

Recovery of Hotel Industry with Innovations

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Abstract: Many sectors have been drastically affected by the PHEIC outbreak globally in recent years, among which the tourism and hospitality industry were one of the hardest hits. Thus, the depression problem of hospitality industry and tourism is a hot spot issue which is highly concerned in today's society. It is imperative to revitalize the hotel industry and turn the crisis into business opportunity. Technological innovation might offer some solutions. This essay is about three realities exposed to the hospitality industry under the impact of the PHEIC, and the corresponding innovative management approaches. The influence of the PHEIC on the entire hotel industry is multifaceted. This article analyzes the impact of the PHEIC, public health requirements, high staff turnover and the outdated sales model on the hospitality industry as a whole, and recommend three specific measures to reverse this situation. This helps to understand and cope with the future development of hotel industry.

Keywords: Hotel Management; PHEIC; E-Commerce Economy; High Turnover

1. Introduction

The incidence of declining occupancy, high unemployment and sales model disorder among hospitality industry caused by PHEIC has increased dramatically in recent years, and the degree is becoming increasingly serious (Burenqimuge, 2020). This essay will discuss the disadvantages of low occupancy rate, high staff turnover rate and traditional backward sales model faced by the hotel industry under the impact of the PHEIC, and propose feasible solutions and suggestions.

2. Problem 1

2.1 The hit of PHEIC

The hospitality industry was one of the first industries to suffer from the outbreak of PHEIC. With the virus spreading wide and infecting millions of people, the majority of the populace were hesitant to travel and book hotel rooms. In 2018 and 2019, global hotel occupancy was 66% (around 1.3 billion rooms). By 2020, this number had dropped to 44%. In April, the occupancy rate for hotels fell to 24.5%. Restricted outdoor activities seem to be an insoluble puzzle and from that, the deserted catering industry, sparse passenger flow, and considerably increased public health requirements have directly dealt a fatal blow to the hospitality and tourism industry.

2.2 Possible Solution: business transformation

2.2.1 Conversion of guestrooms to isolation observation rooms

First of all, some hotel rooms can be converted into isolated rooms. Hotels can cooperate with the government and hospitals to provide isolation rooms when the PHEIC is severe. For example, in many cases, a quarantine for 14 days is required and breaking isolation rules can result in a hefty fine or even arrest. For many travelers going to restricted areas, quarantining in a hotel might be the only option.

2.2.2 Launching of other activities

In addition, hotels can further fully seize business opportunities and obtain considerable benefits by contracting activities such as training, conferences, or using hotel banquet halls to hold exhibitions, auctions and other activities. On top of that, many hotels no

longer focus on simple accommodation services, but through outsourcing to undertake various activities or exhibitions to expand the hotel passenger flow and promote the development of the hotel and catering industry. This makes the products derived from the hotel industry such as service outsourcing teams such as the HEA conference contracting company under the Marriott Group and many laws group pills have great prospects for development.

2.2.3 Introducing degradable hotel supplies

What's more, the ever-increasing demand for public health has also placed higher requirements on the hygiene standards within the hotel. In addition to preventing the spread of the PHEIC and maintaining the safety of employees and customers at the same time, in order to avoid contact, some technological inventions can be tried, such as using degradable (soluble) bed sheets, and offering contact-less food delivery, cleaning etc.

3. The problem of high staff turnover

Employee turnover in the hospitality industry is extremely high. 73.8%, this statistics from CNKI is staggering(Baum,2020). There are three main reasons for the high turnover rate of personnel in the hotel industry.

3.1 Inevitable structural unemployment in hotel transformation

First, from an economic perspective, there are inevitable frictional and structural unemployment in the process of hotel transformation and upgrading.

3.2 Low social status and low payment

Second, people have stereotypes about the service industry. Low social status and meager salary are also important reasons for the high rate of job-hopping in hoteliers. In addition to general objective reasons, the PHEIC also makes this hanging unemployment rate more climbing.

3.3 Gloomy future of hotel industry

Many people cannot see the future development prospects of the hotel industry due to the impact of the PHEIC. According to the AHLA (American Hotel & Lodging Association, 2020), more than 670,000 direct hotel industry operations jobs and nearly 4 million jobs in the broader hospitality industry were lost due to the PHEIC.

4. Possible Solution:

4.1 Regular personality tests

Optimizing the quality of recruitment from the outset is an important condition to encourage employees to stay (Johnson, 2020). To be more specific, to optimize the hotel recruitment channels, some testing is essential. A comprehensive personality test, such as the famous 16-item personality test, can be carried out on employees during recruitment to discover their potential, strengths and special talents in a variety of forms and to adjust the position appropriately or to develop a targeted talent development plan.

4.1.2 Increasing hotel staff benefits with innovation

A common first reaction to high staff turnover and staff shortages is to increase payment and benefits. Despite the fact that wages have increased substantially in the hospitality industry in recent years, these percentages are not groundbreaking (CBS, 2020; Misset Horeca, 2020). Thus, given the still high staff turnover and staff shortage within the hospitality industry, the increase in wages has not yet solved the problems. Additional measures are needed. However, it might not be wise to only include salary, but consider all the variables that may be of value to hospitality staff. For example, team excursions, a reasonable distribution of tips, and benefits such as subsidies in meal, housing and transportation can be used by hotels to increase the happiness and sense of responsibility of their staff.

4.1.2 Innovative hotel transformation

Another solution to retain the restaurant staff longer is to reduce the workload without sacrificing the productivity of the restaurant staff. For example, hotel managers need to take a critical look at the hotel restaurant menu and look for ways in which they can streamline it. When simplifying the menu, hotel managers should not only consider the number of dishes, but also the number of

ingredients per dish. A simple menu provides more peace and overview for cooking, especially at peak times. In addition, there are now several apps available that combat overwork such as LINDA, Horeko and Keeping. These types of apps keep track of the presence of restaurant employees and provide a clear administration of the hours worked.

4.1.3 Innovative training staff

Besides, hotel managers can also choose to invest in technologies that allow staff to make strides in the efficiency of their business processes. For example, smart kitchen equipment can take certain tasks off the hands of hotel restaurant employees and increase the labor productivity per employee. In addition, it offers the opportunity to reduce the workload, which can have a positive effect on employee turnover within hotel restaurants.

5. Problem of outdated sales model

The transformation and upgrading process of the entire hotel industry has exposed that the traditional offline sales as well as telephone sales model of the hotel industry has become obsolete. The single sales model has long been unable to adapt to the needs of the times. At the same time, the hotel's sales department has no potential target customers, which also leads to poor sales results. Sparse sales channels and a single sales mindset simply fail to cope with the diverse needs of customers of different consumption levels. Successful sales cannot be achieved without a clear target audience and a clear level of consumption.

5.1 Solutions: New sales model

The most irreplaceable advantage of e-commerce in the era of big data is its flexibility. On the one hand, it can use customer-focused services to maximize customer satisfaction. Every customer has their own preferences that they look out for in a product or service. As the technology is constantly getting advanced, the competition becomes extremely intense and painful. Hoteliers provide a wide-range of services to meet demanding customers' requests, making sure they not only enjoy their current stays but to come back for their next holiday. That means hoteliers have to record each and every guest's personalized information, monitor and engage customers to establish a sense of individuality. E-commerce has enabled hoteliers to generate customer's data as soon as their online booking is completed. It might sound complicated, but easier to achieve with efficient hotel management software such as power production management system(PMS). All customer's data including their housekeeping habits, accommodation preferences, lifestyle, food choice and so on will be recorded into the system once they successfully book the room.

5.2 The advantages of the new sales model

The new sales model has significant advantages. Firstly, the digital e-commerce model re-targets hotel guests, a practice used during the outbreak of the epidemic to connect with potential room guests who have not completed a booking on the hotel's website. For example, hotel systems will target the spending levels of these guests through exclusive offers or historical transactions and orders. On the top of that, a further benefit of the new sales model is dynamic pricing. This hotel room sales strategy is designed to increase the number of rooms reserved in all seasons. Generally, a good revenue management strategy encourages real estate managers to reduce the room prices in the off-season to boost reservations and increase the rates in periods of high demand. This dynamic pricing model is an excellent means of attracting guests and generating sustainable revenue. Most guests are often ready to pay higher prices to get a room during peak season. Therefore, hotel managers can readily adjust the price of accommodation in line with the number of incoming visitors, for example, by lowering the price through discounts and offers to frequent visitors, thus increasing the hotel's competitiveness in the market.

6. Conclusion

The development of the hotel industry has always been a spiral and wave forward. Because of the impact of the PHEIC, a cold facade for the time being, a high turnover rate of hotel staff, a sales bottleneck... these phenomena may still exist. However, the most important thing is how hotel people try to overcome these difficulties in innovative ways. Customer needs will only become more diverse and standards will be higher, but this is the only way to progress in the industry. The future of the hotel industry depends on innovative high-tech to facilitate the lives of hotels and customers, on innovative management to create a more excellent hotel team, and also on innovative way of thinking and sales model to cope with different forms and difficulties of competition.

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