Marketing Strategies for The Tourism and Hospitality Sector During and After Covid-19

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Abstract- The hospitality and tourism sector is one of the biggest service sectors around the world contributing $8.9 trillion to the global economy. In India, the Indian government takes initiatives to promote the hospitality and tourism sector which helps in the growth of the economy. Communication strategies and techniques are used by the tourism sector to promote areas and destinations. Accommodations, transportation, travel agencies, airlines, food beverages, etc. all services are included in the hospitality sectors. Every sector uses marketing strategy for the economic growth of the country, many marketing strategies have been implemented by hotel industries to fulfill consumers' needs and provide satisfaction and enhance their experience during their trip. The COVID-19 health crisis has disrupted all sectors, the hospitality sector is one of the most affected sectors by this pandemic. The COVID-19 pandemic has raised issues related to hygiene food and cleanliness and safety standards. In this chapter, we shall discuss the initiatives taken by the government and marketing strategies that can adapt by hotel businesses after the pandemic to revive and boost the sector’s growth. Digital marketing makes the hotel industry more successful with the use of mobile and the internet. The technologies and AI applications like- chatbots, virtual assistants, facial and voice recognition systems, etc. are major concerning applications for hotels that affect economic growth and also help to satisfy consumers’ needs. AI is used by hoteliers to maintain social distancing and a safe environment for consumers and provide quick services to consumers. So, now in the present scenario, in the hospitality industry, AI is helping a lot and also contributing to fulfilling consumers’ desires.

Index Terms- Hospitality and tourism, marketing strategies, tourism crisis, and Covid-19.

1. INTRODUCTION

All over the world tourism is a vital social activity for humans. Tourism means the activities of people who travel and stay outside of their houses for business, entertainment, exploration, gaining new knowledge, and enjoying the nature and culture of different countries. The hospitality and tourism sector is the biggest service sector worldwide contributing 10% to the world’s GDP. The tourism sector is used marketing strategies to attract consumers and promote their services for economic growth but crises like terrorist attacks and health crisis make a negative impact on the tourism industry [1]. The tourism crisis means internal factors like wrong policies and external factors like terrorist attacks and natural disasters that negatively affect the tourism sector and marketing strategies of the sector also. Due to the crisis, tourists change their travel plans and cancel their reservations at hotels for example 60% of reservations were canceled in 2001 after the twin towers terrorists attack in the US on 11th September 2001. In 2020, the Covid-19 pandemic affected the tourism sector with the number of tourists falling by 440 million people and a loss of 460 billion US dollars [2].

Effective marketing strategies are essential for the development of the hospitality and tourism sectors. Marketing strategies depend on the situation, different situations have to need different marketing strategies. During the crisis, it becomes important for the tourism industry to revisit its marketing strategies. Political and economic environment and technology affect marketing strategies [3]. Due to covid-19 health crisis, now while making traveling plans, tourists focus on health facilities that are provided by hotels during their travel trips. After the covid-19 pandemic, effective technologies have been adopted by hotels to facilitate the tourist’s needs and also carefully followed the restrictions of covid-19 like social distancing and providing health care facilities, etc. The use of AI applications in the hotel industry has changed the way of business and its helpful for the industry’s growth [4].

2. HOSPITALITY AND TOURISM IN INDIA

Tourism means the movement of people and hospitality means welcoming visitors or guests and providing them with services. The tourism industry never produced products, it provides services to consumers and makes them satisfied. It includes all the services like the hotel, food, transport, and tour guide [5]. The hospitality and tourism industry is considered one of the largest service sectors for the country’s economic growth in India. India is known for its rich cultural and heritage site tourism. According to World Travel and Tourism Council (WTTC), before the covid-19 pandemic, 6.8% was the contribution of the tourism sector to the national GDP and supported 39 million job opportunities which were 8% of the total employment during 2020 [6].

The Indian government has launched a marketing campaign for the development and growth of the travel and tourism sector. In 2002, “The Incredible India” or “Atulya Bharat” was launched by the Indian government. India’s rich culture, festivals, history, heritage sites, beaches, mountains, hill stations, religions, wildlife and forests, Ayurveda, and yoga attract foreign tourists. It provides all types of tourism like cultural, sports, science, heritage, and medical tourism, etc. In August 2022, according to
provisional data 498243 foreign tourists arrived in India. Indian handicrafts like jewelry, carpets, and leather goods are the shopping items that are purchased by tourists [7].

3. IMPACT OF TOURISM IN INDIA
   ➢ Increasing the employment opportunities
   ➢ Enhancing foreign exchange earning
   ➢ Encourage technology development and provide better infrastructure
   ➢ Promoting peace and stability.

4. INDIAN GOVERNMENT INITIATIVES TO PROMOTE THE TOURISM AND HOSPITALITY SECTOR
   ➢ To promote domestic tourism government supported UDAN (Ude Desh ka Aam Nagrik) scheme through an economical air travel fair
   ➢ Participate in international tourism and travel fair and exhibition
   ➢ Launched e-visa to 44 countries’ citizens to promote FTAs in 2014
   ➢ Reduction of GST on hotel products
   ➢ Many webinars are organized by the ministry of tourism to promote the Indian culture
   ➢ Under Swadesh Darshan Scheme, the ministry of tourism for the development of sectors’ infrastructure sanctioned 76 projects for 5399.15 crores in August 2022 [6] [8].

5. MARKETING STRATEGIES
   A marketing strategy is a creative activity and idea or overall plan of business to respond to challenges, achieving potential buyers and turning them into customers of their products and services and increase the effectiveness of the business. Marketing strategies are essential for the promotion and growth of every sector, with no exception for the tourism industry. Tourism businesses need marketing to compete with competitors and for the promotion of brand images and profit maximization. Marketing strategies depend on the budget of business firms [9] [7]. The marketing strategy requires flexibility who respond according to the changes in consumers’ buying behavior and satisfy their needs and be able to identify a new market segment and successfully target the segment. To implement strategic marketing in every service sector as well as the tourism sector, the three important steps are as follows- planning, implementing, and controlling. These steps include so many activities. Planning includes Understanding the market needs and setting future goals, SWOT analysis, etc., and Controlling means monitoring the outcome of the strategy [10] [9].

In today’s era, some tourism businesses are adopted digital marketing strategies. Digital marketing means promoting the business through the internet. People use social media like Instagram, Facebook, Twitter, etc. Tourism businesses are used these social media platforms for business purposes and advertisement. Tourists purchase tourism services through the internet with one click and can compare the services with other businesses all over the world. Electronics activities like strong social media presence, better quality websites, good search optimization, email marketing, content and mobile friendly, etc. involve digital marketing [11].

There are 4Ps in marketing strategies that are product, price, place, and promotion. It is also known as a marketing- mix. The marketing strategies that can implement in the hotel industry are- undifferentiated marketing strategy, differentiated strategy, and concentrated marketing strategy.

   ➢ Undifferentiated Marketing Strategy: According to this strategy company focus on the entire audience, not on the different market segment. In long term, it is a cost-effective strategy. In this case, the hotels want to attract potential consumers who don’t have any special requirements for accommodation. This strategy isn’t effective in a competitive environment causes it can’t properly satisfy consumer needs.

   ➢ Differentiated Marketing Strategy: In this strategy, the company focuses on one or a few market segments that provide the best opportunities for them. Each segment has similar characteristics and is different from others and targeted each segment with special offers. It is best if companies want to connect consumers with their brands. In this case, the hotel offers a specific hotel product to each targeted group that has any kind of special requirement.

   ➢ Concentrated Marketing Strategy: It occurs when a company focuses on a particular market segment. It is cost-effective for small and medium size hotel businesses that are newly established their business and don’t have adequate infrastructure or technology [12] [13].

   Needs
   ➢ To compete with competitors
   ➢ For the growth of business
   ➢ For-profit maximization
   ➢ To promote the brand image
   ➢ For better customer satisfaction.

6. MILESTONE STRATEGY
   ➢ Findings Of Consumer Requirements: Many things can fascinate the consumer for buying, so it’s the role of the marketer to find out what factors attract the consumer while choosing hotel services. Consumers look at many factors from location to facilities, so companies have to be sure they provide what consumers desire. Marketers can collect information regarding consumer behavior through websites.
business, The environmental factors influence the business performance [14].

➢ Competitors: Competitors are one of the external factors that affect the business strategy. Competitor means a company that competes with another to sell similar goods or services to potential consumers and wants to satisfy their needs. It not only offered similar products or services but has similar prices also. Competition is necessary for a free market economy [15].

➢ Political Environment: The political environment means the laws or government policies that affect business strategies. Government policies also influence the economic and social environment of business. It includes lack of political stability, corruption, taxation, foreign trade regulations, etc. which are the obstacles to business strategy [17].

➢ Technology: In today’s era, technology is the most important for business success. It also affects the business strategy. With the development of technology, the way of business has changed like e-commerce. In marketing, companies have used the internet and social media platform for promotion. Technology is useful for companies to improve their products and services [18].

➢ Internal Environment of Company: Internal environment refers to the company’s strengths and weaknesses that affect the business strategies. The strengths of a company are defined by internal sources of the company like brand name, trustworthy image, better infrastructure that helps the company to be successful, and weaknesses of the company that negatively affect the company. Weakness denotes obstacles for the company that influence its performance like weak brand, and lack of capital. The company’s opportunities and threats also affect the business strategy [1] [19].

8. COVID-19 AND ITS IMPACT ON TOURISM SECTOR

In December 2019, coronavirus (covid-19) first emerged in Wuhan, China, and spread all over the world in 2020. The world health organization declared the health emergency pandemic on 11th March 2020. Then every country has imposed restrictions like the travel ban, lockdowns, etc, and advised their citizens to make self-isolation, maintain social distancing, wear masks and wash their hands. Covid-19 affected 213 countries and seemed 6 million positive cases worldwide till May 2020 [20]. This covid pandemic affected the world’s global economy and tourism sector also. In 2020, the contribution of the travel and tourism sector was 5.3% to the global GDP and that contribution was 10.3% during 2019, the share decreased due to the covid pandemic [21], and worldwide 62 million job opportunities were lost. Table 1 shows the contribution of the travel and tourism sector to GDP worldwide [22]:

<table>
<thead>
<tr>
<th>Years</th>
<th>Contribution to GDP in billions of US $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>9630</td>
</tr>
<tr>
<td>2020</td>
<td>4775</td>
</tr>
<tr>
<td>2021</td>
<td>5812</td>
</tr>
</tbody>
</table>

In India, on 24th March 2020, the government imposed a complete lockdown and put restrictions on the entry of foreign tourists. Table 2 shows the contribution of the travel and tourism sector to the national GDP of India [23]:

<table>
<thead>
<tr>
<th>Years</th>
<th>Contribution to GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>7%</td>
</tr>
<tr>
<td>2020</td>
<td>4.3%</td>
</tr>
<tr>
<td>2021</td>
<td>5.8%</td>
</tr>
</tbody>
</table>

The contribution shares to GDP decreased in 2020 because of the pandemic outbreak. It has affected job opportunities and FTAs in the tourism sector. According to the WTTC, the Indian travel and tourism sector provided nearly 40 million jobs to people in...
2019, but 21.5 million jobs were lost during the covid-19 pandemic [6]. Cause of the pandemic, the 24.7 lakhs FTAs (foreign tourist arrivals) dropped down, and according to 2019, it decreased by almost 75% [24].

9. MARKETING STRATEGIES DURING CRISIS

While selecting a marketing strategy, managers must consider all the business factors such as the external and internal environmental factors of the tourism industry, and then implement them according to the strategy [2]. The hotel businesses can use the following marketing strategies during the crisis:

➢ **Development Strategy:** Every business aims to earn more profit it’s only possible with the growth or development of the company. This method is used by companies to expand their business through diversification, create new products and markets, attract more consumers with the help of promotion, acquisition, and mergers, etc [25].

➢ **Customer Acquisition Strategy:** Customer acquisition means all the activities that attract new customers and influence them to buy the product or services. In this strategy companies find out the potential consumers, set the objectives, select the way to attract them like through social media, communicate with them, and monitor the strategy result. In this case, hotel businesses can reduce the cost of product quantity and quality to attract the consumer [26] [27].

➢ **Product Life Cycle Strategy:** Every product or service has four phases of life- starting or introduction phase, development, maturity, and decline phase. Companies can use various strategies in every phase [28].

➢ **Market Share Strategy:** Company’s success or profitability depends on the market share. Market share strategy includes all the activities that help to increase the market shares of the companies like innovation, loyal customers, better infrastructure, mergers, partnerships, and acquisitions [29].

➢ **Competitive Strategy:** This strategy is necessary for businesses to compete with their competitors. With the help of this strategy, businesses can make better decisions regarding products and enhance product quality with consumer reviews [30].

10. MARKETING STRATEGIES DURING AND AFTER COVID-19 PANDEMIC

There is the endless impact of covid-19 and its restrictions on the tourism and hospitality industry and it has disrupted the work or affairs of hotels. After the covid-19 public health crisis, hotel businesses need to boost tourist confidence, it’s only possible if they have effective strategies. To cope with covid outbreak, hotel businesses have adopted many marketing strategies that are as follows:

➢ **Health and Healthcare Facilities:** Since the covid-19 outbreak, people have started to focus on their physical and mental health well-being. It became post covid theme for the hotelier to provide guests with a healthier lifestyle. In today’s time, while making traveling trips people concentrate on their health facilities because they want to relax and be happy and don’t want to skip their daily routine during their trip [31], so many hotels invest in wellness and fitness offers like yoga and gym lessons, meditation program, healthy diet program, Spas and sleep hygiene program, etc. that attract the consumers to stay in the hotel. Due to the covid-19 pandemic, hotels that provide medical facilities have become the priority of travelers. Hotels are using technology to fulfill the consumer’s needs and enhance their experiences like the use of air purifiers in rooms that kill bacteria and viruses and maintain the freshness of rooms and slow music and red or blue lighting that helps consumers to get quality sleep [32]. After the covid-19, people have known the value of nature and the ecosystem, so eco-tourism and slow tourism have become more popular with tourists. Healthcare facilities of hotels now influence tourists’ decisions when they select accommodations during their stay [4].

➢ **Minimize Human-to-Human Contact with Robotics and Artificial Intelligence (AI):** In recent times, AI technology has been used by hoteliers for the sector’s recovery post-covid-19 and to provide services to consumers and satisfy their needs without any physical contact with them. During the covid-19, the virus was spreading all over the world from person to person with contacts, so to maintain social distancing from guests to employees and from employees to employees, some hoteliers adopted AI robots which are machines that used computer programs. The adoption of AI robots was the best technique of prevention against covid-19 and now it has become the post-covid-19 trend in hotel management and marketing. Now, many more hotels are still following AI-based systems like chatbots, smart electronic keys, smart rooms, virtual assistants, facial recognition check-in systems instead of keys, automatic data processing, etc [33] [4]. AI helps the hotel industry to improve the consumer experience, and increase the hotel revenue and its brand image. The work of receptionists, informationists and many room services like cleaning, delivery, interaction with guests, etc. are hotel services that are done by robots. Humans’ work has been replaced by robots that’s why many people have lost their jobs due to robotics automation [33]. Some factors such as the development of technology and the hospitality sector, government funding, capital, and abilities to adapt the technology, etc. can affect the development of robotics and AI in the hotel industry. The chatbots help hotels to interact with guests, answer consumers’ queries, and provide better consumer services. The voice-controlled room system technology means voice-enabled applications like Amazon’s Alexa, Apple’s Siri, etc. in rooms that assist consumers, It’s the best way to treat the client [34]. Many more technologies like sensors such as smoke detector sensors that protect from fire, and photo sensors in hotels are helpful for consumer safety [33].

➢ **Hygienic Food:** Many hotels are now focusing on hygienic food and immunity booster foods to attract consumers with health benefits. Immunity booster food is necessary for every person to fight viruses and bacteria. According to World Health Organization (WHO), 1 out of 10 people fall ill because of unsafe food, which is almost 600 million people, and 420000 people die annually [35]. Hotels are invested in kitchen areas and hotel premises for food safety and hygiene, such as providing adequate facilities to staff who works in kitchen areas, and handling and storage of food- washrooms and handwashing facilities, lighting system, changing rooms facilities, drainage facilities in kitchen or washroom, etc. In the kitchen area walls, doors, windows, and ceilings all are considered by hotels for hygiene and safety. The hotels are also focused on staff personal hygiene, like providing regulations and training to the staff who work in food handling areas [36]. In India, many hotels are offered sugar-free dessert and...
immunity booster laddus and drinks or soups to consumers and which increases the immunity system and make them healthy [37].

- **Digital Marketing**: During the covid-19 pandemic, people spent more time on mobile phones to access interactive content. According to the tech solution’s estimate, daily internet traffic increased by as much as 30% in 2020. People were too attached to their mobiles so hoteliers didn’t let go away that opportunities that’s why they have adopted social media platforms to interact with consumers. Social media platforms like YouTube, Facebook, Instagram, Twitter, LinkedIn, etc. are used by a hotelier for advertising and promoting their brand image and product and services like breakfast, lunch, and dinner buffets, rooms, spas, fitness facilities, and many more services. A video is also an effective tool for digital marketing, the hotelier can make a video of the facilities that they provide to consumers and upload it on the hotel’s website, it’s useful to attract consumers and increase the quality of the hotel website [3]. Digital marketing has changed the way of marketing through the use of mobile, internet, and social media. In today’s times, the no. of bookings or reservations of hotels by smartphones is increased. In the competition era, it’s the best strategy to compete with competitors because it’s helpful to keep their consumers loyal by providing better quality services and enhancing their experience during the trip [38]. Some factors that affect digital marketing are- the infrastructure of the hotel industry and advancement of technology, budget, political and social environment, service facilities, etc. [11].

- **Hygiene and Safety Cleanliness**: Hygiene and cleanliness of hotels have become vital for consumers’ satisfaction after the covid-19 health crisis. During the covid-19 pandemic, every hotel followed the government restrictions against the protection of covid-19 and sanitized the hotel properties, and on the hotel website, they uploaded the protection protocols for consumers to maintain a safe environment for guests and employees. Now hotels are using cleaning robots which have sensor systems and with the help of sensors, robots can measure the quality of the air in hotels and check the dust level. Hotels also use air purifiers for the freshness and cleanliness of hotels and guestrooms. The cleanliness of the rooms in hotels is the core aspect of brand image. Hotels’ cleanliness standards influence the consumer’s choice and satisfaction and loyalty, so hoteliers ensure effective cleaning for consumer health and safety. Hotels are used a disinfection tunnel system to sanitize the customers at the entry gate, before entering the hotel. Hotels are adopting AI technology to ensure contactless services for safety and cleanliness like QR codes for payment, a facial recognition check-in system instead of the key card, a holographic system for ordering, and also used in elevators to avoid the touch, AI robots provide quick services to consumers [39]. Some other approaches are- communication with consumers and offering them different kinds of travel packages with proper safety procedures, the campaign to promote tourism, etc. also helpful for the hotels to rebuild their business after the covid-19 [37].

11. CONCLUSION

The hospitality and tourism sector is one of the largest service sectors that has a higher contribution to the global economy. Tourism crises such as natural disasters, terrorism, and health crisis affect the global tourism sector but the covid-19 outbreak has disrupted the travel and tourism sector survival. Here we can see the variations in the contribution of the Indian tourism sector to GDP was 7 in 2019 to 4.3% during 2020, which decreased due to the pandemic. For the development of this sector, businesses have been using internet services and social media platforms in recent times. Government rules and regulations, taxation, demand, supply, etc. are the business environmental factors that affect business strategies. Companies can’t control the external factors that are influenced the business decision-making process. The Indian government has started the “ATULYA BHARAT” campaign for the development of the travel and tourism sector. This campaign aims to attract foreign tourists to India. The Indian government also takes initiatives to promote the sector. Indian travel and tourism sector provided millions of jobs to people and FTAs also increased during 2019 but these are fallen due to the pandemic. In this Manuscript we have also discussed marketing strategies that have been used by the hotel industry during the period of crisis and after the covid-19 pandemic. Robotics and AI applications like chatbots, smart rooms with voice-enabled devices, electronic keys, AI robots, etc. are the most useful strategy for the growth of hotel businesses and for maintaining social distancing and satisfying consumers’ needs during the period of the covid-19 health crisis. To cope with covid outbreak, digital marketing and hygiene and healthcare facilities have been adopted by hoteliers for promotion and successful operations.

REFERENCES:


