

SUSTAINING OR SURVIVING? AN EXPLORATORY CASE STUDY ON COVID-19'S IMPACT TOWARDS HOTEL BUSINESSES

 **Winayaporn Bhrammanachote**
 **Yothin Sawangdee**

Preliminary communication
Received 7 December 2020
Revised 26 February 2021
6 April 2021
Accepted 19 May 2021
<https://doi.org/10.20867/thm.27.2.3>

Abstract

Purpose – The aim of this research is to develop a sustainable model for local hospitality businesses in Chiang Mai to mitigate risk during the Covid 19 crisis and become resilient when the situation improves. This research study seeks to explore whether local hospitality businesses in Chiang Mai are taking a sustainable or survival approach in response to the pandemic situation that is occurring worldwide.

Design – This is a mixed methods research guided by three research questions to support the aim of the study.

Methodology – Five hotels in the province Chiang Mai were selected for the survey and the results were subjected to data triangulation to obtain ideas for a sustainable model. The 400 questionnaires were distributed to 85 hotels including 8 hotels rated 5 stars, 47 hotels rated 4 stars and 30 hotels rated 3 stars in the province Chiang Mai.

Approach –Data triangulation was used to test the three questions to ensure the validity of the study: the results of research question number one were compared separately with the results of research question number two and number three; the results of research question number two were compared with the results of research question number three.

Findings –Hotels can be viable in the long run if the government creates environmental conditions that support a healthy and intelligent organization to take proactive measures to take care of the welfare of the employees and residents. The overall survival adjustment in the COVID -19 pandemic critical conditions of hotels in the province Chiang Mai was high at 3.96. The correlation coefficient of the cause variables was market adjustment (X1), sustainability adjustment (X2) and learning adjustment (X3) have a positive correlation with the survival of hotels in the province Chiang Mai during the pandemic COVID -19. The survival of hotels in the province Chiang Mai amid the COVID -19 pandemic can be predicted by the underlying event such as learning adjustment (X3) and marketing adjustment (X1), which has an accuracy of 52.70 % and statistical significance at the 0.01 level.

Originality of Research – The paper captures the current situation of how Covid-19 has caused a major disruption to hotel businesses in Chiang Mai, Thailand.

Keywords Covid-19, Hospitality, Safety and Health, Surviving, Sustaining, Training

1. INTRODUCTION

Covid-19 has made a psychological impact on the Thai hotel industry as foreign visitors have cancelled traveling plans due to fear and the government imposing flight restrictions to safeguard the public health (Head 2020). Many have suffered losses in income and

jobs from the fear that has been imposed on the people. As one of the most favorite destinations in Thailand for rest and relaxation and heavily reliant on foreign travelers to spend their money on goods and services, the hospitality businesses in Chiang Mai has been going through some financial hardships to keep things afloat (Pinchuck 2020). The province had been developed for this type of industry and is one of the crucial economic sectors bringing in the revenues for the public and state. Policies for taking the necessary precautions on limiting the spread of the virus by country leaders around the world have disrupted the flow of convenience and certainty of traveling thus having a negative repercussion effect on future plans for growth and development in the tourism and hospitality economy (ASEAN Policy Brief 2020).

Prior to the worldwide spread of Covid-19, the statistics gathered showed that the number of arrivals from 2010 to 2019 has steadily grown from 15.94 to 39.92 million per year (thaiwebsites.com). Despite some incidents abruptly occurring in the middle of this decade (riots and political uncertainty in 2010; major flooding in large parts of Thailand and northern Bangkok towards the end of 2011; political demonstrations ending in 2013 and ongoing into 2014; anti-government demonstrations occupied most of the first half of 2014, and followed by a declaration of martial law, and a military (bloodless) Coup d'Etat on 22 May 2014; bombing of the Erawan Shrine on 17 August 2015; crack-down on zero-dollar (Chinese) tour groups at the end of 2016 which had a significant effect on Chinese arrivals that persisted during the first quarter of 2017) the number of travelers steadily kept on increasing in 2016 and 2017. Chiang Mai is one of the preferred destination choices for travelers coming from abroad and for locals living in other parts of the region. Chiang Mai was ranked 24th place in the World and 5th place in Asia according to the 2013 Travelers' Choice Destinations award, due to being a cultural and natural wonderland with ethnic diversity, a multitude of attractions, and friendly hospitality (Suanmali 2014). In 2019, 100 Billion Baht in revenue from 10.8 million visitors, of which 70% were Thais and 30% foreigners, were recorded in Chiang Mai (Bangkokpost.com). Unfortunately, for business operators linked to providing services to travelers, many of them have suffered a huge financial loss from the tourism revenues due to the visitors fear of being infected by Covid-19 along with tough government measures to limit the spread of the disease.

The reality for the hotels is to realize that they have to find ways to adapt to the circumstances by lowering all risks (Wongsamuth 2020), otherwise the business will shut down all at once. With no continuous stream of visitors making travel arrangements or accommodations decisions have to be made instantly amongst local owners of their enterprise that is innovative enough to draw some interests for business and highly creative to ensure that operations are viable for the long term (Campbell 2020). While the disease is causing a disruption in the system of getting workers to perform properly together, and emitting uncertainty about how the virus evolves and on the best methods to contain it (Menon, 2020), the business organizations of tourism and hospitality will need to take an initiative learning to make the crisis a favorable situation for them.

This research study seeks to explore whether the local businesses of hospitality in Chiang Mai, Thailand are taking a sustainable or survival approach in response to the pandemic situation that is occurring worldwide. Sustaining is having a bigger perspective of how the practical methods are being applied to give businesses the opportunity to expand on

its venture or appeal to its customers and clients with great satisfaction (Weaver 2011). Sustaining is doing what is important now in order to have something for the future for all to cherish and be a part of a foundation that preserves the intrinsic values for all to learn and appreciate. Surviving tends to be a bit more drastic with the means to keep the business operation going in the moment as long as it can. While surviving tends to be assured as legitimacy for those who have a stake hold in the business operation it drifts along with the current situation while being a bit indecisive on what the actual goal is to be afterwards (Peprah et al. 2020).

2. LITERATURE REVIEW

2.1. Sustaining versus Surviving in the Covid-19 Crisis

The worldwide outbreak of Covid-19 has caused a major disruption on the way people have been traveling and touring. According to Karim et al. (2020), “management should have a better understanding of policies being implemented for ensuring visitors’ wellbeing and safety”. Furthermore, the study stated that “travel agencies may provide suitable products and package to leverage the tourism industry and encourage customers for taking precaution in order to keep themselves safe”. With the current situation (April 2021) on the COVID-19 crisis in Thailand, the government pleads and asks for cooperation from people in a country to avoid and limit all any nonessential domestic travels while maintaining physical and social distance, practicing hygiene by wearing a mask and often washing hand with alcohol-based hand sanitizer that contains at least 60% alcohol.

The idea of sustaining is seeking a balance between meeting the needs of the current generation and having the same capabilities to meet the needs of the future generation. The critical point is to keep the operation of things intact despite changes and challenges that may occur in an unexpected or unwanted manner. Sustaining tourism takes into account the issues that are political, economical, social, cultural and social for searching methods that would satisfice the state of mind with concerned groups (Chu and Chung 2016). Based on a study done on hospitality sustainment by Kim et al. (2016) the staff needs to “be professional in details with their customers or clients being serviced”.

Tourism and hospitality businesses are intricately linked together as the individual evolves from being a passenger of a transporter that requires safety, to a resident at a hotel requiring comfort and care, to a tourist that takes part in sightseeing and shopping, and a blogger of social media when they make comments about the services being received or giving their opinions about a purchased product, therefore these activities bind the commercial service functions together (Wijesinghe 2014). The philosophical light coming out of this situation is that Covid-19 forces all network of the tourism and hospitality industry to reframe their operations that were previously unsustainable before the crisis hit (Higgins-Desbiolles 2020). Businesses that operate in a survival mode react to a sudden economic hardship, move out of their original operation to a new one or simply cut their losses, and try to get acclimated to the competition that is occurring (Deller and Conroy 2017). The competition is around 100 percent and everyone needs to survive by having some customers since most of the hotels do not want to close their

business. Importantly, many of them just renovate and having some staff training in late 2019 and early 2020. They expect to have high return on investment in winter and Songkran festival in April. Unfortunately, the Covid-19 has shown up. As a result, any places need some marketing strategies adjustment and adaptation management. Economic decisions are made to minimize costs and any unnecessary expenses, and to find profitable ventures to shore up the revenues to keep the funds financing the operation for business survival, but failing to realize that standards have been affected by the action (Amankwah-Amoah, Boso and Antwi-Agyei 2018).

Garicano and Rayo (2016) provides insight on the competency of certain businesses that fail to maintain the long run due to the attitude of not wanting to take an initiative in problem solving or lacking the capacity to configure the right approach in making the corrections. In the midst of survival the businesses providing tourism and hospitality services should be aware of the social surrounding that provide the resources for their mission operation; thus a collaborative partnership with suppliers, adapting with the constant changes in the environment, and being innovative with customers and key stakeholders would develop opportunities into the future instead of being given chances to try out an assumption (Stefan and Bengsston 2017). Abubakar (2020) suggested for management not to go into diversifying the business operations as it would waste time and focus on the core competencies that bring in the business profitable during this unfortunate situation.

2.2. Sustaining the Business of Hospitality in the Midst of a Covid-19 Pandemic

The most important thing to factor into sustainability is the health, safety and wellbeing of travelers as they make their journey along each destination points and coming into contact for services. Jiang and Wen (2020) recommended that places of residency implement a hygiene surveillance for identifying spots that need to be given critical attention and procured immediately which will severely reduce the risk of virus spreading. In addition, assuring that visitors will get a sense of feeling safe means allowing them to know who and where to go for medical and health services should a case arise in their incursion. Chebli and Ben Said (2020) pointed out it's important that the conditions of access and quality of care offered are managed with health standards and performance are done with proper results in order for travelers to be convinced that this is the right destination for traveling.

With Covid-19 changing the behavior and attitude of travelers as consumers the tourism and hospitality business will need to develop a marketing plan that ensures tourists from being exposed to any risks and develop innovative ideas in service value for visitors that may have their own personal agenda of traveling to a particular area (Medrano, Cornejo Canamres, and Olarte-Pascual 2020). Being sustainable is also relearning about the way things are done, thus the work of Galvani et al. (2020) helps us to see COVID-19 as being a conscience of our past activities and to re-examine our lives and purpose as human beings and to seek a much healthier way with our natural and spiritual surrounding. The safety and health of workers who make up part of the tourism and hospitality industry must also be considered into the line of business operation as a scheme of preventing any serious outbreak which could further impact the plan for making progress (Sönmez et al. 2020). Hobbs (2020) indicates the importance of

suppliers who play an important role by maintaining robustness and reliability which enhances their resiliency in supporting other businesses to carry out their functions and meet their aims.

2.3. Business of Hospitality Survival and Sustainability in the Midst of a Covid-19 Pandemic

In the absence of a proper infrastructure that supports the enterprises on finding ways of maintaining stability and sustainability the conditions resort them to find ill-advised procedures and half-baked solution to keep the business afloat for the time being (Ozili 2020). The name of the game of survival becomes a race on who can offer the lowest prices possible to any customers willing to pay for the accommodation services and not expecting to receive any standard of services (Noel 2020). Unfortunately, it's always the workers who are laid off from the job when business is not going so well based on the pretext of reducing labor expenses (Dwomoh, Luguterah and Duah 2020). Upon facing a crisis, the standards of services drop and the view of customer care takes a back seat for the sake of managing the financial aspects to keep the business going (Sheresheva 2020). Businesses find temporary partnership to cooperate with on being innovative with the services to customers or production that are in the local market to shore up their revenues (Lapointe 2020). In the absence of foreign travelers Ghosh (2020) asserts that the best approach for the tourism and hospitality sectors to survive is to focus on the local market and set the policies for sanitation and health which will convince the people to engage with events and activities. Rakshit and Paul (2020) believe that companies should rethink their business model, concentrate on their core business area, revive their strategies, rework their plans and policies, try to explore new markets, embrace new sales channel and find more opportunities to grow.

3. RESEARCH AIM AND OBJECTIVES

The aim of this research is to develop a sustainable model for the local hospitality businesses in Chiang Mai to alleviate the risk during the Covid-19 crisis and become resilient when the situation improves. To attain the aim the objectives are the following:

1. To explore on the extent of local hospitality businesses being sustainable in their management affairs.
2. To explore on the extent of surviving by the local hospitality businesses in their management affairs.
3. To learn how the local hospitality businesses are actually managing affairs which leads toward survival or becoming sustainable.

With the aim and objectives, the research study asks the following questions:

1. To what extent are local hospitality businesses being sustainable in their management affairs?
2. To what extent are local hospitality businesses surviving in their management affairs?
3. How are the local hospitality businesses managing their affairs to help them survive or become sustainable?

Practical Ideas for Sustaining Hospitality in the Midst of a Covid-19 Pandemic

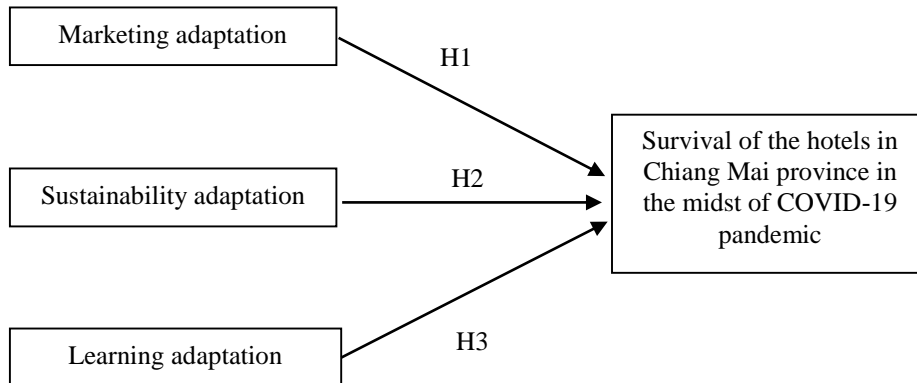
This is the normal for now and people of all background will have to accept the fact. Jiang and Wen)2020(asserted that with the global health crisis caused by COVID-19, travelers are now likely to pay more attention to the availability and quality of medical facilities when making travel decisions. Regardless of the brand or reputation the business and managerial practice for tourism and hospitality will have to make the quality standard of cleanliness and sanitation as a must)Ballina, Valdés and Del Valle 2020(or be blacklisted from commercial associations or networks. With regards to safety and health issue there is a need to help promote education and training for staff to take the right measures that would be reinforced around the notion of valued services. With an expected wave of the virus mutating management of tourism and hospitality will need to work closely with public health institutions and medical professionals on being equipped to manage the situation and foster collaboration that aims toward resolving any difficulties occurring)Shamasunder et al. 2020(. To be resilient is to reflect back on how the operations of tourism and hospitality have been successful and needed further improvement. Sigala) 2020(tells us “to reimagine and implement an operating environment that is human-centered and responsible to sustainability and well-being values”. All assumptions and paradigm that have been previously implemented from the operating model of tourism and hospitality can be assessed to understand where changes can be made to correct or added on to enhance the health and safety of people and the social/natural environment)Ioannides and Gyimóthy 2020(. Different perspectives add value into insights on best ways to manage risks or enhance the wellbeing of travelers and tourists, thus being more resilient with a multi-mindset in handling emergency, health care, entertainment, and providing leisure and recreation in a simultaneous fashion)Miles and Shipway 2020(.

This study compiled concepts and theories, academic documents and related research including 1) Marketing concept 2) Sustainability concept and 3) Learning concept in order to define as a conceptual framework for the research. This research seeks to study the adaptation of the hotel business to be able to survive in a crisis of COVID-19 pandemic. The hypothesis was set in the study as follows.

Hypothesis:

- H1: Marketing adaptation positively affects the hotel business’s survival in the midst of COVID-19 pandemic critical
- H2: Sustainability adaptation positively affects the hotel business’s survival in the midst of COVID-19 pandemic critical
- H3: Learning adaptation positively affects the hotel business’s survival in the midst of COVID-19 pandemic critical

Figure 1: **Conceptual Framework**



4. RESEARCH METHODOLOGY

With the aim of developing a sustainable model for the hospitality businesses in Chiang Mai, the research study utilizes the research objectives as the building blocks in providing information for easing the risk during the Covid-19 crisis and becoming resilient when the situation becomes alleviated. The targets chosen for qualitative data collection were 5 hotels located in the Chiang Mai province, while the quantitative data collection were 85 hotels including 8 hotels that are rated 5 stars, 47 hotels that are rated 4 stars, and 30 hotels that are rated 3 stars hotel in the Chiang Mai province using 400 questionnaires.

In order to gain a better insight into the sustaining and surviving of the hotel businesses in Chiang Mai from the Covid-19's impact, semi-structured interviews were conducted with 15 hotel managers for the qualitative data collection. Whist the questionnaires were handed out to the hotels in Chiang Mai province ranging from 3 stars to 5 stars, comprising of managers, receptionists, housekeepers, chefs, bellboys, front officers, concierge, drivers, maintenance staffs, and gardeners with the various age between 21 to 50 years old male and female.

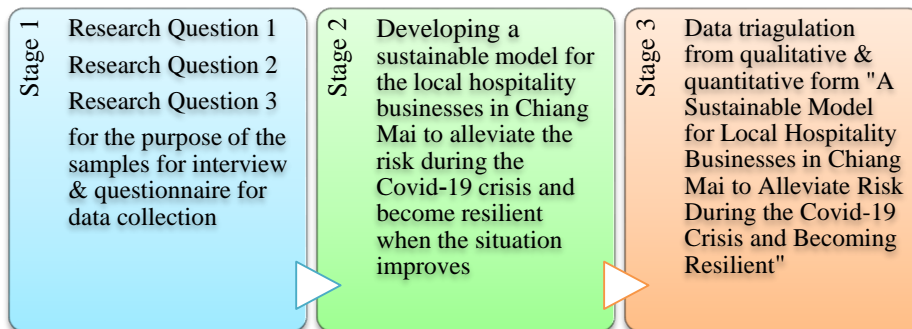
To determine the extent on the management affairs being sustainable or surviving with the local hospitality business a semi- structured interview and questionnaires were conducted with management of the hotel by asking them on how they are managing their affairs to help them survive or become sustainable. The research questions and questions of the questionnaires are presented in detail in Table 1:

Table 1: Research Questions and Questions of the Questionnaires

Research Question 1: How they are being sustainable in their management affairs?	
Question Number	An open-ended inquiry asked
1	To what extent do you think that the hygiene surveillance approach has ensured the safety and health of travelers and staff, as well as reducing the risk of virus contamination?
2	Please illustrate your system of providing proper access for travelers and staff to receive quality medical care and services.
3	What are the important factors considered in planning to keep travelers and staff from being exposed to risk while also being innovative in providing customer services?
4	When relearning for better working methods to serve travelers better and helping staff to perform with strong confidence what are the issues that should be taken into account?
5	How is your company supporting other business network of suppliers to help meet their aims?
6	Please describe how education and training are promoted for making the right approach in added value services.
Research Question 2: How they are surviving in their management affairs?	
Question Number	An open-ended inquiry asked
1	Do you feel that the service and working standards have been lowered from minimizing your costs and expenditures? If so, please explain why or why not.
2	If there are any issues for improving the responses to problem solving and doing a better job of taking the right actions in serving travelers what might be the cause of this in your opinion?
3	How much is the competition about offering the lowest price for travelers?
4	If there are temporary partnerships created with other businesses to generate some revenues please describe the venture project.
5	If the local markets are being focused for now what type of marketing strategy has been developed?
6	What type of new markets are being explored and new sales channel being considered? If such actions have been taken what are the challenges that you have experienced?
Research Question 3: How they are managing their affairs to help them survive or become sustainable?	
Question Number	An open-ended inquiry asked
1	How many employees were there in the year 2018, 2019, 2020, and after the outbreak of COVID-19 in March, how many were there in every department? How many people were laid off and in what department? Why?
2	In the future, if the COVID-19 situation improves, is there a policy to call back people who have already been laid off from work? Why or why not?
3	For customers in 2018, 2019, 2020 and after the epidemic of COVID-19, starting from what month has the hotel been closed and when will it be opened for normal service? What is the number of tourists? What are some ways to encourage Thai people to travel?

The information from the interviews for all three research questions were triangulated to obtain better insights and details to validate on the aim of “developing a sustainable model for the local hospitality businesses in Chiang Mai to alleviate the risk during the Covid-19 crisis and become resilient when the situation improves”. A conceptual framework had been developed below to answer the structured research questions that leads to toward providing information for the aim of this study.

Figure 2: **Conceptual Framework for Deriving at the Research Aim**



In the conceptual framework (Figure 2), stage 1 begins with the attempt of trying to answer the three research questions which have their own contents for gaining insights. Five hotels were selected as samples for an interview. In stage 2, results from the interview process with the three questions were data triangulated to obtain validity of the study: results of research question number one were data triangulated with the results of research questions number two and number three separately; results of research question number two were data triangulated with the results of research question number three. Triangulation is an assessment process to strengthen the credibility of the research study, reduce the level of biasness, and to provide an illustration on the differences between the results to establish a reasonable valid proposition (Ghrayeb Damodaran and Vohra 2011). Data triangulation is the processing of multiple data sources to be verified for increasing validity of the study (Rahman 2012). In the final stage, the points from data triangulation have been formed to provide the ideas for “developing a sustainable model for local hospitality businesses in Chiang Mai to alleviate risk during the Covid-19 crisis and becoming resilient.”

5. RESULTS AND ANALYSIS

According to the research objectives above, it is found that:

Table 2: **Mean and Standard deviation in adapting for survival of hotels in Chiang Mai province in the midst of COVID-19 pandemic**

Item	Factors	\bar{X}	SD.	Meaning
1	Marketing adaptation	3.81	0.56	High
2	Sustainability adaptation	3.98	0.52	High

Item	Factors	\bar{X}	SD.	Meaning
3	Learning adaptation	4.07	0.56	High
	Average	3.96	0.41	High

Table 2, it was found that the overall survival adaptation in the COVID-19 pandemic critical conditions of hotels in Chiang Mai province was high as of 3.96. When analyzing each factor, it is found that the learning adaptation has the highest mean, as of 4.07 followed by the sustainability adaptation of 3.98, and the marketing adaptation of 3.81. Analysis of factors affecting the survival of hotels in Chiang Mai province in the midst of COVID-19 pandemic conditions can be presented in table 3.

Table 3: **The coefficient of internal correlation between dependent and independent variables and between independent variables.**

Factors	X1	X2	X3	Y
X1. Marketing adaptation	1.000	.436**	.224**	.435**
X2. Sustainability adaptation		1.000	.378**	.417**
X3. Learning adaptation			1.000	.654**
Y. Survival during the COVID-19 critical				1.000

** Has statistical significance at the 0.01

From Table 3, the correlation coefficient of the cause variable was market adaptation)X1) sustainability adaptation)X2) and learning adaptation)X3) have a positive correlation with the survival of hotels in Chiang Mai province during the COVID-19 pandemic, which has a statistical significance at the 0.01. in accordance to the research hypothesis.

Table 4: **A multiple regression analysis of independent variables of factors affecting the survival of hotels in Chiang Mai province during the COVID-19 pandemic**

Predict variables	B	Std. Error	Beta	T	Sig.	Tolerance	VIF
Constant	.588	.175		5.533	.001		
X1. Marketing adaptation	.252	.036	.273	2.450	.000	.783	1.277
X2. Sustainability adaptation	.077	.041	.078	23.716	.062	.707	1.414
X3. Learning adaptation	.526	.035	.564	7.943	.000	.855	1.170
$R = 0.721$ $R^2 = 0.5207$, $F = 142.745$, $Sig = 0.000$							

** Has statistical significance at the 0.01

Table 4 shows factors affecting the survival of hotels in Chiang Mai province during the COVID-19 pandemic including learning adaptation)X3(has positive relation to the survival of hotels the most, where the significance weight of factor in the form of standard)Beta(of 0.564, the raw data)B(of 0.526, followed by marketing adaptation)X1) which the significance weight of factor in the form of standard)Beta(of 0.273, the

raw data)B(of 0.252. The sustainability adaptation)X2(does not have a positive effect on the survival of hotels in Chiang Mai in the COVID-19 pandemic critical conditions.

The analysis of data can be concluded that the survival of hotels in Chiang Mai province in the midst of COVID-19 pandemic can be predicted by the underlying event such as learning adaptation (X3) and marketing adaptation (X1) which was 52.70% accuracy and has a statistically significant at 0.01 level.

The equations obtained from the stepwise multiple regression analysis of the variables entering the equation has a statistically significant at 0.01 level which can be written in raw data form and has standard scores as follows:

The forecasting equation of survival in the midst of COVID-19 pandemic of hotels in Chiang Mai province in the form of raw data is

$$Y = .588 + .252 (X1) + .077 (X2) + .526 (X3) + e_i$$

The forecasting equation of survival in the midst of COVID-19 pandemic of hotels in Chiang Mai province in the form of standard score is

$$Z = .564 (X3) + .273 (X1) + .078 (X2)$$

From research objective 1, it can be explained that the sustainability is not in consideration for the adaptation to survive in the midst of COVID-19 pandemic situation. This may be because business and sustainability are controversial (Boiral, Brotherton and Guillaumie 2021). However, when studying data from research papers and in-depth interviews from the sample, it can be concluded that in order to apply the concept of sustainable adaptation of the hotel businesses for survival during the COVID-19 crisis, the guidelines are as follows:

5.1. The Sustainability of Management Affairs in Local Hospitality

Based on the responses from the interview, all of the hotels have taken surveillance to ensure the wellbeing of the travelers and staff; some have complied with the Safety and Health Administration protocols or government policy, and having a medical doctor stand close by. Travelers and staff receive access to treatment with a transportation to the hospital should a fever and symptoms start to rise: reservations will be immediately cancelled for travelers during the situation. It's been learned that there are no factors highlighted for planning to prevent travelers and staff being exposed to the risk as the hotels mainly use a digital payment system for ordering food online to serve them their meals. For relearning better working methods to assure confidence, the residents and staff are mainly introduced on procedures for mitigating risks of getting infected. Some hotels do engage with supporting their business network of suppliers by providing a gift voucher, recommending accommodations to other places when the rooms are full, and collaborating with tour operators, while there are other hotels not involved with any support. Education and training are promoted by having operations training organized, letting workers be trained online, training on sanitation, and having public officials invited for a meeting with the staff. The full information from the questions asked is shown in Table 5 below.

Table 5: Sustainability of Management Affairs in the Local Hotels

Pseudonym of Hotel/ Theme	Hotel 1	Hotel 2	Hotel 3	Hotel 4	Hotel 5
Surveillance	Taking Safety & Health Administration measures.	Taking Safety & Health Administration measures and having public professionals in charge.	There is a doctor's office in the hotel, focusing on distancing.	Prior to staying, a doctor's certificate must be issued and passed during quarantine.	Following government's policy of disinfecting various points.
Access to Treatment	If guests/staff have a fever and symptoms do not improve, they will be transported to the nearest hospital.	If residents or staff have a high fever, they will be recommended to go to the hospital for a check-up.	If the guest or staff has a high fever, he/she will be transported to the nearest hospital immediately.	If the guest or staff has a high fever, he/she will be transported to the nearest hospital immediately.	If the guest has an infection, the reservation will be cancelled and transported to the hospital immediately.
Being Innovative with the Anti-Infection Process	Using the QR code or ordering food online.	Ordering food; using a sink to wash without getting in close contact.	Using e-payment system to pay	Using e-payment system to pay; Disinfect before collecting cash every time.	Letting payments for booking be made through the website only.
Building Confidence	Customers and staff are introduced to taking action for mitigating risks.	Customers and staff are introduced to taking action for mitigating risks.	There is a clear bar in front of the counter to introduce yourself through the website.	Customers and staff are introduced to taking action for mitigating risks.	Strictly complying with the government's policy.
Supporting the Affairs of Other Business in the Network	Providing gift voucher with affiliated businesses	Recommending affiliates' accommodation if the rooms are full.	Not affiliated with other businesses.	None	Collaborate directly with tour operators
Education and Training of Employees	Organize online training for employees	Organize operation training for employees	Organize staff meetings with public officials to take care of them.	Organize operation training for employees	Organize sanitation training for employees

5.2. The Survival of Management Affairs in Local Tourism and Hospitality

With regards to the inquiry on the feeling that standards of service and work have been lowered two hotels (Hotel 1 and Hotel 3) stated that there hasn't been any cost reduction; however, one of the hotels felt that the cost has doubled. Meanwhile, the other three hotels had to resort in reduction of number by cutting staff's working hours (Hotel 2 and Hotel 4) and laying off their workers (Hotel 5). In response to issues for improving responses to problem solving and doing a better job of taking the right action, two hotels (Hotel 3 and Hotel 4) the cause is based on the training provided to employees on taking preventive measures; one hotel (Hotel 1) indicated that it's on reducing the standard stipulation of laying off employees, while one hotel (Hotel 2) cited on complying with the government safeguard policy, and one hotel (Hotel 5) adhered on increasing protective measures with sanitizing the premises. When it comes to the question of competition three hotels (Hotel 3, Hotel 4, and Hotel 5) apply the discount technique to entice travelers to make bookings with their rooms. However, only two hotels (Hotel 1 and Hotel 2) have not taken any action to be competitive at all. For the question of creating temporary partnerships, only two hotels (Hotel 1 and Hotel 2) have been involved with a project, meanwhile the other three hotels (Hotel 3, Hotel 4, and Hotel 5) have never gotten involved with any initiatives since the pandemic crisis made its impact on the business environment.

Upon gathering data from the interview, most of the hotels have reduced the working time to reduce costs. On the issue of a developed marketing strategy if local markets are focused on, two hotels (Hotel 1 and Hotel 3) have employed a tactic to help them get customers; one hotel that is already involved with a government program has been offered a discount incentive of getting their expenses reduce by 40%, while the other hotel is working with an external agent that offers an 80% discount for making reservations through their system. Also, one hotel (Hotel 4) has focused on a mouth-to-mouth method to get locals interested in making reservations with their rooms. Unfortunately, the other two hotels (Hotel 2 and Hotel 5) are not interested in developing a marketing strategy to entice the locals to make traveling plans. According to the question of new markets being explored and consideration of new sales channel, only two hotels (Hotel 2 and Hotel 4) are targeting the local tourists to increase their revenue. As for the other three hotels (Hotel 1, Hotel 3, and Hotel 5) they are not interested with exploring on new markets nor considering about new sales channel. The information from the response is shown in Table 6 below.

Table 6: Survival of Management Affairs in the Local Hotels

Pseudonym of Hotel	Hotel 1	Hotel 2	Hotel 3	Hotel 4	Hotel 5
Service and Working Standards	There is no cost reduction, but the cost has doubled from the measures	Reduce working hours and pay compensation to employees	There is no cost reduction because there has not been any impact	Reduce working hours, reduce salaries, reduce water consumption, electricity	Reducing the cost by laying off employees
Improving Responses to Problem Solving & Doing a Better Job of Taking Right Action	Reduce the standard stipulation on laying off employees	Comply with government-issued safeguards.	Provide training to employees about preventive measures	Provide training to employees about preventive measures	Increase protection measures, sanitizing the areas every week
Competition	Not specified	Not specified	Agoda Getting 80% discount when booking with Agoda	20% off from the normal price of accommodation	10-15% discount on whichever item is appropriate
Temporary Partnerships	Taking Part in the “We Love Chiang Mai” Project.	Getting 60% reduction in expenses by taking part in government project	None	None	None
Developed Marketing Strategy	Getting 40% reduction in expenses by working with government policy	Not specified.	Getting 80% discount by booking with Agoda	Focus on mouth-to-mouth promotion from cyclists	Not specified
Exploring New Markets	Not Doing Any Market Surveys	Targeting local tourists instead of foreigners	Not Doing Any Market Surveys	Targeting local tourists with an agency doing the work	Not Doing Any Market Surveys

5.3. The Actual Affairs of Management in Local Tourism and Hospitality

From the year of 2018 to 2020, three hotels have laid off their workers: 230 have been partially laid off (Hotel 1), eight were laid off (Hotel 5), and one hotel has made the laid off but did not provide the numbers due to security reason (Hotel 2). Two hotels (Hotel 3 and Hotel 4) have not made any layoffs but have not specified either for their own reasons. On the subject of a policy to call people back to work from being laid off, two hotels (Hotel 1 and Hotel 2) would call their workers back whenever the situation improves. Only one hotel (Hotel 5) would allow for a voluntary return to work if the workers make a request for that. One hotel (Hotel 3) already has their employees working under normal operation, while the other hotel (Hotel 4) has reduced the employees' working hours. Only two hotels (Hotel 4 and Hotel 5) have been in operation before the pandemic occurred, meanwhile three hotels have shut down since April 2020 but have resumed business operation despite the current situation: July (Hotel 1); May (Hotel 2 and Hotel 3). The feedback from the question is shown in Table 7 below.

Table 7: Actual Affairs of Management in Local Hospitality

Pseudonym of Hotel	Hotel 1	Hotel 2	Hotel 3	Hotel 4	Hotel 5
Number of Employees	230 people have been partially laid off	No amount has been specified, but there are layoffs.	No amount has been specified, but there are no layoffs.	No amount has been specified, but there are no layoffs.	Eight workers have been laid off
Returning to Work if the Situation Improves	Calling workers back to resume normal operations	Calling workers back to resume normal operations	No layoffs, all are working under normal operations	No layoffs but have working hours reduced	If a voluntary employee returns to work, they are willing to take the job.
Closure of Services	April - July	April - May	April - May	Open for Business	Open for Business

6. A SUSTAINABLE LOCAL HOSPITALITY MODEL TO ALLEVIATE RISK DURING THE COVID-19 CRISIS AND BECOMING RESILIENT

The sample collection from the interviews with regards to questions pertaining about sustaining, surviving, and actual affairs of management went through the process of data triangulation to determine what the key points are for supporting the research aim. On “developing a sustainable model for the local hospitality businesses in Chiang Mai to alleviate the risk during the Covid-19 crisis and become resilient when the situation improves” the main issues are the following below.

6.1. Hotels being in compliance with the government's policy to handle the Covid-19 situation

This was the most obvious answer mentioned in the data triangulation process. With the situation at hand, the hotels cannot operate in a vacuum when making a strong initiative in preventing the disease from spreading, and putting the health and wellbeing of the staff and residences at such a high risk which can shut down the whole entire operation of tourism and hospitality. Hotels and the government will need to continuously operate in tandem by communicating about the practices that are either proving effective in results or may need to be revised for policies to implemented with obtaining truthful results. Hotels can best be served as an experimental lab for learning and innovation about ensuring the health and safety of workers and guests who come into contact with each other. Results serve as the lessons learned from examining how the policies really function and the information can help both sectors to complement each other's practices while also communicating to other hospitality related industry to follow a conceptual model for reducing the level of health risk. The government's policy should be flexible enough to support areas that will increase the acumen and professionalism of services provided by the hotel, because in the reality of things hotels are in the business of providing good to great customer experience instead of completely adhering to the government's policies for its own sake as if this was a military camp.

6.2. Emphasis on employee training for taking preventive measures from getting infected

Acquiring the skills and know how within a system that is upholding preventive measures from getting infected for workers requires a diligent human resources training staff to fully collaborate with medical experts and professionals dealing with disease control to design a workshop that leads to positive results. It would be easy to have the brain trust advise on a perfect model but won't be quite as effective as getting the input from the current employees who are dealing with the real-life situation at work. The employees are the eyes, ears, and soul of the workplace that really know what is going on and where things are going. To obtain the intelligence on developing a training program that is right for them it's best let them point out the flaws that are ripe for disasters to occur and let them take action based on their recommendations. Even if the results from the action taken does not lead to the correct results it's important for the organization to know that certain concepts have been tried before and that a revised approach can be executed, or maybe the targeted issue for problem solving needs more data to be determined for a more effective execution of things.

6.3. Workers laid off in order to reduce overhead costs of running the operations in the hotel

Unfortunately, the study learned that there were workers that had been released from their jobs in order to cut down on the operation expenses in the hotel. In the reality of things, certain hotels have to do what is best in order to survive which has become the modus operandi of business operation than finding ways to become much more sustainable. To be fair, the hotels could have some of their original employees underemployed by cutting back on the working hours rather than being laid off.

However, financial decisions had to be made by management. From a sustainable perspective, hotels can still strengthen their reputation by turning the crisis as an opportunity by providing their former employees with a chance to earn a degree or certificate in a new trade or one that is currently related to their working background with an educational institution offering a program for future career development. As hotels are already in compliance with the government's policy for taking preventive measures from being infected, they can coordinate with the government on placing laid off workers into educational programs to keep their hopes up for the future when things get better.

CONCLUSION

The research findings indicate that the survival strategy for the hotel industry in Chiang Mai is based on the understanding and commitment amongst business owners, managers, and staff to quickly respond to severe situation and take the right actions in serving the travelers. This has consistency with the multiple regression analysis shown in Table 4 where the learning adaptation (X3) is the most significant, followed by marketing adaptation (X1) and the sustainability adaptation (X2) respectively. These factors have a positive relation to the survival of hotels during the COVID-19 pandemic. Although the magnitude of the coefficient is varied it is reliable with a statistical significance at 0.05. Therefore, the understanding of the situation along with the marketing strategy can be adopted such as lowering the room costs, focusing on the needs of Thai tourists instead of international travelers, and implementing hygiene surveillance to ensure the safety and health of travelers and staff while reducing the risk of virus contamination. Believing that any hotels apply this strategy for adaption, and communication with each other can help them get the return rates at the break-even point.

In our opinion, hotels can be sustainable enough for the long term if government sets the environmental conditions supporting a healthy and smart organization to take proactive measures that does its best to look after the wellbeing of the employees and residents. The Covid-19 situation has caused a lot of uncertainties and disruption in the travel and hospitality industry in Thailand. But then again, Thailand has already faced the SARS crisis and tsunami and have overcome the odds to get most of the hospitality business operating in the shortest amount of time. The worldwide epidemic is another challenge for hotels in Thailand, particularly in Chiang Mai, to rethink their approaches for becoming sustainable with the resources that they have and coming up with a strategic plan that gives them a resilient edge for winning the interests of foreign travelers coming back to Thailand for a visit and booking their rooms to stay.

However, the only drawback from this study was on the number of samples collected for the data due to a vast number of hotels shutting down to stop the operating expenses from piling up. Therefore, the work will need to collect more data in numerical figures to calculate on where the facts are shown based on the responses to the research questions. Perhaps it would be interesting to do a case study on how each hotel are doing to sustain their operations and let the facts and figures be explained on the current reality of struggling with the operation expenses while simultaneously learning more of what they are doing in practice of trying to maintain sustainability or have trended towards the survival mode.

ACKNOWLEDGEMENTS

Acknowledgements: We would like to express our heartfelt thanks to the undergraduate students for their initiative in collecting the data, the Faculty of Management Science for the facility support, and the hotels in Chiang Mai for the collaboration.

REFERENCES

- Abubakar, A. (2020), "Coronavirus (COVID-19): Effect and Survival Strategy for Businesses", *Journal of Economics and Business*, Vol. 3, No. 2, pp. 661-671. <https://doi.org/10.31014/aior.1992.03.02.229>
- Amankwah-Amoah, J., Boso, N. and Antwi-Agyei, I (2018), "The effects of business failure experience on successive entrepreneurial engagements: An evolutionary phase model", *Group & Organization Management*, Vol. 43, No. 4, pp. 648-682. <https://doi.org/10.1177/1059601116643447>
- ASEAN Policy Brief (2020), "Economic Impact of COVID-19 Outbreak on ASEAN", Viewed 14 August 2020, https://asean.org/storage/2020/04/ASEAN-Policy-Brief-April-2020_FINAL.pdf
- Ballina, F.J., Valdés, L. and Del Valle, E. (2020), "The signalling theory: the key role of quality standards in the hotels performance", *Journal of Quality Assurance in Hospitality and Tourism*, Vol. 21, No. 2, pp. 190-208. <https://doi.org/10.1080/1528008X.2019.1633722>
- Bangkokpost.com. (2020), "Chiang Mai tourism faces chilly prospects", viewed 14 August 2020, <https://www.bangkokpost.com/business/2001851/chiang-mai-tourism-faces-chilly-prospects>
- Boiral, O., Brotherton, M.C., and Guillaumie, L. (2021). "Organizations' Management of the COVID-19 Pandemic: A Scoping Review of Business Articles", *Sustainability*, Vol. 13, No. 3993, pp. 1-20. <https://doi.org/10.3390/su13073993>
- Campbell, C. (2020), "It Will Be Catastrophic: Asia's Tourism-Dependent Economies Are Being Hit Hard by the Coronavirus", viewed 14 August 2020, <https://time.com/5783505/thailand-asia-tourism-covid-19-china-coronavirus/>
- Chebli, A. and Ben Said, F. (2020), "The impact of Covid-19 on consumption behavior: A perspective article", *Journal of Tourism Management Research*, Vol. 7, No. 2, pp. 196-207. <https://doi.org/10.18488/journal.31.2020.72.196.207>
- Chu, C. P. and Chung, K. C. (2016), "A framework model for assessing sustainability strategies for 27 tourism green supply chain management", *Journal of Testing & Evaluation*, Vol. 44, No. 3, pp. 1390-1399. <https://doi.org/10.1520/JTE20140196>
- Deller, S.C. and Conroy, T. (2017), "Business survival rates across the urban-rural divide", *Community Development*, Vol. 48, No. 1, pp. 67-85. <https://doi.org/10.1080/15575330.2016.1246459>
- Dwomoh, G., Luguterah, A. W. and Duah, S. B. (2020), "Hoteliers' human resource strategies for business sustainability during Covid-19 pandemic in Ghana", *Journal of Business and Retail Management Research (JBRMR)*, Vol. 14, No. 3, pp. 34-43. <https://doi.org/10.24052/JBRMR/V14IS03/ART-04>
- Galvani, A., Lew, A. A. and Perez, M.S. (2020), "COVID-19 is expanding global consciousness and the sustainability of travel and tourism", *Tourism Geographies*, Vol. 22, No. 3, pp. 567-576. <https://doi.org/10.1080/14616688.2020.1760924>
- Garicano, L. and Rayo, L. (2016), "Why organizations fail: Models and cases", *Journal of Economic Literature*, Vol. 54, No. 1, pp. 137-192. <https://doi.org/10.1257/jel.54.1.137>
- Ghrayeb, O., Damodaran, P. and Vohra, P. (2011), "Art of triangulation: an effective assessment validation strategy", *Global Journal of Engineering Education*, Vol. 13, No. 3, pp. 96-101. <http://www.wiete.com.au/journals/GJEE/Publish/vol13no3/07-Vohra-P.pdf>
- Ghosh, A. (2020), "Tourism Surviving Strategy: Indian Perspective during Covid-19 Pandemic", viewed 14 August 2020, <https://doi.org/10.2139/ssrn.3670026>
- Head, J. (2020), "Coronavirus: Tourism in Thailand hit by Covid-19", viewed 14 August 2020, <https://www.bbc.com/news/business-51796812>
- Higgins-Desbiolles, F. (2020), "The end of global travel as we know it: an opportunity for sustainable tourism", *The Conversation*, viewed 14 August 2020, <https://theconversation.com/the-end-of-global-travel-as-we-know-it-an-opportunity-for-sustainable-tourism-133783>
- Hobbs, J. E. (2020), "Food supply chains during the COVID-19 pandemic", *Canadian Journal of Agricultural Economics/Revue canadienne d'agroeconomie*, Vol. 68, No. 2, pp. 171-176. <https://doi.org/10.1111/cjag.12237>

- Ioannides, D. and Szilvia G. (2020), "The COVID-19 crisis as an opportunity for escaping the unsustainable global tourism path", *Tourism Geographies*, Vol. 22, No. 3, pp. 624-632.
<https://doi.org/10.1080/14616688.2020.1763445>
- Jiang, Y. and Wen, J. (2020), "Effects of COVID-19 on hotel marketing and management: a perspective article", *International Journal of Contemporary Hospitality Management*, Vol. 32, No. 8, pp. 2563-2573. <https://doi.org/10.1108/IJCHM-03-2020-0237>
- Karim, W., Haque, A., Anis, Z., and Arije U. M. (2020), "The movement control order (MCO) for COVID-19 crisis and its impact on tourism and hospitality sector in Malaysia", *International Tourism and Hospitality Journal*, Vol. 3, No. 2, pp. 1-7. <https://doi.org/10.37227/ithj-2020-02-09>
- Kim, J-Y., Hlee, S. and Joun, Y. (2016), "Green practices of the hotel industry: analysis through the windows of smart tourism system", *International Journal of Information Management*, Vol. 36, No. 6, pp. 1340-1349. <https://doi.org/10.1016/j.ijinfomgt.2016.05.001>
- Lapointe, D. (2020), "Reconnecting tourism after COVID-19: The paradox of alterity in tourism areas", *Tourism Geographies*, Vol. 22, No. 3, pp. 633-638.
<https://doi.org/10.1080/14616688.2020.1762115>
- Medrano, N., Cornejo Canamres, M., and Olarte-Pascual, C (2020), "The impact of marketing innovation on companies' environmental orientation", *Journal of Business & Industrial Marketing*, Vol. 35, No. 1, pp. 1-12. <https://doi.org/10.1108/JBIM-10-2018-0319>
- Menon, J. (2020), "Special Review: COVID-19 in East Asia: Impacts and Response", *Thailand and the World Economy*, Vol. 38, No. 2, pp. 119-127.
<https://so05.tci-thaijo.org/index.php/TER/article/view/244764>
- Miles, L. and Shipway, R. (2020), "Exploring the Covid-19 pandemic as a catalyst for stimulating research agendas for managing crisis and disasters at international sports events", *Event Management*, Vol. 24, pp. 537-552. <https://doi.org/10.3727/152599519X15506259856688>
- Noel, M. D. (2020), "Competitive Responses in a Devastated Industry: Evidence from Hotels during COVID-19", *Covid-19 Economics*, pp. 1-35. <https://doi.org/10.2139/ssrn.3660174>
- Ozili, P. (2020), "Covid-19 pandemic and economic crisis: The Nigerian experience and structural causes", *Munich Personal RePEc Archive*, No. 103131, pp. 1-29. <https://doi.org/10.2139/ssrn.3567419>
- Peprah, A.A., Giachetti, C., Larsen, M.M. and Rajwani, T. (2020), "Copy Me if You Can? Surviving Institutional Voids Through Business Model Evolution in Africa", *Academy of Management Proceedings*, <https://doi.org/10.5465/AMBPP.2020.11613abstract>
- Pinchuck, J. (2020), "How Covid-19 Will Change the Thailand Tourism Sector", viewed 14 August 2020, <https://www.thailand-business-news.com/tourism/79048-how-covid-19-will-change-the-thailand-tourism-sector.html>
- Rahman, K. F. (2012), "Triangulation research method as the tool of social science research", *BUP Journal*, Vol. 1, No. 1, pp. 154-163.
- Rakshit, D. and Paul, A. (2020), "Impact of Covid-19 on sectors of Indian economy and business survival strategies", *International Journal of Engineering and Management Research*, Vol. 10, No. 3, pp. 51-55. <https://doi.org/10.31033/ijemr.10.3.8>
- Shamasunder, S., Holmes, S. M., Goronga, T., Carrasco, H., Katz, E., Frankfurter, R. and Keshavjee, S. (2020), "COVID-19 reveals weak health systems by design: Why we must re-make global health in this historic moment", *Global Public Health*, Vol. 15, No. 7, pp. 1083-1089.
<https://doi.org/10.1080/17441692.2020.1760915>
- Sheresheva, M. Y. (2020), "Coronavirus and Tourism", *Population and Economics*, Vol. 4, No. 2, pp. 72-76.
<https://doi.org/10.3897/popecon.4.e53574>
- Sigala, M. (2020). "Tourism and COVID-19: Impacts and implications for advancing and resetting industry and research", Elsevier Public Health Emergency Collection, Vol. 117, pp. 312-321.
<https://doi.org/10.1016/j.jbusres.2020.06.015>
- Stefan, I. and Bengsston, L. (2017), "Unravelling appropriability mechanisms and openness depth effects on firm performance across stages in the innovation process", *Technological Forecasting and Social Change*, Vol. 120, July, pp. 252-260. <https://doi.org/10.1016/j.techfore.2017.03.014>
- Sönmez, S., Apostolopoulos, Y., Lemke, M.K. and Hsieh, Y. (2020), "Understanding the effects of COVID-19 on the health and safety of immigrant hospitality workers in the United States", *Tourism Management Perspectives*, Vol. 35, pp. 1-7. <https://doi.org/10.1016/j.tmp.2020.100717>
- Suanmali, S. (2014). 'Factors Affecting Tourist Satisfaction: An Empirical Study in the Northern Part of Thailand'. *4th International Conference on Tourism Research (4ICTR)*. Kota Kinabalu, Sabah, Malaysia, 9th - 11th December 2014. Vol. 12, pp. 1-9. <https://doi.org/10.1051/shsconf/20141201027>
- ThaiWebsites.com. (2021), "Tourism Statistics Thailand 2000-2020", viewed 14 August 2020.
<https://www.thaiwebsites.com/tourism.asp>

- Weaver, D. (2011), "Can sustainable tourism survive climate change?", *Journal of Sustainable Tourism*, Vol. 19, No. 1, pp. 5-15. <https://doi.org/10.1080/09669582.2010.536242>
- Wijesinghe, G. (2014), "Reimagining the application of sustainability to the hospitality industry through a virtue ethics framework", *Journal of Sustainable Tourism*, Vol. 22, No. 1, pp. 31-49. <https://doi.org/10.1080/09669582.2013.819875>
- Wongsamuth, N. (2020), "How Thailand's social enterprises are helping locals survive COVID-19", World Economic Forum, viewed 14 August 2020. <https://www.weforum.org/agenda/2020/06/thailands-tourism-social-enterprises-coronavirus/>

Winayaporn Bhrammanachote, PhD (Management)

Faculty of Management Sciences

Chiang Mai Rajabhat University, Thailand

Phone: +66-98-554-9469

E-mail: winayaporn_bhr@g.cmru.ac.th

Yothin Sawangdee, PhD (Sociology), Associate Professor (Corresponding Author)

Institute for Population and Social Research

Mahidol University, Salaya, Thailand

Phone: +66-85-055-3572

E-mail: yothin.saw@mahidol.ac.th

Please cite this article as:

Bhrammanachote, W., Sawangdee, Y. (2021), Sustaining or Surviving? An Exploratory Case Study on Covid-19's Impact Towards Hotel Businesses, *Tourism and Hospitality Management*, Vol. 27, No. 2, pp. 273-292, <https://doi.org/10.20867/thm.27.2.3>



Creative Commons Attribution – Non Commercial – Share Alike 4.0 International