An assessment of crisis management techniques in hotels in London and Stockholm as response to COVID-19’s economic impact

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Abstract

Purpose – The purpose of this study is to gain a deeper understanding on if and how hotel senior managers (HSMs) in four-star chain hotels in London and Stockholm implemented crisis management techniques (CMTs) as a response to the economic impacts of the COVID-19 pandemic in 2020.

Design/methodology/approach – Qualitative questionnaires were sent to 30 HSMs in London and Stockholm. From the feedback, this paper assesses, using thematic analysis, differences in CMTs used, past and present, alluding to COVID-19’s economic impacts on hotels.

Findings – Results determined that crises broadly economically impacted destinations similarly through loss of travellers and thus revenue. However, with a more intricate and specific assessment, destinations are impacted differently; thus, CMTs must alter. Findings show many CMTs can be implemented to reduce crises’ economic impacts. The literature review and empirical results allude to many previous and current CMTs, although these must be relevant and specific to the crisis, hotel and/or destination.

Practical implications – This paper has theoretical implications for academics on, among other things, theory building. Practically, it supports hotels in developing and determining CMTs to reduce the economic impacts of crises, to be better prepared when another pandemic emerges and contributes to the tourism and hospitality industry’s knowledge of management strategy within crises.

Originality/value – To the best of the authors’ knowledge, this is the first Swedish study focusing on post-COVID-19 crisis management in hotels in London and Stockholm.

Keywords Hotel management, London, Stockholm, Pandemic, COVID-19, Crisis management techniques, Economic impact

Paper type Research paper

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Introduction
Tourism contributes 10% gross domestic product (GDP) to the world economy (WTTC, 2021), and in 2019, it accounted for 1.5 billion tourists globally (UNWTO, 2021a). However, on 30 January 2020, the World Health Organization declared the COVID-19 outbreak a global health emergency, and with that the tourism and hospitality industry descended into one of its greatest ever crises that financially crippled the industry. By the 20 April 2020, 100% of global travel destinations had introduced travel restrictions, resulting in the year 2020 ending in one billion fewer international travellers (UNWTO, 2021a, 2021b). Two international destinations, London and Stockholm, both showed a dramatic decrease in guest overnight stays in 2020 – in some months a decrease of up to 80% compared to 2019 (STR, 2021; SCB, 2021). There were predictions that international travel was not expected to recover to pre-COVID-19 levels until 2024 (UNWTO, 2021b). The impacts from COVID-19 have proved that crises can cause greater devastation to the travel and tourism industry than previous studies have indicated (Škare et al., 2021). The paper contributes to this research gap by identifying hotel strategies, or lack thereof, within an ongoing crisis, COVID-19, with suggestions on what crisis management techniques (CMTs) hotel senior managers (HSMs) can implement prior and during a crisis to limit economic impacts. Greater research is required within the COVID-19 pandemic as the decline in visitors globally produces less revenue for hotels, as many hotels are based on demand-based pricing (Denizci-Guillet and Chu, 2021). As crises are unforeseen (Baum and Hai, 2020) with differing impacts (Arbelo et al., 2021; Seraphin et al., 2018), this cements the necessity of this research into the CMTs HSMs are, or are not, implementing. Highlighting this will ensure that HSMs are better prepared (Bundy et al., 2017; Ritchie, 2004, 2009) for when a crisis arises, with contingency plans in place (Laws et al., 2007) to limit or eliminate a crisis’ economic impacts.

COVID-19’s impacts on the hotel industry have already been investigated by scholars in several countries (Bharwani and Mathews, 2021; Hao et al., 2020; Le and Phi, 2021) but not in Sweden or the UK. Hence, the purpose of this study is to assess and support HSMs in chain hotels in London and Stockholm during COVID-19, by identifying which, if any, CMTs were used to limit the economic impacts of the pandemic in 2020. Going forward, our aim is to support HSMs in identifying and implementing CMTs from previous results in this paper to limit the economic impacts of possible future crises. The choice of the two capital cities is justified by their differing size, locations, visitor type and tourism and hospitality industries, supporting a comparison of research. Secondly, it enables a comparison of the difference in governmental reactions to the pandemic, with London implementing more restrictive CMTs compared to Stockholm. To avoid bias in the research, the choice of hotels became four-star chain hotels. Thus, this study looks for answers to the following research questions in the ongoing global COVID-19 crisis:

RQ1. How can hotels implement CMTs to manage the economic impacts of crises?

RQ2. Can previous crises help to limit the economic impacts of crises in the future?

Literature review
Crisis management in tourism
Crisis management has been widely studied (Coombs, 2007; Mitroff et al., 1988; Pearson and Clair, 1998; Williams et al., 2017) demonstrating the abundance of events and vast knowledge of the subject. Defined by Selbst (1978) in Faulkner (2001, p. 136) crisis is “any action or failure to act that interferes with an (organisation’s) ongoing functions, objectives, its viability or survival, or that has a detrimental personal effect on its employees, clients or
constituents”, arguing that managing a crisis is essential to an organisation’s success. Crises are all different, with pandemics having a longer recovery time than economic crises (Rodríguez-Antón and Alonso-Almeida, 2020); thus, recovery strategies from previous crises can be different. Nonetheless, “there are a growing number of crises that impact upon tourism, and organisations need to think more strategically and proactively about the impact of potential crises” (Ritchie, 2009, p. 57). Kash and Darling (1998, p. 180) further state that “proactive planning helps managers to control and resolve a crisis. Ignoring the possibility of a crisis, on the other hand, could lead to a crisis taking a life of its own”. Therefore, the greater the crisis management involvement, the more successful a hotel can be, arguing that “the importance of pandemic planning is plain” (Keogh-Brown et al., 2010, p. 453). Inadequate knowledge on how to respond to a crisis has also been argued to have greater impacts on a hotel (Chien and Law, 2003).

Bundy et al. (2017) suggest that the impacts of crises can be managed and/or reduced prior to occurring with the implementation of a CMT based on greater communication between internal and external stakeholders. However, they state it is dependent upon the type of crisis, emphasising that the same CMTs cannot be implemented across all crises. Previous examples from a CMT of communication can be taken from the swine flu pandemic, where the UNWTO in 2009 outlined three key areas in which action could be taken to revive ailing tourism demand internationally: “resilience (in retaining and enhancing existing demand), stimulus (reviewing such policies as those governing taxation and visas to remove barriers to tourism), and the investment in the green economy (aiming to strengthen sustainable development)” (Page et al., 2011, p. 143). However, much of this example would not be successfully implemented in the COVID-19 pandemic, as restrictions to travel across countries reduced travel demand. This reinforces that implementing CMTs must be specific to the crisis and destination, and previously used CMTs cannot simply be reused to avert a new crisis. Although there is vast research on crisis management, many hotels encounter difficulties when implementing successful CMTs (Chan et al., 2021); however, many still survive, implementing CMTs as a reaction to a crisis.

Resilience, then, plays an integral part in companies surviving better, being impacted less and developing stronger techniques to manage crises or unforeseen impacts (Vogus and Sutcliffe, 2007). It is a company’s resilience to a threat that can often have a strong positive effect (Meyer, 1982) underpinned by planning and preparation (Smith and Elliott 2006). Organisation responses and adaptability of business strategies can then also lead to a successful response if managed and implemented correctly through planning (Brown et al., 2017), although Sitkin (1992) introduces a theory of “intelligent failure”, whereby a company can learn and progress from its failures and lack of planning. However, the company must be willing to learn, hereby suggesting that whilst some organisations may be impacted more than others from a lack of planning, it is never too late to introduce successful techniques. Shi et al.’s (2021) resilience model highlighted the adaptability of five-star hotels in China, with results determining that adjustments to strategy in sales, revenue and operations during difficult times brought about success. The results also showed measures of success were affected by location.

Giousmpasoglou et al. (2021) showed more than half of their research group of general managers (GMs) were confident in dealing with the consequences of the pandemic, showing strong signs of resilience. The importance of HSMS in managing a crisis is evident from Giousmpasoglou et al.’s (2021) research into the role GMs play in mitigating the COVID-19 crisis. Their results showed 43 out of 50 GMs had crisis management contingencies in place. However, their results also showed that only 2 out of 50 of GMs stated that previous experience of a crisis (SARS) helped to implement crisis management contingency plans. Notably, chain hotels were reported as having greater contingency plans in place to manage
crises, which raises questions as to the differences in organisation size and personnel (Gursoy and Chi, 2020; Rousaki and Alcott, 2007) with regard to the differences in approaches. McKinsey’s (2020) research further identifies differences in the recovery from crises, suggesting that budget hotels are faster to recover from economic crises whereas luxury hotels have the slowest return. This suggests that hotel impacts differ in their status, type of crisis and location as “epidemic outbreaks vary significantly between the type of disease outbreak and across world regions” (Skare et al., 2021, p. 2). This supports the idea that no crisis is the same and that planning and preparation may be more difficult than expected – as Uğur and Akbıyık (2020, p. 11) observe: “the magnitude of the consequences of COVID-19 is not comparable to previous crises”. This reiterates that CMTs must be adapted to the crisis and company in question.

Showcase of previous crisis management techniques
As the 2003 SARS outbreak was triggered by a coronavirus, comparisons of the impacts felt and CMTs implemented can be similar with COVID-19, often referred to as SARS-CoV-2 (WHO, 2020). Hung et al.’s (2018) research showed that during the SARS crisis in Hong Kong, “hygiene guidelines had been issued to all licensed hotels to encourage enhanced cleansing and improvement of hygiene” (p. 4); a similar CMT was implemented in the UK, where the National Health Service released hygiene guidance for the hospitality industry for COVID-19 (NHS, 2020). This coincides with Chan et al.’s (2021) research findings from interviews with 24 hotel managers in mainland China and Hong Kong, who consider the local governments’ health advice as the foundation when making operational decisions. Other similar measures, such as quarantining hotel guests to reduce the spread of infection, were implemented in 2003 with SARS (Hung et al., 2018) and to date with COVID-19 (Altuntaş and Gok, 2020), demonstrating similar CMTs but also that some economic impacts due to crises cannot be averted. Similar recovery CMTs post-SARS saw Chinese and Hong Kong hotels offer cost-saving incentives for consumers to return, with enhancements also in health and hygiene measures (Chien and Law, 2003), demonstrating national cross-border similarities in CMTs. Other examples saw the purposeful reduction in sales of accommodation to reduce the number of guests occupying a hotel at any one time (Henderson and Ng, 2004) to attract international visitors again through safety and security commitments. Likewise, initiatives in Toronto saw closed wings of hotels and discounted packages to encourage potential travellers (Tew et al., 2008).

Other previous crises have seen collaboration as a key feature in CMTs, through a coordinated response after the 9/11 attacks, with enhanced communication between airports and local governments pushing to reopen tourism safely again (Stafford et al., 2002). This also saw marketing strategies designed to target the relevant new consumer segments into staying (Taylor and Enz, 2002). However, marketing strategies can prove ineffective due to low customer demand (Lai and Wong, 2020). Post the global financial crisis, Alonso-Almeida and Bremer (2013) identified that Spanish hotels offered added value and flexibility to the customer with proactive strategies to identify new markets, such as domestic tourism, a similar strategy implemented post-9/11. The new initiatives implemented are a cause of success due to the collaborative effort among organisations, a fundamental function stated by Randhawa et al. (2016), with the recoveries highlighting a correlation between the type of crisis and the recovery strategy implemented.

Crisis management in hotels
Hotels, as a crucial part of the tourism industry, can be a critical component in the evolution of crises due to the large footfall of interacting travellers (Hung et al., 2018). Therefore, one
must recognise “that travel and tourism is both a contributor to disease spread and its economic consequences” (Gössling et al., 2020, p. 5). This reiterates tourism’s close relationship with crises and further emphasises the need for CMTs to be studied and implemented by hotels. A strategic and integrated approach to crisis management can help limit the potential impact of crises economically, environmentally and socially, locally and globally (Ritchie, 2009). Studies have shown that a lack of CMT implementation caused the Ebola crisis to hit Africa badly (Novelli et al., 2018). As “there have been several warnings that pandemics posed a major threat to society and tourism” (Gössling et al., 2020, p. 3), epitomised by the chaos theory (Faulkner, 2001) where crises can happen, it can be suggested that planning for the impact of a crisis on the hospitality industry is essential (Baum and Hai, 2020). Faulkner (2001) also discusses that crises can be further self-inflicted by inept management structures and practices or a failure to adapt to change; therefore, many scholars (Kash and Darling, 1998; Keogh-Brown et al., 2010; Ritchie, 2009) agree that proactive planning is essential to be better prepared to minimise impacts and risks. However, crises are all different (Rodríguez-Antón and Alonso-Almeida, 2020); thus, success strategies from previous crises can be different and therefore difficult to replicate and learn from.

However, “disasters can disrupt the supply and distribution chains for even the best prepared businesses” (Lee and Harrald, 1999, p. 184). This can discount theories of successful pre-crisis strategy implementation for hotels, emphasised where “good management can avoid crises to some degree but must equally incorporate strategies for coping with the unexpected event over which the organisation has little control” (Faulkner, 2001, p. 137). Therefore, “players in the tourism sector must conduct accurate risk analysis and develop appropriate crisis management policies to survive” (Uğur and Akbiyik, 2020, p. 11). Strategies must be flexible (PwC, 2020b; Sigala, 2020) and carefully, thoroughly and properly adapted in order for them to be successful across all stakeholders (Page et al., 2011; Rodríguez-Antón and Alonso-Almeida, 2020). However, preparing and planning for an unpredictable crisis can be difficult, costly, time-consuming and possibly insignificant (Uğur and Akbiyik, 2020). Crisis unawareness was evident in the PwC (2020a) UK Hotel 2020 Forecast report, with no mention of a crisis as a possible threat prior to 2020, highlighting difficulties in forecasting crises and thus implementing CMTs. The COVID-19 crisis has changed tourism; many airlines require face masks be worn on flights, with many destinations requesting proof of negative COVID-19 tests pre- and upon arrival, encompassing a change in consumer behaviour. With a tourist destination’s key focus being the ability to offer safety and security to its visitors (Amir et al., 2015; Ahmad et al., 2021; Volo, 2007), ensuring customers feel confident in booking and staying is vital. This reaffirms the necessity for hotels and tourism destinations to implement CMTs that address consumer fears regarding travel, as “high levels of uncertainty do not bode well for a rapid economic recovery” (Altig et al., 2020, p. 10).

New paradigm in hotel strategies
Although COVID-19’s impacts have been vast, it can allow hotels to reset tourism and revise it for the better (Nepal, 2020). “Crises are often seen as turning points and provide opportunities as well as threats” (Ritchie, 2009, p. 209) if hotels are flexible in their strategies, ultimately putting them in a stronger position to recover (PWC, 2020b). Andriotis’s (2018) degrowth theory in tourism suggests tourism organisations can continue to economically thrive with limiting impacts by reducing travel to an appropriate output relevant to the input. This model can benefit hotels that wish to maximise revenue by maximising occupancy, seen as uneconomic, unjust and ecologically unsustainable (Kallis et al., 2014). These hotels then become heavily economically impacted in crises due to travel restrictions and loss of travellers. Implementing degrowth theory can see a hotel maintain its revenue,
by targeting the right business segments whilst also reducing customers. This, then, may also lead to greater customer satisfaction, with more interaction between staff and customers due to increased free time, thereby increasing the ratings of that hotel and thus attracting more tourists. Results from Sun et al. (2022) on China’s hotels reflect this, showing that customers were more tolerant and inclined to pay more and give higher ratings after the pandemic. Recent studies are emerging from the research surrounding crises and COVID-19’s impacts on the hospitality industry. Many show an adaptation to hotel strategy, with Chan et al. (2021) highlighting the change in operations and customer service with technological advancements; Denizci-Guillet and Chu (2021) describing adaptations in revenue management priorities; and Lopes et al. (2021) showing a clear change in hotel workforces. However, noticeably revenue generation skills, strategies and techniques are rarely researched.

Methodology

As knowledge is “relative rather than absolute” (Patton, 2002, p. 93), this paper looks to develop suggestions for HSMs to limit the economic impacts of crises, not to completely eliminate them, distinguishing whether an economic impact is due to the crisis itself or the behavioural reaction to a crisis (Morton, 2006). It is within this gap, between the crisis and the economic impact on a hotel, that we seek knowledge. Looking past Quine’s (1990) physicalism theory where nothing happens that does not leave physical trails, this will allow greater analysis into CMTs (from behavioural questioning) to understand the impacts. A qualitative approach was used to gain an understanding on the HSMs’ human behaviours (Gelo et al., 2008; Silverman, 2010) allowing for an objective view, essential in an inductive assignment (Freeman, 2014). Topic questions were created by identifying a gap in the industry’s research (Alvesson and Sandberg, 2011), which focuses little on CMTs in hotels. The construction of questions is drawn from Locke and Golden-Biddle’s (1997) study, where the researcher problemises a topic to identify “opportunities for advancing knowledge about topics of investigative concern” (p. 1029).

Questions shown in the Appendix asked different topic questions based on “what”, investigating the respondent’s (Chin and Kayalvizhi, 2002) CMTs and economic impacts; “why” questions highlighted deep reasoning (Graesser and Person, 1994) behavioural techniques; “when” questions offered a discussion on previous impacts; and “how” questions offered future or past strategy initiatives (Chin and Brown, 2000). This approach presented vast and in-depth data and knowledge from respondents for analysis (Denzin and Lincoln, 2005; Silverman, 2013), with descriptive text offering greater interaction with the data directly relating to the researchers’ aim (Merriam, 2009; Merriam and Tisdell, 2015). This allowed the authors to investigate, in depth, responses (Bryman, 2016; Gelo et al., 2008) in an inductive approach where no existing preconceptions or ideas form a base for the research (Bryman, 2012; Joffe and Yardley, 2004), therefore producing reliable and valid findings (Thomas, 2006). A random selection of participants eliminated bias (Bryman, 2016), allowing the authors to target HSMs consisting of GMs, hotel managers, chief executive officers and chief operative officers, meeting the relevant eligibility (Polit and Beck, 2010). All 30 HSMs identified had authority to make key strategic decisions regarding CMTs with all having a responsibility for key revenue and operational strategies, strengthening consistency in all respondents’ answers for analysis (Bryman, 2016; Thomas, 2006).

The questionnaires in English were sent by 1 November 2020 and received by 30 June 2021. Twelve open-ended and semi-structured questions focused on important topics, strategies or tasks (Kallio et al., 2016) that had impacted the hotel. Due to COVID-19, questionnaires were emailed rather than conducted in face-to-face interviews; however, this
limited the ability to develop the respondent’s answers further, as no follow-up questions were initiated. Questionnaires sent may have also presented negatives with experience sampling (Bernard, 2013), where respondents complete the questionnaires at different times. A total of 134 participants were emailed, upon which 30 successfully replied, acknowledging data saturation ensured responses were not overwhelming for the authors to analyse (Patton, 2002). Thematic analysis was used to bring clarity among the data as the analysis proceeded the data generation (Marshall and Rossman, 1999), whereby a theory is not presented prior to the research. This allows for new theories to be generated while also reducing bias (Bryman, 2012). Due to the COVID-19 crisis being under-researched, particularly in the researchers’ topic, thematic analysis complemented the inductive approach in identifying underlying meanings in text (Clarke and Braun, 2017), offering flexibility in the questioning and data collection (Braun and Clarke, 2021). Reviewing participant results several times allowed the authors to develop a wider understanding of the results (Nowell et al., 2017), upon which quotes from respondents strengthened patterns and trends, highlighting key features with a connection to earlier research. Reoccurring themes were then reviewed and coded into categories condensing the material, and themes were defined, upon which analysis and conclusions were drawn (Clarke and Braun, 2017; Maguire and Delahunt, 2017). The following themes emerged: general impacts, strategy implementation, internal hotel impacts, external challenges and crisis management (see Figure 1).

**Figure 1.**
Themes generated from key codes

- Decrease in rate and occupancy and thus revenue
- Loss of staff, either temporarily or permanently
- Decrease in travel and tourist demand
- Decrease in opportunity costs e.g. tourist on-spend
- Reduction in leisure, groups, MICE business
- Hotels flexibility and adaptability to crises
- Hotel planning for the immediate future
- Specific impacts to hotels = specific CMTs
- Restrictions to hotels making it difficult to plan
- Lack of preparation prior to crisis
- Difficulties in strategy
- Change in hospitality service type
- Guest changes in behaviour
- Staffing difficulties
- Communication and collaboration
- Restrictions determining hotel performance
- Future travel uncertainty affecting demand
- Instability in support and guidance
- Influence on hotel’s ability to accommodate guests
- Traveller confidence and trust in safety
- Implementing new SOP’s to meet guidelines
- Adopting recovery techniques
- Planning and preparation key to future
- No mention of crisis as a threat prior to Covid-19
- Uncertainty for future

**Source:** Illustration by authors
Results and analysis discussion

Of the 30 HSMs, 15 were from London hotels and 15 from Stockholm hotels. Most of the respondents were men, with all respondents well experienced with an average of 23.8 years in the industry. Results are presented in random order, with the subject number later represented by a letter corresponding to the location, S = Stockholm, L = London. Results from Question 1 showed that all 30 HSMs had been hugely economically impacted during the pandemic, indicating revenue as the biggest area impacted. Responses highlighted huge decreases in revenue ranging from 50%–85% in Stockholm to 70%–90% in London, respectively. Occupancy similarly followed this pattern, with decreases across all hotels for the majority of 2020. Question 2 identified that all hotels adapted their business strategies as travel restrictions in both the hotel destinations and the travellers’ destinations reduced the ability to develop revenue opportunities, therefore limiting the income hotels could generate. The results from Question 3 highlighted that adaptations to strategies also developed new sources of much needed revenue for hotels by identifying new markets and projects. Cost control measures, such as reducing staff, were then implemented to reduce the economic impact. Remaining staff were then retrained with new skills, providing a multiskilled workforce that offered greater flexibility in skills and abilities, allowing for increased contingencies in staffing.

Results from Question 4 confirmed challenges in attracting tourists back to hotels due to the impacts on travel restrictions globally. All hotels saw a reduction in guest demand; therefore, hotel strategies altered to cater for guests available to be accommodated, largely from the domestic market. This development of strategy altered the targeting of guests, with Questions 5 and 6 highlighting a change in guest type with all HSMs describing the majority of their guests as now domestic. London hotels saw a small increase in international travellers in the summer months due to the opening of travel corridors; however, they were mainly confined to key workers, with Stockholm hotels accommodating domestic business and leisure customers. Similarly, the results from Question 7 differed depending on the destination, due to the difference in restrictions. Both cities stated a difference in hotel interaction with guests onsite and online compared with pre-pandemic, with the social behaviours of guests in-house in both destinations also noticeably changing.

Results from Question 8 showed many hotels referred to cost control as being a reason for the change in strategy due to the economic impacts of the crisis, mainly through hotels reducing staffing by initiating furlough schemes or redundancies. Question 9 confirmed that crisis support was mainly monetary from governments through the furlough scheme and reduction in business rates, which supported hotels’ cash flow; however, hotels were still required to contribute to employee salaries through which costs were still incurred. Crisis support from employees, stakeholders and business partners was also highlighted by many hotels. Regular communication was key to the successful implementation of new strategies, allowing hotels to be flexible in their business operations due to the constant updates of rules and restrictions. Results from Question 10 showed that no hotel expected such a huge decrease in rate and occupancy prior to the crisis, with feedback showing booking lead times and guest type also changing during the pandemic, making it difficult for hotels to plan future strategies. Results from Question 11 showed CMTs in cost controlling, new sales initiatives, planning and preparation as the key actions stated by hotels to counteract the shortfall in profit. The greatest risks mentioned by hotels prior to the COVID-19 crisis from Question 12 were other hotel competition, terrorism, staffing/recruiting and their own hotel appearance/features. No hotel mentioned the risk of a crisis prior to COVID-19, nor did they refer to any crisis planning. Questions can be referred to in the Appendix.
The first theme in Figure 1 above, General impacts of crises refers to the overview of the COVID-19 impacts and proved to be a main topic for discussion from respondents. Most hotels were largely impacted economically in March and April 2020 due to the sudden impact from the crisis and last-minute cancellations that they were unable to prepare for. This coincides with Lee and Harrald’s (1999) and Ugur and Akbiyik’s (2020) theories and supported the fact that hotels were not prepared of a crisis. The decreases in revenue also resulted in a loss of staff, highlighted by one hotel stating “the impact has been huge. Revenues have decreased by 95% and resulted in the group going from 1000 people in March 2020 to 125 currently (November 2020)” (Subject 24S). To limit the economic impacts, cost controlling implemented by hotels highlighted a cautious approach due to the possibility of a future crisis, while limiting the current crisis’ impacts, with one hotel highlighting “the strategy is all about cash flow and savings” (Subject 26S). However, previous crises have shown hotels can also implement cost-saving strategies that require little or no workforce (Tew et al., 2008), emphasising that certain CMTs can be used from previous crises. All hotels subsequently found challenges in attracting tourists back, as many believed influencing tourist demand to sufficient levels was out of the hotels’ power due to the international restrictions to travel, described by one hotel as being “in the hands of other countries and their pandemic situation” (Subject 14S).

The second theme, strategy implementation, was a strong theme throughout all hotels, alluding to how, if and when hotels will alter and adapt their current strategies. The intentional adaptions to strategies were a direct result of the current market conditions and loss of revenue. New revenue generation strategies were implemented by targeting new business segments, highlighted by a hotel stating that the “pandemic changed the target group and sales strategy immediately for the hotel” (Subject 23L), by targeting available business in key workers. Communicating the safety and security of the hotel to entice guests back was also a key challenge for hotels, achieved by online marketing campaigns and own hotel websites highlighting key safety measures. The challenges in attracting guests from different business segments reduced the opportunities for hotels to increase revenue, epitomised by one hotel stating, “the impact of not having any other revenue, just rooms, caused the business to change strategy” (Subject 8L). However, the flexibility in the hotel strategies allowed hotels to target key workers in London and domestic business and leisure guests in Stockholm, in line with UNWTO (2020) and PwC’s (2020a) predictions that domestic tourism will be the key market driver during the COVID-19 crisis. However, it must be acknowledged that domestic tourism can be seen as a driver (in the case of Sweden’s tourism); however, it cannot be solely relied on, and hotels must implement further CMTs and contingency plans to expand their revenue potential opportunities. A collaborative effort was also highlighted by hotels externally in the support from suppliers, coinciding with Bundy et al. (2017) that greater collaboration and communication between internal and external stakeholders results in reducing impacts. Collaboration is therefore key to the success of new ideas (Hung et al., 2018; Randhawa et al., 2016) as staff and hotels must be aligned for improvements to be made, demonstrated in the staff and hotel collaboration on new successful initiatives, suggesting that while HSM demographics may not influence collaboration, man-management and engagement certainly will.

Theme three, internal hotel impacts, refers to the impacts on strategy, business segments, staffing and opportunity costs by the crisis within the organisation. The uncertainty of the crisis reduced all hotels’ desire to plan too far ahead for future scenarios, which was highlighted well by one hotel stating “do you go early and risk carrying a lot of cost with no defined date? Or do you wait as long as possible and run the risk of not being able to fully operate when business returns?” (Subject 24L). Travel restrictions by governments had an
effect on hotel revenue through travel demand and the constant changing of rules, as described by one hotel: “with the constant changing of the tiers in England, we often have to open and close the outlets, which is distributive as well as costly” (Subject 9 L). This shows that crisis planning and management is difficult (Lee and Harrald, 1999) as forecasting is often unforeseen due to the unknown length and magnitude of a crisis. As a result, guest segments reduced; therefore, a reduction in staffing followed due to the little demand, and thus, hotel strategies adapted. The change in guest type ultimately affected the guest behaviour and thus hotel operations. HSMs noticed differing interactions with staff and guests due to restrictions; thus, many hotels were quick to identify that adaptations to strategy altered the dynamic of how a hotel operated (Keown-McMullan, 1997) and thus its revenue generation. Some hotels saw increases in guest satisfaction, positive feedback and increases in hotel ratings, highlighting that Andriotis’s (2018) degrowth theory had inadvertently been implemented by the hotel, whereby less guests allowed for a greater service through enhanced time spent with the hotel staff members.

The fourth theme, external challenges, showed the challenges hotels were facing. The crisis impacted the ability to sell, operate and manage, largely alluding to impacts out of the hotels power, with restrictions determining hotel strategies, coinciding with Lee and Harrald’s (1999) and Uğur and Akbiyik’s (2020) theories. Many HSMs highlighted there was little they could do to influence travel and thus revenue due to travel restrictions, other than be prepared to accommodate guests for when travel resumes. One hotel stated there is “not much we can do except make sure that we come back as lean as possible and operationally 200% ready to make sure that we can recover as quickly as possible” (Subject 23 L). Hotels referred to shortfalls in communication from governments that ultimately affected their planning and strategies to develop revenue opportunities, with one hotel stating “the bigger impact going forward is the lack of clarity, which now just makes future planning impossible. There is no guidance of what future support for hospitality looks like” (Subject 4 L). The lack of clarity from governments was evidently a crisis within a crisis, as this limited hotel control and planning in their own unique situations, possibly leading to a greater crisis, a financial one. It is important that hotels/governments do not succumb to Faulkner’s (2001) theory that inept management worsens crises or creates additional crises. Instead, hotels must adopt the approach of Ritchie (2009), whereby a strategic and integrated approach to crisis management reduces the hotels’ chance of being greatly economically impacted by a crisis.

Changes in the hotels’ mentality to include CMTs in business strategies signifies firstly that hotels originally had not planned for these scenarios in their previous business strategy. Secondly, the acceptance that strategies and plans may have to change in the future readresses the impact of COVID-19 on the hospitality industry. This was evident in the hotels’ cautious approach to hiring staff, demonstrating that hotels may already be implementing CMTs to ensure economic impacts by crises are reduced. One hotel stated future scenarios will now include “crisis management techniques so we’re ready for something like this again” (Subject 18S).

Finally, theme five, crisis management, dealt with the efforts and techniques HSMs used to tackle the crisis. All hotels referred to physical and/or operational changes in their properties, adding health and hygiene safety precautions, such as hand sanitizers, social distancing and operational measures, to ensure guest safety was a high priority. The increased hotel measures reduced tourists’ negative perceptions of risk and contamination from the virus, positively influencing guests’ demand, a key means for guests to travel (Amir et al., 2015; Uğur and Akbiyik’s, 2020; Volo, 2007), thereby providing the hotel with the opportunity to generate more revenue. This reaffirms that uncertainty does not help
economic recovery (Altig et al., 2020), therefore hotels must remove risk and uncertainty from the consumers’ mind, replacing it with safety and security, as previously seen in Asia post the SARS crisis to revive tourism. Rebuilding traveller trust is essential to a hotel’s revenue as customer willingness to spend is directly influenced by trust (Kim et al., 2006; Krystallis and Chryssohoidis, 2005). As there is a direct relationship between revenue per available room (RevPAR) and the unemployment rate in hotels (McKinsey, 2020), this emphasises that reducing uncertainty reduces the economic impacts of a crisis, thus positively impacting RevPAR and therefore positively impacting employment and thus the economy (Carree and Thurik, 2010). This was evident from Braje et al.’s (2022) research, which showed that trust and perceived risk were far greater deciding factors to rebooking with a short-term rental post-COVID-19 compared to pre-COVID-19.

The increased measures taken by hotels suggests crises can be turning points for tourism organisations (Nepal, 2020; Ritchie, 2009), as all hotels had demonstrated a flexible business approach that positively impacted results, either greatly or marginally. However, flexibility only arose if it was essential to short-term strategies, suggesting that hotels typically wish to operate within their structured strategies. This also suggests that while hotels may be aware of important CMTs to implement during/post-COVID-19, they were unaware before, evidently shown where PwC (2020a) research states no hotel mentions a health crisis as a possible threat prior to COVID-19. This demonstrates that the HSMS’ length of hotel experience had no impact on the ability to implement greater CMTs prior to the crisis – however, this was understandable given the magnitude of the COVID-19 pandemic. This is reflected in Giousmpasoglou et al.’s (2021) results which show that although GMs had experience in previous crises, existing CMTs were not designed to deal with the unforeseen COVID-19.

Conclusions
From previous crises there is a proven resilience in tourism’s recovery. Conclusions show that crisis impacts can be managed prior to their occurring (Bundy et al., 2017) and thus limited, however only on a basic level as specific crises and their impacts are much harder to predict, not only globally but also regionally and specifically within certain hotels. Therefore, the CMTs hotels must implement become harder to prepare and plan for. Previous examples of CMTs can be useful to hotels to limit economic impacts either at a basic level or more specifically to a certain crisis. However, it is only when a crisis is occurring that a hotel, as a reaction, can then look to introduce specific CMTs, such as introducing specific health and hygiene improvements for a health pandemic or introducing different tactics for an economic crisis, adapting their CMTs to that particular crisis. Giousmpasoglou et al. (2021) research that shows GMs’ experience helps to navigate through a crisis is only partially successful; as while experience will help hotels to manage through already occurred crisis impacts, it fails to “get out in front” of a crisis by introducing measures that will limit the impacts of a crisis prior to it occurring.

Crisis planning that is specific to the crisis is essential in limiting impacts (Baum and Hai, 2020; Kash and Darling, 1998; Keogh-Brown et al., 2010) as crises recovery times differ (Rodríguez-Antón and Alonso-Almeida, 2020) and must be managed as so. Therefore, by understanding previous crises and the CMTs used, this will allow hotels to develop strategies that not only limit the economic impacts of crises but also allow hotels to understand what CMTs have previously been used successfully or not. Should current CMTs implemented in COVID-19’s recovery prove successful in averting a financial crisis, this will confirm that CMTs can be implemented prior to a crisis and therefore seen as a turning point for positive improvements (Bundy et al., 2017; Nepal, 2020). However, hotels
cannot plan for exact unforeseen crises no matter the location or HSMs’ experience or demographic factors, supporting the notion that crises are difficult to plan for (Uğur and Akbiyik, 2020) and that while some initiatives may be successful for one hotel or crisis, they may not be for another. Although crises are inevitable due to the complexity of modern life (Perrow, 1984), this strengthens the research of this paper that identifies previously used CMTs and thus supports hotels in limiting future economic impacts from a health crisis. Should a similar research paper have been introduced post-SARS, hotels may have been better prepared and thus less economically impacted. The desire of this paper is to support the pre-, during and post-stages of a crisis.

However, it is also evident from the literature review, empirical results and analysis that planning is difficult in a rapidly evolving crisis. This further cements the notion that hotels should be implementing CMTs into their core business foundations. Implementing CMTs must involve careful planning with precision and contingency plans, involving continuous communication with all stakeholders (Bundy et al., 2017; Hung et al., 2018). Hotels, therefore, must develop acute risk analysis depending on the current market situations and crisis impacts (Page et al., 2011); just as tourists’ needs and desires alter during crises, thus hotels must alter their strategies to meet these desires (Braje et al., 2022; Chien and Law, 2003). Hotel reactions to the crisis were expected given the change in guest type, with reactions to service and operations following later. Maher et al.’s (2022) research showed this, whereby hotels increasing employee safety compliance had a positive and improved impact on customer intentions to stay, which correlated with the perceived threat of COVID-19.

Results determined that it is largely possible for hotels to draw upon CMTs from previous crises to limit economic impacts; however, previous CMTs must be similar to that of the current crisis to be transferable. On a general basis, destinations are economically impacted similarly in crises through loss of travellers and thus revenue. However, upon closer assessment between the two different destinations and the hotels within them, results determined differences in the CMTs used and economic impacts, demonstrating inconsistency in CMTs used. Results from HSMs showed hotels’ preparedness towards dealing with the pandemic were low, which was also seen in other studies (Yacoub and ElHajjar, 2021). Hotels were able and willing to adapt within a crisis, essential to an organisation learning and developing through a crisis (Seeger et al., 2003). However, it must be suggested that this was a result of the crisis rather than the hotels’ desire. Results may suggest that HSMs largely implemented CMTs as a reaction to an impact, upon which by that time it was mostly too late, with the impact already occurring. Hotels’ adaptability does, however, show the ability to avoid increasing crisis impacts by implementing CMTs; however, they must be aware of how and when to do this by firstly understanding their current CMTs. Hotel reactions and adaptations to CMTs subsequently saw new markets and revenue streams open from new strategies implemented (PwC, 2020b), highlighting that crises can improve hotels (Nepal, 2020), if hotels are flexible. Examples saw improvements in health and hygiene standards, targeting different customer segments and reducing costs, all transferable CMTs that can be adapted to another crisis – but not all crises, for example, a terror-related crisis.

The constant changing of restrictions made it hard for HSMs to plan, therefore deciding if, how and what CMTs to introduce, such as what tourists to target, is vital in limiting the economic impacts. Hotels were not able to influence international travellers; therefore, many CMTs implemented for the short term will have little results until government restrictions are lifted, signifying hotels can succumb to external factors out of their control. Therefore, it can be argued as to what extent CMTs would have been successfully implemented if the crisis had been foreseen and thus can question theories of effective crisis management limiting the economic impacts by crises (Heath, 1998; Kash and Darling, 1998; Ritchie, 2009).
However, our assessment and conclusion are that effective crisis management is dependent upon the crisis and CMTs. Although COVID-19’s pandemic has outlasted the SARS pandemic, the type of crisis (health and influenza) will allow similar previously used CMTs to be implemented, suggesting that the time scale of crises is also of relevance. The examples, if used and adapted correctly, evidently draw from the organisational learning theory from Seeger et al. (2003), summarised as “if organizations embrace the opportunity to acquire new knowledge and to enact new strategies, they can emerge from crises with renewed vitality” (p. 266).

In addition to the careful and acute planning of CMTs, the authors’ recommendations are for hotels to develop sustainable CMTs focusing on the quality of tourists rather than quantity, supporting Andriotis’s (2018) degrowth theory. This does not entail the destination adopting negative growth policies, but rather policies that are sustainable across socio-cultural, environmental and economic factors. Andriotis’s (2018) suggestion that economic crises inadvertently support the degrowth model can also be represented in the empirical results through fewer tourist arrivals but greater improvements in customer service and health and hygiene factors, supporting Nepal’s (2020) theory that crises allow tourism to create better service. HSMs must look at implementing CMTs prior to crises occurring. Thus, rather than CMT’s being a reaction to a crisis, which this paper’s research largely gathers is the case from HSMs, CMTs are implemented in an appropriate time within a hotel’s core strategy. However, as mentioned, crises are unforeseen, thus this can only be effective on a core basis and not generally specific to one particular crisis. HSMs can implement core CMTs within hotels, such as flexibility in hotel strategies that see staff trained well within different departments, thus becoming multiskilled. Similarly, a large diversification of customer segments, such as leisure and business guests, across multiple industries, regions and nationalities will also offer contingencies should a crisis impact a specific segment.

Theoretical implications

Our research has shown a lack of consistent crisis theory implementation by HSMs in relation to previous crises and the CMTs used. This can be addressed through this paper with relevant and specific CMTs shown by HSMs. Among the research implications, the CMTs shown as used, either successfully or not, are of critical importance now to hotels due to virus mutations creating further difficulties for the hospitality industry. Theoretical implications have been widely discussed in the paper, referring to the uncertainty of crises and whether they can be managed prior to occurring or their impacts limited during a crisis. The research largely suggests many HSMs were unprepared for a health pandemic and thus reacted to situations by implementing certain CMTs. However, evidently there are many CMTs that can be used from one crisis to another. Other academic research papers have shown that location factors determine the type of CMT implemented, largely due to the crisis but also to the local governments and restrictions. This, therefore, will make it necessary for academics to collaborate to find consistencies in successful CMTs locally to implement them globally for the hospitality industry to follow as a foundation. However, of course the theoretical findings are not limited to further developments, especially in other crises such as economic or terror-related crises. Further research must be conducted here. This in turn will allow fellow researchers and academics the possibility of comparing contrasting studies, with findings showing consistencies or inconsistences with successful or unsuccessful CMTs. Unless research is thoroughly conducted and compared across countries to determine how hotels have been impacted, then CMTs are only likely to be effective for individual hotels. Therefore, crisis research must constantly evolve and continue as crises and the hospitality industry does.
Practical implications
The paper has practical implications for tourism and the hotel industry through providing them with knowledge of management strategy within crises. It supports hotels in developing and determining CMTs to reduce the economic impacts of crises and to be better prepared when another pandemic emerges. Further, implications derived from this paper support hotels implementing acute and structured CMTs in their business strategies, allowing for a greater understanding of their current CMTs (if any). It will also support hotels to understand the current abilities and strategies in place to manage a crisis, whilst also understanding the limitations, potential threats and weaknesses that put the company at risk. This will then guide the hotel to develop or amend their CMTs, as a lack of crisis management can possibly cause the crisis to have a greater impact (Kash and Darling, 1998). The many examples of CMTs used, both previous and from the respondents, will support hotels in their future CMT implementation.

Limitations and further research suggestions
Challenges were presented within a rapidly evolving pandemic that saw evolving CMTs in hotels adapting to the market conditions. A comparison of two destinations also meant hotels were probably at different stages within the evolving crises, thus CMTs may be discussed more in depth based on the immediate impact at that time to the specific hotel. As the research was conducted within a crisis, results from specific CMTs are yet to be established and thus present limitations in terms of whether there were successful or unsuccessful CMTs and if so at what time in the crisis and at what location. It must be acknowledged that chain hotels may have greater economic resilience to a crisis than independent hotels due to the support of the brand; however, it can be argued that a crisis would not distinguish between them.

Further research should be conducted post-COVID-19 to see the final results, impacts, changes in strategy and tourism demand to understand the successful strategies that can be implemented to limit future impacts. Further research will determine, firstly, whether results from the authors’ empirical analysis differ from other countries, while, secondly, it will also identify additional CMTs (if any). Further research should also be conducted across different continents due to the differing impacts of location and government guidelines on hotels and thus their reactions to a crisis. The mutations in the virus also throw into question whether the hospitality industry must change in line with the rules and regulations for the long term. The growing recent research on crises, however, also suggests that research into tourism’s improvements and opportunities from the impact of a crisis are as reactive as the CMTs implemented by HSMs, and therefore, academics and researchers must continue to investigate crises’ impacts long after they have occurred.

References


Crisis management techniques


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Appendix. Questionnaire

1. How has your hotel been affected economically during the pandemic?
2. How did your hotel adapt its strategy during the pandemic?
3. What results did this achieve?
4. What did you find was the most challenging part in attracting tourists back to your hotel?
5. Have you experienced a difference in business or leisure travellers during 2020?
6. Have you experienced a difference in nationality stay statistics vs 2019?
7. What customer trends or behaviours altered, such as more guests dining in-house, more guest time spent in the hotel, more guest time spent in their room, less guest interaction with staff?
8. What will be the plans or strategies implemented for future scenarios to reduce your economic risk?
9. How were you supported by the government, company or staff during the restrictions provided?
9a. Was it sufficient?
10. Was there a difference in rate, length of stay or room type consumed in 2020 vs 2019?
10b. Was this expected?
11. What will your hotel be doing to counteract the shortfall in profit going forward?
12. What were your hotels greatest risks pre-pandemic?

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