

Why is it important for hotels to focus on business after COVID-19? In the current situation, the most important thing is to "survive" and if you are able to do so, you have achieved your milestone of success. Moreover, it is also not a hidden fact that once this gets better, it is going to be even more difficult for you to attract guests to your property again. Thus, by the time this pandemic recedes; make sure you are well prepared to have your business back on track [3].

So, the novel coronavirus has dealt a decisive blow to the restaurant business, be it in the current times or in the future to come.

Social distancing norms of gaps between tables and between diners on the same tables will result in cutting down the seating capacity of a restaurant by approx 70%. This would mean that an outlet which was initially perhaps a 100 pax would come down to 40 pax or maybe even

30 pax. Needless to say, the fixed costs of the business will now have to be recovered from a much smaller bandwidth of bills and that will reflect in higher pricing.

Not to mention the constantly mounting expenses of rent, electricity charges, water charges, taxes etc. have not reduced leading to denting deep holes in restaurant already very dry pockets. This industry is specialised labour dependent and intensive. It takes years to fine-tune cooking skills and maintaining taste requires us to keep attrition of labour to low levels as possible. With the prevailing fear psychosis and in the present scenario with migrant labour and skilled workers having returned to their hometowns, it is going to be a challenge to find new people and train them up to match the standards established over years [4].

The cost of operating the business with 30% seating capacity and without a reduced infrastructure cost is going to make this business completely unviable and not sustainable. The fear built due to the pandemic will surely witness reduced footfalls and increase in losses, are going to continue to mount.

*Key words:* COVID-19, recreation sphere, hotel and restaurant business, impact.

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