



# Impact of the Covid-19 Lockdown on the Hospitality Industry with Special Reference to Konkan, Maharashtra

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## Abstract

The coronavirus-19 (COVID-19) has adversely affected the lives of billions of people residing in 235 countries and territories (wordometer, 2021). The COVID-19 pandemic has shaken all kinds of businesses worldwide. The present paper discusses the impact of lockdown issued due to the COVID-19 pandemic on the hospitality industry in the Konkan region of Maharashtra, India. This paper is mainly based on primary data collected from 150 owners of hotels in Konkan. The data have been collected through a structured questionnaire from the hospitality industry in Maharashtra. Five variables have been examined for this study, namely operational activities, maintenance of business, human resources of the business, financial activities of a business, and perspective of hospitality business entrepreneurs. Further, the researcher has employed secondary data regarding domestic travel post lockdown to highlight the views of Indian residents.

For the present empirical research, the researcher examined the data collected from owners of hospitality business establishments from five districts of Konkan pre-lockdown, during the lockdown, and post-lockdown. Complete uncertainty could be observed during the lockdown as well as concerning the routine business operations, re-opening of businesses after lockdown, and surviving in the market. Thus, it is a challenging time for every businessman.

**Keywords: COVID-19, Lockdown, Konkan, Operational Activities, Maintenance, Human Resources, Financial Variables, Challenges**

## 1. Introduction

The pandemic spread due to novel coronavirus, 2019-nCoV, SARS CoV-2 (COVID-19), and the resulting lockdown ceased the world's economy almost overnight. The tourism and hospitality industry and other allied small and large enterprises in India were completely shut down from 22<sup>nd</sup> March to 30<sup>th</sup> September 2020.

Travel and Tourism generate employment and bring considerable commercial benefits to hospitality enterprises of all sizes. The hospitality industry includes hotels, restaurants, resorts, homestays, agro-tourism centers, tourist attractions, tourist destinations, conference and convention venues, cruise lines, airlines, rail transport, travel agencies, tour operators along with other allied industries. Tourism and hospitality industries are volatile sectors, inherently susceptible to the external environment and crises. According to Dunford's study, as more than 100 countries announced partial or complete lockdowns, air, and intercity travel in major cities around the world had reduced by 70–90% when compared to the previous year (Dunford, 2020). In the Konkan region of Maharashtra, India, businesses (of all sizes), directly or indirectly dependent on the tourism and

hospitality industries, had suspended their operations. The economy seemingly collapsed and stayed unstable till September 2020.

The hospitality industry ceased its operations from 25<sup>th</sup> March 2020 as per the lockdown order issued by the Government of India (SOP, 2021). It resulted in a tremendous decline in the number of tourist arrivals in India due to the travel restrictions imposed by the central and state governments and stopped most of the economic activities of the hospitality industry in the country. Till 10<sup>th</sup> September 2020, India remained the third worst-affected country by the COVID-19 pandemic across the world. Crises tend to have a stronger negative impact and affect a much larger portion of the population. As a result, the COVID-19 pandemic and lockdown restrictions had a considerable impact on all aspects of human life.

According to World Travel and Tourism Council's (WTTC) 2020 Economic Impact Report during 2019, Travel & Tourism supported one in ten jobs (330 million in total), making a 10.3% contribution to global GDP and generating one in four of all new jobs (Guevara, June 2020). Gloria Guevara, President, and CEO of the World Travel & Tourism Council said, "a total of 197.5 million jobs are at risk, with a loss of \$ 5,543 billion in global GDP. Meanwhile, global visitor numbers would drop by 73% for international arrivals" (Guevara, 2020). At the global level, large-scale travel restrictions continued to wreak havoc on the tourism industry to curb the spread of COVID-19.

The present researcher selected the Konkan region of Maharashtra, India, for this study. Maharashtra is the second largest state in India in terms of population. The state has 36 districts divided into 6 revenue divisions, namely, Konkan, Pune, Nasik, Aurangabad, Amravati, and Nagpur. The Konkan region has a coastal length of about 720 km. to the west and Sahyadri Mountain ranges to the east.

The geographical scope of this study includes the five districts of Konkan namely, Palghar, Thane, Raigad, Ratnagiri, and Sindhudurg. Konkan is surrounded by the states and cities with the well-developed tourism industry, such as Goa, Gujrat, Karnataka, Kerala, Pune, Mumbai, and Kolhapur. Figure 1 shows the map of the Maharashtra state with the study area highlighted in grey color.

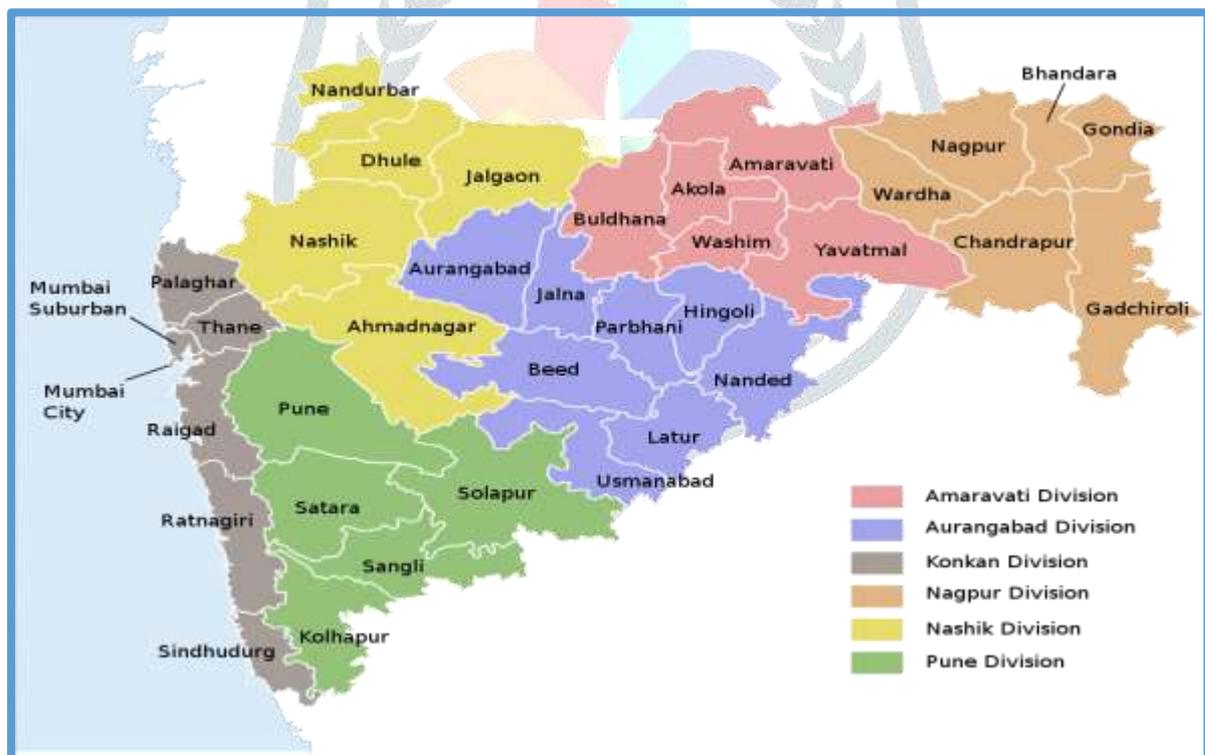


Figure 1. Map of Maharashtra including Konkan.

Source: [https://en.wikipedia.org/wiki/Geography\\_of\\_Maharashtra](https://en.wikipedia.org/wiki/Geography_of_Maharashtra)

## 2. Review of Literature

The reviewed literature includes published research papers, journals, newspapers, magazines, government circulars, and web pages related to the impact of COVID-19 on the tourism and hospitality industries. No research thesis has yet been published on COVID-19 at the national or international levels.

Yangyang Jiang (2020) examined studies of Choi, 2019; Hecht and Martin, 2006; Hoffman et al., 2003; Vilnai -Yavetz and Gilboa, 2010; and Zemke et al., 2015. His research shows that customers are influenced by hygiene and cleanliness when making purchase decisions in a service environment (Yangyang Jiang, 2020).

Serafino Cota (2020), the President of Small & Medium Hotels Associations in Goa, opined that the members of the association were expected to open their doors only by 2021, considering high electricity bills with minuscule occupancies. The state boundaries of Goa are adjacent to the Konkan region (Hazel Jain, 2020).

Manish Sisodia (2020), the Deputy Chief Minister of Delhi, met members of the Hotels and Restaurants Association of North India (HRANI) to understand the challenges of hotels and restaurants in the process of reducing the lockdown restrictions for the industry and allied services. He opined that “we must learn to live with coronavirus and resume the economic activities while taking utmost precautions. We should learn from innovative global practices in the hotel and restaurant business so that we can also develop a locally relevant model for ourselves. The Delhi government is committed to helping businesses in these difficult times of COVID-19 and issues will be resolved at the earliest.” The key concerns mentioned by the members of HRANI were relief on excise fee (refund/adjustment) deposited for the lockdown period; credit for the excise duty paid on expired stocks including disposal; waiver on sewerage charges; relief from regulatory compliances; waiver of fixed charges levied in electricity bills, one-time/automatic extension of validity of various licenses and approvals without levy of any fees up to March 31, 2021; relief from property tax (by reducing the current rates for hotels and hospitality establishments for a suitable period); and no penalty or interest to be levied on payment of any dues to the state government (HRANI, 2021) Pratham Mittal (2020), founder of “Neta” application, involved over 54,000 people in a survey (across 19 states of India including the Delhi-National Capital Region (NCR)). The survey was conducted between 16<sup>th</sup> July and 20<sup>th</sup> July 2020. According to the survey, Himachal Pradesh, Uttarakhand, Rajasthan, Goa, and Madhya Pradesh have opened their borders to visitors. However, it is found that 71% of people surveyed said they were not comfortable traveling for at least a year, while 25% felt that they might consider traveling only after six months. Although the state governments across India were ready to receive visitors, the citizens did not feel safe enough to venture out of their homes, as 68% of respondents said that they were not satisfied with the precautions being taken by the governments. The survey indicated visitors’ preference for hotels (54%) instead of homestays (11%) or staying with friends or family (35%) due to fear of cross-contamination (Business standard, 2020).

Taylor Borden (2020) opined that the travel and hospitality industries took a significant hit during the pandemic and lockdown. Moreover, the COVID-19 outbreak has also triggered unprecedented mass layoffs and furloughs (Borden, 2020).

## 2.1 Conceptual framework

- **Lockdown:** Oxford Dictionary defines lockdown as a state of isolation or restricted access instituted as a security measure. A lockdown can be defined as an emergency protocol implemented by the authorities that prevent people from leaving a given area. In the present study, the lockdown studied was imposed for restricting the spread of COVID-19.
- **Operational activities:** Operational activities are the functions of a hospitality business directly related to producing and providing goods and services.
- **Maintenance:** Maintenance is the process of preserving a condition/situation/place in the view of hygiene, cleanliness, safety, and security.
- **Human Resources:** In this study, human resources indicate the skilled and unskilled personnel working in hospitality businesses or organizations.
- **Financial:** Financial variables are used to predict future economic events primarily because these variables are the closest indicators of the expectations and activities of investors and other economic agents (Washington, 2020).

## 3. Research Methodology

### 3.1 Research Problem and Research Gap

The COVID-19 lockdown posed many challenges in front hospitality business entrepreneurs across the globe, thus also in Konkan. Hospitality entrepreneurs in Konkan find it challenging to smoothly conduct their business operations while maintaining the industry standards.

The challenges faced by hoteliers during the COVID-19 lockdown in the Konkan region have not been analyzed by any study. Extreme measures were imposed at all levels to limit the spread of the COVID-19 pandemic. As the pandemic and lockdown were novel concepts for the industry, many challenges arose. The present study observes, details, and analyses these challenges from the perspective of hospitality entrepreneurs in Konkan.

### 3.2 Objectives

- a. To understand the trend of the COVID-19 pandemic, the lockdown period, and its impact on the transportation system available in Konkan
- b. To analyze the difficulties/challenges faced by hospitality entrepreneurs in Konkan during the COVID-19 pandemic and lockdown
- c. To present solutions for difficulties and challenges faced by hospitality business establishments

### 3.3 Hypotheses

H1- Null Hypothesis ( $H_0$ ): There is no significant association between turnover/sales during the lockdown period and operational activities to retain the business.

H2- Null Hypothesis ( $H_0$ ): There is no significant association between turnover/sales during the lockdown period and the cost of maintaining business establishment for survival in the market.

H3- Null Hypothesis ( $H_0$ ): There is no significant association between turnover/sales during the lockdown period and human resource activities for survival in the market.

H4- Null Hypothesis ( $H_0$ ): There is no significant association between turnover/sales during the lockdown period and financial variables of business for survival in the market.

H5- Null Hypothesis ( $H_0$ ): There is no significant association between turnover/sales during the lockdown period and perspective variables for survival in the market.

H6- Null Hypothesis ( $H_0$ ): There is no significant association between turnover/sale during the lockdown period and continuity of business for survival in the market

### 3.4 Research Design

For this empirical study, the researcher has extracted variables from the literature review and focused on quantifiable elements that were shortlisted through telephonic discussions with experts from the tourism and hospitality industries. These elements were grouped into five variables namely, operational, maintenance, human resource, financial, and perspective. A structured questionnaire was framed with multiple-choice, open, and closed-ended questions to achieve the objectives of the study. Additionally, qualitative data was collected through interviews.

### 3.5 Sample Size

The researcher collected 150 questionnaires using a random sampling technique from hospitality business entrepreneurs in Konkan from 28th April to 31 December 2020. The telephonic interviews with 25 experts among the sample (150) from the tourism and hospitality industries involved a discussion about the proper solution to various issues, difficulties, and challenges faced by hospitality business entrepreneurs during the COVID-19 pandemic and lockdown.

### 3.6 Sources of Data

The present study is based on primary and secondary data. Questionnaire and interview techniques were used for quantitative and qualitative data collection, respectively.

### 3.7 Research Technique

Frequency and percentage analyses were used to present the trends observed in the data. The following conceptual model was framed to set the hypotheses of the study. Figure 2 shows the graphical representation of the conceptual model focusing on the relationship of variables.

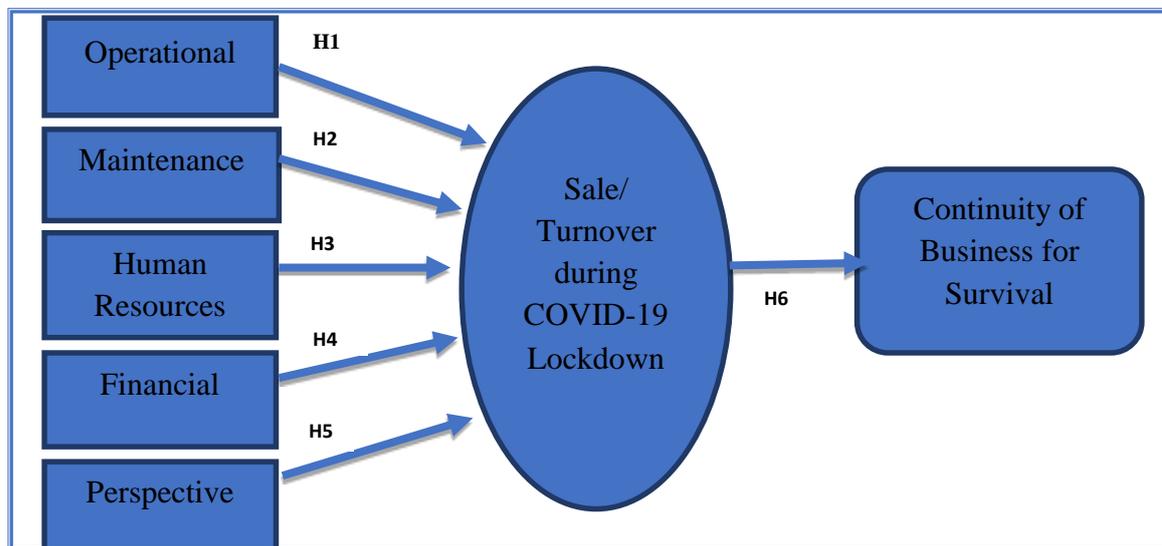


Figure2 -Conceptual Model analyzing relationships among selected variables

### 3.8 Hypotheses Testing

The researcher has used the Statistical Package for Social Sciences (SPSS) software to test all the hypotheses using the Chi-square test.

## 4. Analysis and Results

### 4.1 Analysis and results according to the objectives are given below.

COVID-19 death rate later spread and the death rate was quiet. The COVID-19 vaccines were made available in India for the frontline workers since 16<sup>th</sup> January 2021 (Srivatsan, 2020) and later senior citizens and those suffering from comorbid conditions were given preference. By the beginning of 2022, around 60% of Indian citizens were vaccinated (Statista, 2022). The major vaccinations were possible with two vaccinations: Oxford University – AstraZeneca’s Covishield vaccine and Bharat Biotech Covaxin (Ourworldindata, 2022). As vaccines became available, the government started emphasizing all the citizens being fully vaccinated to avoid the severe effects of COVID-19.

According to the World Travel and Tourism Council, the tourism-related loss was anticipated to be up to US\$ 2.1 trillion in 2020 with up to 75 million jobs being suspended.

During the COVID-19 lockdown, the functioning of the entire travel, tourism, and hospitality industry was suspended. Sandip Goal of The Economic Times stated that the country borders were sealed, cities were at a stand-still, flights were grounded, cruise ships were docked in harbors, trains were stationary, buses were non-operational, and hotels and restaurants were closed. Till then, no vaccine was found, and the uncertainty of the effects of the pandemic kept people in their homes. Personal safety was dependent upon following rules about social distancing, wearing masks, having steam, and washing hands. This meant that citizens were not planning vacations, holidays, or even picnics until they were fully reassured. (Goal, 2020).

Table 1- Trend of Coronavirus pandemic

Disease Detected Year & Country	Disease	Infection Source	Cases/fatality	Comments
2003 – China	Severe Acute Respiratory Syndrome (SARS-CoV coronavirus)	First infected civet cats and later humans.	8,098 affected cases and 774 deaths in 37 countries. The case fatality rate of 9.7%.	No vaccine was available.
2012 - Saudi Arabia	Middle East Respiratory Syndrome (MERS- CoV, coronavirus)	First infected dromedary camels and later humans.	2,494 reported cases and 858 deaths in 27 countries. The case fatality rate of 34%.	No vaccine was available.

2019-20 -China	Novel COVID-19/ SARS-CoV-2 (coronavirus disease 2019)	Genetically related to SARS-CoV isolated from bat populations.	Global confirmed cases 94,864,453, India: Cases- 10571773 Deaths- 152419 as on 16th Jan, 2021 (WHO, 2021).	Vaccine available from 16 <sup>th</sup> January 2021
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Sources: (World Health Organization, Sciencedirect.com/science/article, wordometers.com, 2020)

Table 2 indicates the lockdown and its relaxation stages and their period in India and Maharashtra including Konkan. Furthermore, it shows the status of transportation facilities during the lockdown in Konkan.

**Table 2- The lockdown and its relaxation stages and their period in India and Maharashtra including Konkan**

The Lockdown Phases				Status of Transportation Facilities
Sr. No.	Date of Lockdown	Lockdown Stages	Period	
1.	22 <sup>nd</sup> March 2020	Voluntary public curfew	14 Hours	Indian Railways canceled their trains from 22 <sup>nd</sup> March to 31 <sup>st</sup> March 2020, and then extended the cancellations with the nationwide lockdown. They suspended operations of Mail, Express, Premium, Passenger trains, and any other trains along with Konkan Railway. Even operations of The Maharashtra State Road Transport Corporation (MSRTC) were suspended during the lockdown.
2.	24 <sup>th</sup> March 2020	The PM of India announced a nationwide lockdown.	-	
3.	25 <sup>th</sup> March to 14 <sup>th</sup> April 2020	Phase 1	21 Days	
4.	15 <sup>th</sup> April to 3 <sup>rd</sup> May 2020	Phase 2	19 Days	
5.	4 <sup>th</sup> May to 17 <sup>th</sup> May 2020	Phase 3	14 Days	
6.	18 <sup>th</sup> May to 31 <sup>st</sup> May 2020	Phase 4	14 Days	
Relaxation Phases				
Sr. no	Date of Unlock	Unlock Stages	Period Days	Even as the limitations were relaxed, transportation systems such as MSRTC, Indian Railways, and Konkan Railways were yet to fully resume and were offering only emergency services. Scheduled international passenger services were suspended in India till 30 <sup>th</sup> November 2020 before the announcement of the lockdown, i.e., from 23 <sup>rd</sup> March 2020
1	1 <sup>st</sup> June to 30 <sup>th</sup> June 2020	Unlock 1.0	30 Days	
2	1 <sup>st</sup> July to 31 <sup>st</sup> July 2020	Unlock 2.0	31 Days	
3	1 <sup>st</sup> August to 31 <sup>st</sup> August 2020	Unlock 3.0	31 Days	
4	1 <sup>st</sup> September. to 31 <sup>st</sup> September 2020	Unlock 4.0	30 Days	

Sources: (Compiled by the researcher from the Ministry of Health and Family Welfare, MSRTC, and Indian Railway official websites)

Table 2 shows the lockdown and its relaxation stages and their periods in India. During the lockdown period, the existing working system collapsed. During the relaxation period, till the end of June 2020, hotels in Maharashtra remained closed. The state government had imposed restrictions on tourism-related businesses, activities, entertainment, and allied services. Tourism activities were gradually started by following the Standard Operating Procedures (SOP) provided by the government.

The government of Maharashtra issued guidelines to allow the reopening of hotels, lodges, and guesthouses with 33% capacity from 8<sup>th</sup> June 2020. Later, the capacity was increased up to 50%. Since 2<sup>nd</sup> September 2020, hotels in Maharashtra reopened at 100% capacity with several new rules. However, till 30<sup>th</sup> September 2020, restaurants were completely closed in Maharashtra; entrepreneurs waited for the announcement of SOP and the reopening. As airline services were non-operational in Konkan before lockdown, this need not be discussed any further.

For the first time in 167 years of the history of the Indian Railways, they canceled all their services of passenger trains, including the suburban locals. Before the pandemic and lockdown, around 12,500 trains, including 9,000 passenger trains and 3,500 Mail or Express trains would run daily. Naturally, operations of Konkan railways were also fully suspended.

The government of Maharashtra resumed the inter-district MSRTC bus services from 20<sup>th</sup> August 2020 at 50% occupancy, more than four months after the suspension of operations (India.com, 2020). According to MSRTC's Vice Chairman and Managing Director, Shekhar Channe, "Before the outbreak of COVID-19, over 65 lakh passengers traveled daily using MSRTC buses" (Firstpost, 2020).

India has an estimated 53,000 travel agents; 115,000 tour operators; 15,000 adventure companies; 911,000 tourist transporters; 53,000 hospitality companies; and 5,00,000 restaurants. The industry employs an estimated 3.8 crore people. These statistics do not include the numbers from the aviation industry and starred hotels, which do not fall under the medium and small enterprises count (Martech Asia, 2020).

Thus, it is a challenge for various stakeholders of the tourism and hospitality industries to survive in the market in extreme conditions caused by the COVID-19 pandemic lockdown.

#### 4.2 Analysis according to objective 'b' to analyze the difficulties/challenges faced by hospitality business establishments in Konkan during the COVID-19 pandemic and lockdown.

**Table 3- Frequency and percentage of operational variables of hotel businesses**

Operational variables	Categories	Frequency	Percentage
Classification of hotel/ Business establishments	Hotel (accommodation and food)	44	29.34
	Resort	18	12.00
	Lodge	07	4.66
	Homestay/Bed & Breakfast	17	11.34
	Agro-tourism center	18	12.00
	Restaurant	46	30.66
	<b>Total</b>	<b>150</b>	<b>100</b>
Rooms available in the establishment	Below 5	24	24.24
	6–10	33	33.00
	11–20	27	27.27
	21–30	06	06.06
	31–50	03	03.03
	Above 50	06	06.06
	<b>Total</b>	<b>99</b>	<b>100</b>
Average room tariff	Below 1000	15	15.15
	1000–2000	27	27.27
	2000–3000	30	30.30
	3000–4000	18	18.18
	4000–5000	0	0.00
	Above 5000	9	09.09
	<b>Total</b>	<b>99</b>	<b>100</b>
Response to takeaway food/parcel/home delivery during the COVID-19 lockdown	No Response	60	40.00
	Very Poor	39	26.00
	Average	27	18.00
	Very Good	9	6.00
	Not Applicable	15	10.00
	<b>Total</b>	<b>150</b>	<b>100</b>
Whether the required material was smoothly and adequately supplied from the vendors during the lockdown?	Yes	45	30
	No	105	70
	<b>Total</b>	<b>150</b>	<b>100</b>
Do you have sufficient capacity (space) to follow social-distancing norms?	Yes	111	74
	No	39	26
	<b>Total</b>	<b>150</b>	<b>100</b>

Table 3 indicates the frequency and percentage of operational variables that include classification of business establishments, rooms available in the establishment, room tariff response to takeout/food parcels, supply of materials from vendors, and capacity to work with social-distancing norms. According to the hospitality business classification, most business establishments were restaurants (30.66%). Of the total, 34% of respondents did not provide food facilities, as they provide only accommodation and lodging services.

During the COVID-19 lockdown, the government allowed restaurants to run takeout food services for the hospitality industry to reopen their businesses. However, 76% of entrepreneurs experienced no or very poor responses. Simultaneously, 74% of people opined that hospitality business establishments have adequate facilities to follow social distancing norms. However, as the possibilities of the sale were minimal, there was no response for sale for 56% of businesses. Of the remaining, the sale of 32% of respondents ranged from 1 to 20% during the lockdown. However, they had to fulfill continuously incurring expenditure requirements on fixed costs like salary, maintenance, rent, municipal taxes, interest on the loan, and electrical charges. Of the total, 70% of respondents experienced an interrupted supply of the required material.

**Table 4 Frequency and percentage of maintenance variables of hospitality business establishments**

	<b>Amount Range</b>	<b>Frequency</b>	<b>Percentage</b>
Cost of maintaining your establishment per month during the lockdown (in Rupees)	Up to 10000	12	08
	10001–50000	66	44
	50001–100000	18	12
	100001–200000	21	14
	200001–400000	27	18
	No Idea/Not Calculated	6	04
	<b>Total</b>	<b>150</b>	<b>100</b>
	<b>Amount Range (in Rupees)</b>	<b>Frequency</b>	<b>Percentage</b>
What is the expected additional housekeeping and sanitization cost per month?	0–5000	39	26
	5001–20000	51	34
	20001–40000	12	08
	40001–60000	12	08
	Above 60000	06	04
	No Idea/Not Calculated	30	20
	<b>Total</b>	<b>150</b>	<b>100</b>

Table 4 shows the frequency and percentage of the monthly cost of maintaining the business establishment and the estimated additional cost of housekeeping and sanitization. The cost of maintenance incurred per month during the lockdown ranged from Rupees 10000 to 50000 for 44% of respondents. While for 14% of respondents, the cost of maintenance ranged from Rupees 100001 to 200000, for 18%, the cost ranged between Rupees 200001 to 400000 per month, which was quite heavy. Contrarily, the sale was very meager or non-existent.

Expected additional housekeeping and sanitization costs per month for 26% ranged from Rupees 0 to 5000; for 34%, the cost ranged from Rupees 5001 to 20000; and for 4%, it was above Rupees 60000.

#### **Tables 5 and 6: Frequency and percentage of the human resource variables**

Table 5 shows the frequency and percentage of appointed manpower before the COVID-19 pandemic, and the manpower that was laid off/suspended or that resigned during the pandemic from various hospitality business establishments in Konkan.

**Tables 5- District-wise appointment/layoffs/suspensions/resignations of manpower**

Districts	Sample size	Appointed manpower Before Lockdown	Manpower appointed (local)		Manpower appointed (outstation)		Total manpower left during the lockdown	
			Frequency	%	Frequency	%	Frequency	%
Palghar	30	774	438	56.59	336	43.41	478	61.76
Thane	25	636	359	56.54	277	43.62	454	71.50
Raigad	26	709	299	42.17	410	57.83	506	71.37
Ratnagiri	40	965	718	74.40	247	25.60	437	45.28
Sindhudurg	29	240	200	83.33	40	16.67	114	47.50
<b>Total</b>	<b>150</b>	<b>3324</b>	<b>2014</b>	<b>60.61</b>	<b>1310</b>	<b>39.42</b>	<b>1989</b>	<b>59.86</b>

Table 6 shows the opinion of entrepreneurs regarding the re-joining of the migrated staff (frequency and percentage).

	Scale	Frequency	Percentage
Do you believe that migrated staff will re-join after the lockdown is relaxed?	Not sure	90	60
	Yes, surely	42	28
	May divert to another business	18	12
	<b>Total</b>	<b>150</b>	<b>100</b>

Tables 5 and 6 show the frequency and percentage of human resource variables. Table 5 shows district-wise frequency and percentage of local and outstation manpower appointed in hospitality business establishments before the pandemic as well as the manpower that resigned and was laid off during the lockdown. The 150 businesses studied had employed 3324 workers before the COVID-19 lockdown. Of them, in 2014 (60.61%) were local and 1310 (39.42%) were outstation workers. All respondents have downsized their workforces due to the COVID-19 pandemic lockdown. Few of the employees resigned, and some were laid off. Table 6 shows that of 150 respondents, 90 (60%) were unsure about whether the migrated staff would join again; 12% of respondents feel that the workers who have left may engage in other businesses.

Table 7 shows the frequency and percentage of the entrepreneur's opinion about financial variable

	Scale	Frequency	Percentage
Could you pay the salaries of the present staff during the lockdown?	Yes (Full)	48	32.00
	No	20	13.30
	Partially	82	54.70
	<b>Total</b>	<b>150</b>	<b>100</b>

Table 7 indicates that only 32% of respondents could pay full salary to their staff while 55% paid it partially. However, 13.3% of entrepreneurs could not pay salary during the lockdown period

**Table 8- Frequency and percentage of entrepreneurs' opinions about perspective variables.**

Do you have clarity about the guidelines given by the government to reopen the hospitality industry services during the relaxation of lockdown restrictions?	<b>Scale</b>		
	Yes	23	15.3
	No	37	24.7
	Guidelines not received	90	60.0
	<b>Total</b>	<b>150</b>	<b>100%</b>
Did you plan for additional costs that will incur on hygiene, sanitation, and housekeeping?	<b>Scale</b>		
	Yes	108	72
	No	12	08
	Not yet decided	30	20
	<b>Total</b>	<b>150</b>	<b>100</b>

**Table 9- Frequency and percentage of entrepreneurs' opinions about perspective variables.**

Perspective Variables	Frequency		Percentage	
	Yes	No	Yes	No
Did you plan before lockdown to expand the capacity of your business?	120	30	80.00	20.00
Do you have the authority to control the customers, if they fail to observe the Standard Operating Procedure?	32	118	21.30	78.70
Do you expect the same amount of footfall after the lockdown restrictions are relaxed?	54	96	36.00	64.00

Tables 8 and 9 show the frequency and percentage of perspective variables. According to Table 8, of the total 150 respondents, 60% commented that they have not received guidelines from the government to re-open the hospitality industry. Furthermore, those who have received the guidelines (27%), faced difficulty while understanding the guidelines/SOP. About 1/3<sup>rd</sup> of respondents (28%) have not made any plan for the additional cost that will incur on hygiene, sanitation, and housekeeping. According to Table 9, of the total 150 respondents, 80% of entrepreneurs had planned to expand their business capacity before lockdown. Of all, 79% argue that they would be unable to authoritatively control the customers if they fail to follow norms as per the SOP issued by the Government of Maharashtra. In total, 64% of respondents asserted their doubts about receiving footfall of customers after the reopening.

### 4.3 Hypotheses Testing

**Table 10 –Chi-Square tests crosstabulation analysis**

Variables/ Hypothesis (H) number	Description	N	Chi- Square Value	df	Asymp. Sig (2- sided)	The decision of Hypothesis testing
Operational/H1	The cost of purchase	150	8.067 <sup>a</sup>	3	.045	Rejected
Maintenance/H2	The cost of maintaining hospitality business establishments during lockdown	150	63.253 <sup>a</sup>	15	.000	Rejected
Variables/ Hypothesis (H) number	Description	N	Chi- Square Value	df	Asymp. Sig (2- sided)	The decision of Hypothesis testing
Human Resource/H3	Salary payment during lockdown	150	13.038 <sup>a</sup>	6	.042	Rejected

Financial H4	The financial structure of hospitality business establishments	150	45.460 <sup>a</sup>	9	.000	Rejected
Perspective H5	Willingness to continue the business	150	17.766 <sup>a</sup>	6	.007	Rejected

Table 10 indicates the output of operational, maintenance, human resource, financial, and perspective variables. The cost of purchase, cost of maintenance, continuity, and financial structure of hospitality business establishments, and salary payment to workers were considered for chi-square crosstabulation with sales during COVID-19 lockdown. Table 10 shows the level of significance for operational, maintenance, human resource, financial, and perspective variables as 0.045, 0.000, 0.042, 0.000, and 0.007, respectively. It indicates that the chi-square test shows a significant association between all the five variables with sales. Hence, null hypotheses are rejected and it could be said with 95% confidence that, there is a significant association between sales during COVID-19 lockdown and operational, maintenance, human resource, financial, and perspective variables of the hospitality business establishments.

Hence, it could be inferred that reduction in the sale volume of hospitality business establishments due to the COVID-19 lockdown adversely affected the continuity of business enterprises. Resultantly, surviving in the market post-COVID-19 lockdown has become challenging for hospitality business entrepreneurs.

#### 4.4 As per objective 'c' suggestions for difficulties and challenges faced by hospitality business enterprises

Hospitality business entrepreneurs mentioned their difficulties throughout the questionnaire. To suggest possible solutions/actions for difficulties and challenges faced during the lockdown period, the researcher shortlisted experts from the hospitality industry of Konkan and had a constructive discussion with them through telephonic interviews and e-mails. The policy-based suggestions mentioned below could be considered by the respective authorities to revive the hospitality industry.

- Free movement of citizens and visitors when the lockdown restrictions were relaxed was restricted by the local authorities/citizens in different villages of Konkan. Thus, it became one of the biggest challenges in maintaining law and order. Uniformity in the application of the norms should be controlled by the respective regulatory authorities.
- Some kind of authority (in their premises) should be assigned to the business owners, in case, visitors fail to follow the norms of social distancing, mask usage, or other regulations
- A separate policy for the disposal of surgical waste needs to be framed as early as possible. As unsafe disposal of masks, gloves, and other infected materials could lead to the spread of communicable diseases. Separate collection agencies of the local government need to be assigned to collect surgical waste.
- Risk and loss incurred due to the COVID-19 lockdown should be insured through respective insurance organizations with the government initiative. Additionally, hospitality business entrepreneurs should have a disaster preparedness plan in place for such unforeseen circumstances.
- A new business policy needs to be framed by the entrepreneurs to overcome challenges by adapting to the new normal. Financial machinery should be developed to face uncertainty. Contingency reserves and savings should be maintained.

The challenges faced by entrepreneurs differed in terms of their levels of severity and criticality. The respondents prioritized financial challenges, human resource-related difficulties, maintenance problems, operational, and perspective difficulties respectively.

- The entrepreneurs faced difficulties with fund management including payment of loans and the interest incurred. This further led to issues in paying salaries, rents, bills, and taxes. Granting soft loans and government finance packages like reimbursement, expanding the moratorium period, and waiving added charges on various bills and taxes could prove helpful.
- Increased purchase, fixed, and maintenance costs could be reduced with the help of price revisions and government subsidies, and waiving of some duties and charges.
- Local staff refusal to resume duty, outstation staff being unavailable, and lack of knowledge and training about COVID-19 appropriate behavior could be resolved with better communication with staff,

attractive hiring strategies, government job security programs, and hospitality-specific government approved training programs.

- Additional heavy costs incurred for maintaining cleanliness and hygiene could be resolved by revising the pricing strategy and using local/indigenous products under the agenda of “go local, go green!”
- The fear and insecurity of people could be reduced with effective campaigning efforts through Public-Private Partnerships and immunity-boosting alternatives, first-aid services, emergency response teams, and doctors easily available near tourist destinations. This would resolve the issue of the reduced footfall of customers. Most importantly encouraging and publicly appreciating ethical and legal business practices would set a standard for different hospitality businesses in Konkan.

## 5. Conclusion

The COVID-19 pandemic and lockdown have interrupted the functioning of the hospitality industry and transportation systems worldwide, including the Konkan region. Even though most (80%) entrepreneurs had planned before the lockdown to expand their business capacity and operations, due to the COVID-19 lockdown and the resulting reduction in the sales volume, they could not proceed with their planned expansion. However, 89% respondents failed to plan for contingencies and disaster management.

During the lockdown, the business operations of the tourism and hospitality industries were suspended. The government directed all employers to grant compulsory paid leave to all employees including the contractual ones. Ultimately, the fixed costs of the businesses increased with no sales and, in turn, no margin. Overdrawing of working capital for payment resulted in a deadlock in the working capital cycle. Consequently, it disrupted the survival of small, medium, and even largescale hospitality business enterprises in Konkan.

Entrepreneurs could have adopted price revision by following an effective pricing strategy. Maintaining contingency reserves and economic incentive packages and wage subsidies from the government could assist the hospitality industry to sustain itself throughout the challenging period of the pandemic and lockdown. Thus, the entrepreneurs, their associations, and the government could take different initiatives to rebuild and revive the tourism hospitality industries in Konkan.

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