

**COVID-19's Economic Recovery in Hotel Industry**  
**Case: Helsinki Metropolitan Area**

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<p>COVID-19 has impacted every industry, but the hotel sector has been particularly badly struck. Hotels limit or shut their operations to slow down the spread of the pandemic virus. Limited business activities affect gradually and create a waterfall economic effect in the hotel business. In this research, the key interest was to find out the world economic impact of the COVID-19 pandemic both globally and locally, theories on economic recovery, and managerial implications to mitigate the crisis. This study is being conducted as qualitative research utilizing the case study as the research method.</p> <p>It has been found that the Year 2020 is the worst year of the world's hotel occupancy rate record in number for hotel occupancy. In Europe, in 2020, a loss of a turnover of 115b€ was recorded. Only 43% of jobs were lost in North America in March and April 2020. In accounts for 48%, RevPAR declined in the same year. Asia has found a drop of 57% in occupancy and 63.4 million tourism job losses during the topmost hit by COVID-19. Africa, the world's second-fastest-growing tourism industry, faced a sudden halt after the COVID-19 attack. Tourism has always depended on international travellers. Only Ghana, in the year 2019, has received \$1.9 billion from tourism, which accounts for 5.5% of GDP in the West African nation. One-fifth of world tourists are still missing by the end of 2022. From January to August 2020 during coronavirus effects the change in nights spent in Helsinki was -60.5, Espoo registered a decrease of -59%, and the change in total nights spent in Vantaa was down to -62.9%. compared to the year 2019.</p> <p>The research data were collected using semi-structured interviews. In total, nine interviews were collected using both online and offline interviews. Managers and Hotel representatives who are interviewed provide suggestions to have more government help in such a crisis, communications between the management teams, more well-being awareness among the reception team, special training to the housekeeping team, employee benefits by the HR team, selecting a CRM team, creating new market segments, may mitigate the crisis among other implications.</p>	
<b>Keywords</b> COVID-19 economic effects, hotel industry, Economic recovery	

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## 1 Introduction

COVID-19, the epidemic disease that was first found in Wuhan, China, in the end of December 2019. The virus of the disease named as “novel coronavirus/nCoV” (WHO 2022). The disease is announced as pandemic by WHO on 11<sup>th</sup> of March 2020. The pandemic is already accounts for almost 596 million of people of the world populations by the date 14 august 2022, resulting of over 6 million deaths (Worldometers 2022). China was the epicentre of the coronavirus's rapid global expansion, which then soon extended to other Asian nations, Australia, the Middle East, Europe, North and South America, as well as Africa.

An economic downturn was caused by the COVID-19 infection's increasing waves (Plzakova & Smeral, 2021.) A sharp decline in tourism demand has been caused by the economic downturn, significant unemployment, severe income losses, scorching liquidity issues, the forced closure of hotels and restaurants, and the suspension of air or bus service. Pandemic effects substantially to global economics and public health. Specifically, unprecedented crisis has occurred to the global hospital industry, the hotel industry mostly to be precise (Brahmbhatt & Dutta, 2008; Baker, 2015). The crisis has had a profound and all-pervasive effect on social and economic life, and it has stoked doubts about the coming threats to public and individual health as well as the economy. We were compelled to alter our way of life during the lockdown in the first half of 2020, frequently foregoing paid work, visiting friends and family, and traveling (UNWTO 2020). The streets were deserted, businesses, companies, schools, and institutions were shuttered, and public transportation either operated at very low frequencies or ceased altogether. Travel was stopped, especially to prevent the spread of new illnesses, to spare tourists from bearing the social expenses (Plzakova & Smeral, 2021; Rossello 2020.)

However, as fall 2020 arrived, and the crisis intensified, this increased movement resulted in the virus once more spreading quickly. The governments of numerous nations implemented additional regional and national lockdowns, restricting business and social life (mask wearing, "social distance," and dusk-to-dawn curfews), in response to worrying rises in infection rates. The closure of restaurants, bars, and hotels, as well as limits or bans on cross-border travel, and even limitations on regional and local travel in some countries, had a significant negative impact on tourism (Plzakova & Smeral 2021.)

However, based on the scenarios and impact that COVID-19 had and still having, this research key focus will be to figure out: 1. What are the economic Impact of COVID-19 in hotel industry globally, nationally (Finland) and locally (Helsinki Metropolitan Area)? 2. What are the strategy/theories to recover from the economic downfall? 3. What are the

future management prospects of Helsinki Metropolitan Area (Helsinki, Vantaa, Espoo) hotels over COVID-19 economic recovery?

These results will visualize the impact of COVID-19 in hotel industry both globally and locally. It will tell us about the economic impact among hotel industries across the border. Furthermore, the report will explain the recovery method and existing theories on it. The report also will tell us how different hotels in Uusimaa survives the crisis and how they have managed their employee wellbeing during the crisis. Additionally, the aspects that raised to overcome during and after the crisis. Managerial implications will be collected to guide for future unprecedented crises.

## 2 Economic Recovery In a nutshell

### 2.1 What is economic recovery?

According to Investopedia 2022, “Economic recovery is the business cycle stage following a recession that is characterized by a sustained period of improving business activity. Normally, during an economic recovery, gross domestic product (GDP) grows, incomes rise, and unemployment falls and as the economy rebounds”. Tracy 2020 has explained economic recovery which slows down the economic declination and then turn to increase. Unemployment rate is gradually reduced, consumer gain confident in spending, therefore economy starts to grow again (Investinganswers 2022).

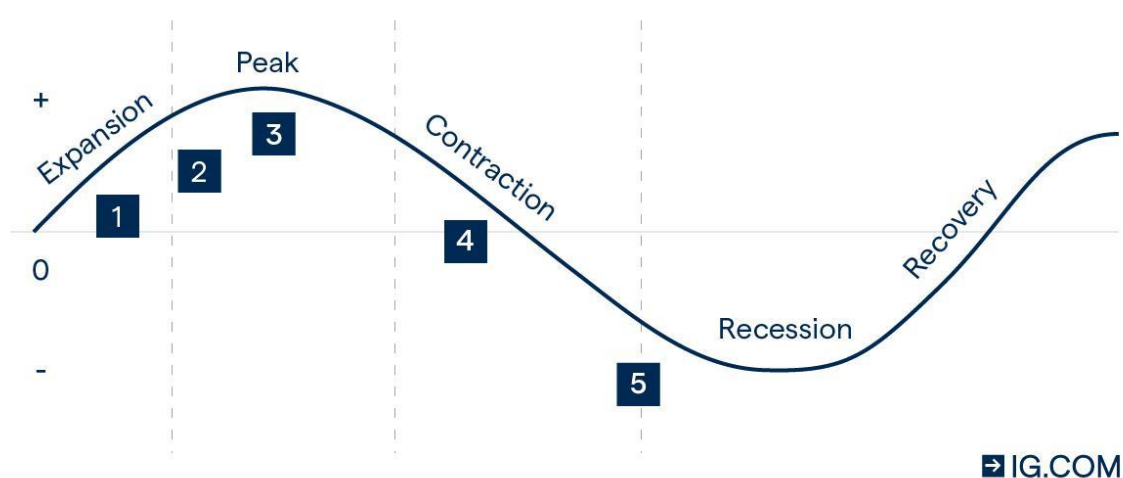


Figure 1: Shapes of recovery (IG.com)

According to Warner 2022, “An economic recovery is when an economy is bouncing back from a recession and starting to expand again. Economies move in phases and, once they have contracted and fallen into a recession, they eventually enter a stage of recovery before starting the cycle again. The recovery starts when the recession bottoms out and ends once the economy has recovered all the gains that were lost. It then gives way to a new era of expansion and a fresh peak.” Therefore, when recession occurs, business tend to modify and make changes to get back in track. The response to a recession will decide the type and speed of the recovery and play a major role providing the next phase of expansion (Warner 2020.) According to Chappelow 2020, the recovery process goes through a phase of new economic adaptation and adjustment to new conditions, while keeping in mind the factors that triggered the recession.

## **2.2 Recovery methods and strategy**

There are many strategies applicable in different businesses. However, according to Queensland Government, Angelo education, European union, World economic forum there are few strategies to follow to make a successful recovery.

### **2.2.1 Designate a Recovery Team**

One of the first thing to do is to create a recovery team. It is necessary the team members are aware for their roles and function in the recovery process. Their key role is to assign backups and preparing a plan of actions. The team should have more than one person to do a designed task, to not to lose essential skill and expertise while the other person is missing. All the operation should be trained to the team members to perform all the operations using digital or manual skills. While in a crisis, safety and health of each member is significantly important, keeping that in time, all members should train and provide maximum health protection (WTTC 2021.) In many cases, the impact of a disaster is not determined by its size or type. Instead, it is a matter of how businesses respond to different types of disasters. Having a disaster recovery plan in place, as well as testing and maintaining it regularly, can help to keep your business afloat despite adverse circumstances. Testing provides the disaster recovery team with an opportunity to identify potential problems and resolve them before they cause more serious problems. It is only through continuous check-ins and iterative improvements that an organization has the best chance of protecting itself in the event of an emergency. Having a disaster recovery team can help organizations prioritize the process and prepare more effectively for emergency situations (Lovett 2023.)

To keep all the data and information of the company, an emergency kit could be developed to recover key essential documents when needed. The better the quality of storing data, the better it will be to recover them after crisis. Contact lists needs to keep getting the help instantly. Employees, suppliers, customer as well as insurance companies contacts to react on situation effectively. Contacts should have detailed of the emergency or available service person during the crisis (Lovett 2023.)

The hotel asset managers (HAM) have a significant role to play in the implementation of sustainability initiatives with investor approval and owner commitment. The HAM should first thoroughly examine the asset and its maintenance plans from a fresh perspective. The terms "sustain" and "maintain" are related not only by their similar definitions but also in the context of asset management. A sustainable investment strategy's main building block is preventive and predictive maintenance. Hotel chains all too frequently rely on rou-



tine or postponed maintenance, which either results in physical capital damage or wasteful time and money spent on maintenance. Instead, predictive maintenance assesses the equipment's state first to determine when maintenance should be conducted. Reduced maintenance, energy, and disposal costs are experienced by businesses with predictive maintenance systems (Sogno 2020.)

### **2.2.2 Maintain external communications.**

Truly sustainable and comprehensive growth solutions do not stop at improving business and economic. It is important to have a continuation of the internal and external parties of the company. They also help repair and preserve the natural environment, enrich low-income countries, and genuinely improve the lives and livelihoods of historically disadvantaged populations. This understanding can be fully integrated into the statements of intent and actions of companies and public institutions. For businesses, adopting environmental, social and governance standards and measures can help optimize strategies for positive social impact (Lovett 2023.) Therefore, keeping an external open communication with customers, suppliers and stakeholders is important. Again, it is good to have in list, people only who are available on service under the circumstances. To protect business for future loss, it is a very important to keep a trusty relationship with all the stakeholders to make effective and timely decision. It is highly recommended to develop a relationship with more than one supplier to keep business supply chain as normal. Establishing a remote office during crisis is a key to quick recovery. More specifically, during a pandemic it is the only effective solution to the business. Create protection for the data or physical property which could be vulnerable during a crisis. Keep an alternative source for the key operational factor such as gas, water, sewerage, and telecommunications systems (Stutts & Wottman 2006.)

### **2.2.3 New markets segments**

A global economy in which companies are increasingly integrated has altered competitive landscapes, resulting in organizations having to transform to keep up with these dynamics. Organizations seek competitive advantage to generate greater value for shareholders and employees (Kothabe & Kotary et. El. Barney, 1991, Lavie, 2006). The concept of competitive advantage plays an integral role in strategic planning, and several factors can impact the competitive advantage of an organization. There are a few factors that affect an organization's competitive advantage, some of which have been identified by scholars. These include Dynamic Capability, Knowledge, Knowledge Management , Knowledge Sharing, Innovation Capability, Human Resource Management New Product and/or Ser-

vice Development, Intellectual Capital, Supply Chain Information Technology etc. (Kothabe & Kotary 2016, 729-743.)

Governments will need to take a leading role in guiding markets toward a profound transformation to create a new "green and equitable" economy. The objective is for industries to create and adopt a new range of goods, services, and business models that offer solutions to the issues that contemporary societies face. To achieve this, public and private sector actors must create new partnership models that prioritize shared intellectual property rights, a revaluation of the relative importance of risks and rewards, and societal benefit. It is urgent to promote the creation of high-quality jobs with decent wages and working conditions, especially for young people and other vulnerable groups, as the "double disruption" of the COVID-19 pandemic and accelerated automation has destroyed jobs, widened inequalities, and ushered in the future of work (WEF 2021.)

#### **2.2.4 Creating a knowledge economy**

We are currently amid a major change, a situation that Lester Thurow (2003) has called the third industrial revolution. This is a shift towards a knowledge economy, in which knowledge is the most important resource, replacing traditional management resources of land, capital and labour. The existence of knowledge and of the firm is not independent of the environment but in the environment in relation with others, emerging in interaction with others, and reshaping itself and others and the environment through these interactions. Knowledge creation theory is based on a view of the world and all things in it as in continuous "flow" (Ikujiro, Ryoko & Toru 2008.)

In the process of economic recovery European Union has a strategy to gain full use of the rise after the crisis of COVID-19 pandemic is over. They emphasize creating a knowledge economy to have competitive market and can fulfil the need of the future. The development of knowledge has always been central to economic growth. Innovating and inventing, that is, establishing new ideas and knowledge that is then applied to creating products, processes, and organizations, has been a major factor in the development of human civilization since the 19th century (Kahin & Foray, 9.) In other words, strategy to create competent job market to boost the economy quickly as it starts to get back in growth. To pursue innovation, creativity and share economy, competent job market is a crucial element (EUR-Lex 2020.)

Innovation is when an individual consumer that expect to benefit from using a product or a service (Kahin & Foray, 237-238). The rapid advancement of technology and the global

economy, knowledge is changing both in nature and use as well as in the policy domains in which it plays a pivotal role. To generate economic growth and prosperity, new knowledge must be generated and managed (Kahin & Foray, 27.)

### **2.2.5 Bold mindset of the business owners**

Angelo education 2020 has emphasize to have a positive and bold attitude towards economic crisis. Business owners are for sure in the stress of financial loss. However, it is recommended for them to stay connected with local governments. Governments task force shall provide mentorship to the business owners to provide support, guides, and education. Here the strategy it to keep a robust mindset to cooperate the government during crisis, to follow up guidelines and enforce new rules, along with strong mindset and trust in the local authority (Angelo state university 2020.)

### **2.2.6 Human First**

Since people are at the centre of hospitality, achieving human sustainability is a requirement for achieving environmental sustainability. Hotel asset managers and operators may develop the best framework, but it will not be efficient until it permeates every level of the organization. Only through teamwork and education will everyone be able to get on board. To spread this awareness, you could hire outside consultants, teach managers how to lead internal sessions, or create online learning modules. Personnel responsible for environmental management must be properly qualified and trained (Sogno 2021.)

## **2.3 Shapes of recovery**

As the economy goes through financial downfall or a recession, there are both positive and pessimistic view to the graph of recovery. According to a study among 600 CEOs in different countries, the 4 most likely and predicted stages are established. These shapes are named after the visual representation of the recovery model. L, U, W and V (Ghosh 2020.)

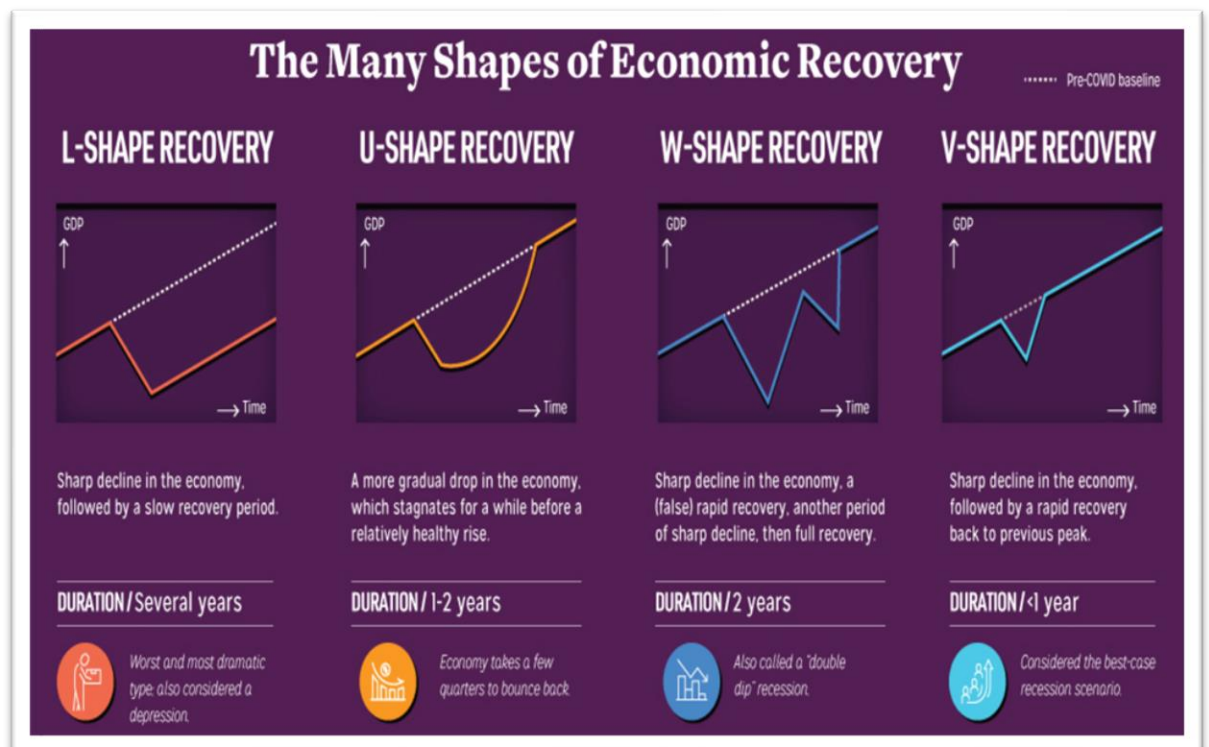


Figure 2: Shapes of recovery (Visual capitalists 2020)

The “L” shape represents a sharp decline in the economy, which tend to recover by a slow progress. In practise, unemployment rate goes down which takes years to set back to normal. In the form of “U” shape recovery, the economy falls for few quarters to two years and follow similar pattern of recovery as the crisis. The “W” shape provides an optimism during the recovery process, though often it takes few up and down in the economy before it settles in two years or so. It is also known as the “double dip recession,” which can be referred the recession of 1980s. Finally, the “V” shape is the representation of deep recession and quick recovery. Usually, a good economic analysis and consumer spending provides the sharp return of economic graph back into its pre-recession stage (Ghosh 2020.)

## 2.4 The route to recovery

Travel & Tourism is responsible for global economic recovery and growth without any doubt. In total, 330 million jobs are provided in the sector (1/10 jobs in the world). World 10.3% of global GDP, which is count for 8.9 trillion US\$ in the year 2019. One of four jobs has been created in the tourism sector during last five years. It plays an important role in creating prosperity, education, reducing inequality, decreasing gender inequality, deducting poverty, creating jobs for women and youth, all in all an ever-growing economic industry. However, this sector is being impacted the worst by COVID-19 and expected to create a loss over 197 million jobs, account for 5.5 trillion USD by the end of 2020, according to

latest WTTC. Under this circumstances, G20 leaders have identified few private sector actions to COVID-19 economic recovery (World Travel & Tourism Council 2020.)

To create safe travel experience, implementing standard health and safety protocols across the global industries. By establishing an international testing protocols and guidelines, to create collaboration among the governments to create a pre departure and tracing tool of the travellers. Developing new digital technologies and innovation in the seamless travel experience could build travellers confidence and experience. Flexibility in travel consuming products, free booking and free cancellation could provide travellers possibility to adjust travel plan. Affordable travel package or greater value providing national and international travel can be promoted in greater scale, while remembering to create the consciousness of health issues. Having a close relationship among tourism related business and government, to get the necessary support to provide adequate service and safety among travellers, which would create confidence in traveling. New business models to create new products and solutions under the circumstance may open new door to domestic and international traveling. Promoting and establishing the provision and purchase of COVID-19 travel insurance. Creating a better CRM system to provide ongoing updates over travel planning, confirming, risk and possible cancellations, facilitate travellers journey and providing any information to improve their travel experiences. Tourism and travel related employees need to provide training to adopt in latest digital skills and improving their service capacity to create a more inclusive, robust, and resilient industry. Working together with local organization and communities to reinforce sustainability practices and implementing them in the business as much as applicable. Government needs to invest in crisis preparedness and recovery enhancement, to avoid future shocks of crisis, while monitoring the sectors urgency closely (WTTC 2020.)

In addition, to the private company G20 leaders also emphasize on collaboration to facilitate and lead cross border governments with the private sector. They have provided some key principle to strengthen the relationship. First, to re-establish traveling back in operations an international coordination among governments is required. Furthermore, risk assessment and transparency in providing reporting must be maintained. Also, to establish an internal fly zone among similar epidemiological situations among the major international hubs (e.g., London, Paris, Dubai, Rome, Istanbul, Singapore, Madrid, Hongkong, Washington etc.) can be settled. With the help of international health expert and guidelines of WHO, a health and hygiene protocols should be set and standardized among travel related businesses. Concerning health issue, testing protocols before departure and after arrival must be quick, efficient, and reasonable. To monitor tracing, an international data share platform can be supported. To screen the infected traveller, a framework to

measure the most likely targeted travellers can be set to quarantine. An effective and reliable method must be used to reduce unnecessary harassment and panic among travellers and employees. In addition, changes in rules and regulations needs to be enforce accordingly. To control COVID-19 spread, adaption to the new information and regulations is a key. Furthermore, Financial, and medical support to all employees needs to continuously be monitored and confirmed. Moreover, a clear, consistent, and comprehensive communication with the traveller and public should be establish using CRM or other open social media platform to enforce the risk management before confirming a travel. To promote travelling, campaigns to explore and attract destination in kinds of traveling. Travel and Tourism related job needs to be created by providing support and correlation with the related companies. To add, government must continue in financial support and establish a clear plan for the near future to make a resilient respond through and after the crisis (WTTC 2020.)

By September 2020, due to COVID-19 more than 121million employees in Travel and Tourism related sector have been created the worst economic crisis world have seen in recent decades. And to find a solution, an unprecedented action and plan is required to overcome. During the G20 some coordination actions are raised in the summit. First is to enhance traveller's confidence to grow confidence through international cooperation is necessary to the tourism sector's survival and recovery. One of the keys is to provide support to travellers regarding travel restrictions and policies to provide a national and international travel reopening. The necessity and opportunity are being raised among the leaders in the public and private sector to build cooperation is to make the economic recovery in the travel sector, by creating a circular economy. This could bring back the jobs in the market, which is demolished by COVID-19 crisis (WTTC 2020.)

According to UN secretary General, Antonio Guterres 2020, five priority areas are being recognized.

1. Minimizing the socio-economic impacts
2. Building resilience across the entire tourism value chain
3. Maximizing the use of technology
4. Promoting ecological, sustainable growth
5. Fostering strong relationships among tourism to increase support.

According to Plzakova & Smeral 2021, the development of recovery from COVID-19 in tourism depends on seven factors:

1. Vaccination. The mass population must be vaccinated in a quick time with rigorous strategies.
2. The Virus itself gets fade out little by little.
3. Mitigating or taking restriction off containment towards consumption and tourism negatively
4. Creative development in consumer and travel confidence
5. Improving tourism and consumer demand to recover from crisis.
6. Increment in investment climate and
7. Economic recovery

All these steps ultimately reflect in GDP growth. In a positive aspect, they represent a result that the GDP in EU could be approximately at the level of 2019 by the end of 2022. Tourism got a huge slump in 2020. The economic crisis induced by closed hotels and restaurants, Travel agencies have no business, cancelled air flights, mobility and contact restrictions have disappeared almost overnight.

### **3 Measuring economic effects of COVID-19**

#### **3.1 How economy is affected by a pandemic?**

A pandemic affects the economy of families, businesses as well as governments. Every pandemic is unique, which makes the repercussions unpredictable (Ewing 2020). The most critical economic effect hit by a pandemic is in the health care. Global pandemic is the underlying cause of economic slowdown. This highly unpredictable pandemic affects people in all countries. Since the pandemic slowdown all industries, turns health care management into an economic one. Traveling is controlled. Supply chain line idle production lines (Weller 2020.) The supply effects by the reduced working hours. Also, the demand changes due to the lack of confidence to receiving product or service by people (Werner & Lars 2006, 8-9.) Factory employees get ill or worry to get ill. Most importantly, the health care employees, doctors, nurses, hospital clerks, who play the front-line roles may become infected and required quarantine. These situations create a challenging scenario for the health care official to maintain supplies and services accordingly. Public health and safety become the topmost priority for governments. Hospital equipment, employees, diagnostic tools, protection etc. are confirmed to be available. For the vulnerable health care employees are given paid sick leave as well as family leaves. This expands the means of financial rebalancing for government (Weller 2020.) During a pandemic, since people cannot go to work, often cause of temporary laid-off or closure in businesses, the financial demand increased. Companies shut down or limit their operations, causes the rate of unemployment increased (Kelly 2020.)

Tourism, export industries, export related multinational companies limit or shut their operations to slow down the spread of the pandemic virus. Limited business activities effects in all other employment sectors gradually and creates a waterfall economic affect in all correlated industries (Weller 2020.) Events, business meeting are cancelled and forced to move towards virtual platform (Liu-Lastres 2020). Departmental store, malls, and specialty retailer loss jobs since people do not tend to leave home. In addition, travel, hotel, airlines, sporting events, concerts and restaurant business crush and employees in this sector loss jobs (Kelly 2020.) Small or medium size business crashes as number of consumers drops significantly. Government must increase support for unemployed lower- or middle-class families financially. In poor countries, a huge number of workers are in the affected job industries and need immediate financial support as they mostly do not have saving or other means of income. This creates an urgency in government annual budget. Yayati & Filippini 2021, reported that 3,5% of global GDP was cut off due to the COVID-19 effects. One of the most critical impacts of pandemic is that the uncertainty of the economic recovery. Business, government, or economists, no one could predict the projected re-



covery time from the pandemic. The duration, scale or areal dispersion of the economic downfall seems to be highly unambiguous. The expert's projection and current strategy to economic recovery, are only a theory, in practise, the reality is uncertain. And this uncertainty exacerbates the economic fallout. Companies are running off due to unknown future of the transactions. Families reducing life spending, to slow down the economic burden.

This uncertainty also effects largely in government financial policy. Government must take steps to control the economy from a freefall (Weller 2020). Government is at the front line in a pandemic crisis. However, at a certain time, government will feel the economic fallout from the pandemic. Government should offer individuals and companies economic stimulus package (Norlin 2020.) Many of the residents will rely only over the government's public aids. Since a large amount of small and medium size local businesses are shut off, mostly the restaurants, shops, family businesses etc. government must decide the financial support to a meaningful degree. The situation forces government to establish a process to select the community's range of support which part of the communities are excluded from the support scheme. Central government must figure out the status with the help of local authority, to find the urgency in the communities (Weller 2020.)

In the economy sense, during a pandemic the problem of economic inequality in the society becomes visible. The financial status among different status of residents plays a clear role in the society. In practise, the lower income families with less education and rural households have limited source of earnings whereas educated and urban families have a different scenario. The inequality in sources and wealth makes an untenable immoral status quo for many families. During the economic crisis, these families are vulnerable for job loss, no or little support. In many countries, these families suffer from an unbearable health care or forever increasing living costs. In practise, these families survive on their own savings due to not having unemployment insurance or parallel income sources. For those families, government must identify the necessity to help and protect the financial need of the low-income families. Policy responses could provide support in these family's student debt, loans, health care bills, mortgage etc (Weller 2020.)

During pandemic, stock market goes through huge gyrations. Financial investor experience panics due to the unstable share market. Since mostly investors or business giants own the share, providing or concentrating to improve the share market is a wrong pill to heal. In most cases, public do not own much share in the share markets. For that, the increase or decrease of share market do not affect their lives in a short run. Therefore, government must not focus much to improve the life of share owners or CEO's rather confirming the benefit of employee's relief in a large scale. According to Weller, lowering tax

rate is not the long-term solution for economic recovery. It only can provide a temporary settlement to the problem. According to him, many companies have the cash to invest more but they intend no to. So, lowering tax for the companies would not help the recovery. Rather the focus should be to reduce mortgage and loan interest rate to control the spread the larger impact of economic fallout (Weller 2020.)

History of pandemic throughout the history proves this economic and socio-economic impacts. To be specific, Ebola virus that was been in effect in the year 2013-16, had an economic loss of 53 billion US\$, H1N1 in the year 2009-2010 made an economic impact of around US\$45-55 billion, SARS virus effects in the year 2003 worth of US\$40 Billion, the Spanish flu in the year 1918 made an economic loss of 500million. From history we can learn that the immediate effects are labour shortage and wage decreases, whereas it effects in a long term in the educational attainment, increased rates of physical disabilities, lower lifetime income and social status (Yahoo Finance, 2020.)

### **3.2 What are the stages of downfall?**

According to Meyer 2016, the economic downfall has five different stages. The acceleration effects by the event like pandemic, natural disaster, war etc. Historically, after such event the economic collapse occurred in five stages. To survive the collapse, it is beneficial to justify signs and situations to prepare for the worse and mitigate damages as much as possible.

Stage-1: The decay begins. Before the stage 1 starts economy usually stay good and thriving. Living standard are high than ever. Goods are widely accessible and available. Stores are filled with products and consumers are eager to consume. Society goes well with the economy and so is the nation. There is a competition in the society to gain what others gain and economy stay active. However, in the first stage of the downfall, societies stability breaks down. People losses jobs, production cuts down, government entitlement and welfare program become number 1 source of livelihood. According to author, the primary assets in this stage are career, home value, savings, invests-stocks and bonds, health insurance, lifestyle image and good credit rating for debt accumulation.

Stage 2: the slippery slope. In this stage, economy starts to slow down steadily. Unemployment rate starts to grow, and government support are become primary source of support for many. People are out of work, stay home and paid not to work. In this stage, prices of gold, silver and other valuable prices increase instantly. Inflation rate grows quickly.

In this stage primary assets are cash, gold or silver, job stability, elimination of debt, health insurance, home equity, automobile etc.

Stage 3: it is going to get worse. The collapse intensify as economy starts to face a deep and longer decline. Shortage of goods become critical. Many businesses shut down, tourism drop dramatically, people life quality become noticeably down. Middle class families look like slum. The government support pays public bills and support to millions on public assistance. Inflation increases even more. Nobody seems to have money, and many become homeless. Labour unions strike, riots and other social calamities strikes. At a peak country seem to face the point of no return. Government interference and control over the situation is become the key solution to gain control over the situation. Primary assets would be gold and silver, cash, job, home, food supplies, fuel supplies, firearms, plans to relocate to a secluded village area, survival knowledge and skills.

Stage 4: the grab for power. Middle class collapsed, vandalization and riots in the empty locality creates social and economic hole. Inflation becomes out of control. There is no way anymore to buy gold, silver. There would be rush in everything and shelves in the stores goes empty in a matter of hours. Violation spread and gangs take over neighbourhoods. Government takes restrictive measures to take control of the economy. Supplies become limited. Consuming product become very expensive and long lines to get a product even when they are available. Quality health care vanishes, and job would be a distant memory. Primary sources in this stage would be Relocation to rural areas, firearms, long term food supplies, fuel stores, a working knowledge and survival skills.

Stage 5: Freedom, liberty, and independence are lost. Fighting between civil and government forces breakout nationwide. Starvation become a common sight. The government provides limited supplies of food, water, and other daily life supplies. Democracy invalids a socialist form of government arises to solve socio-economic problem and false promises will be delivered to control back of economy. A certain gang group assumes power and individual freedom demonised. Primary asset: rural hideaway, a stable supply of clean water, self-food production, the will to live in a politically controlled economic climate zone (Meyer 2016.)

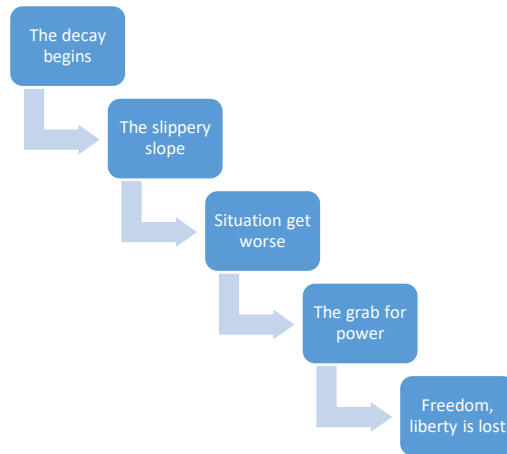


Figure 3: 5 stages of Socio-economic impact by a pandemic

### 3.3 COVID-19 effect, what have we seen in hotel industry?

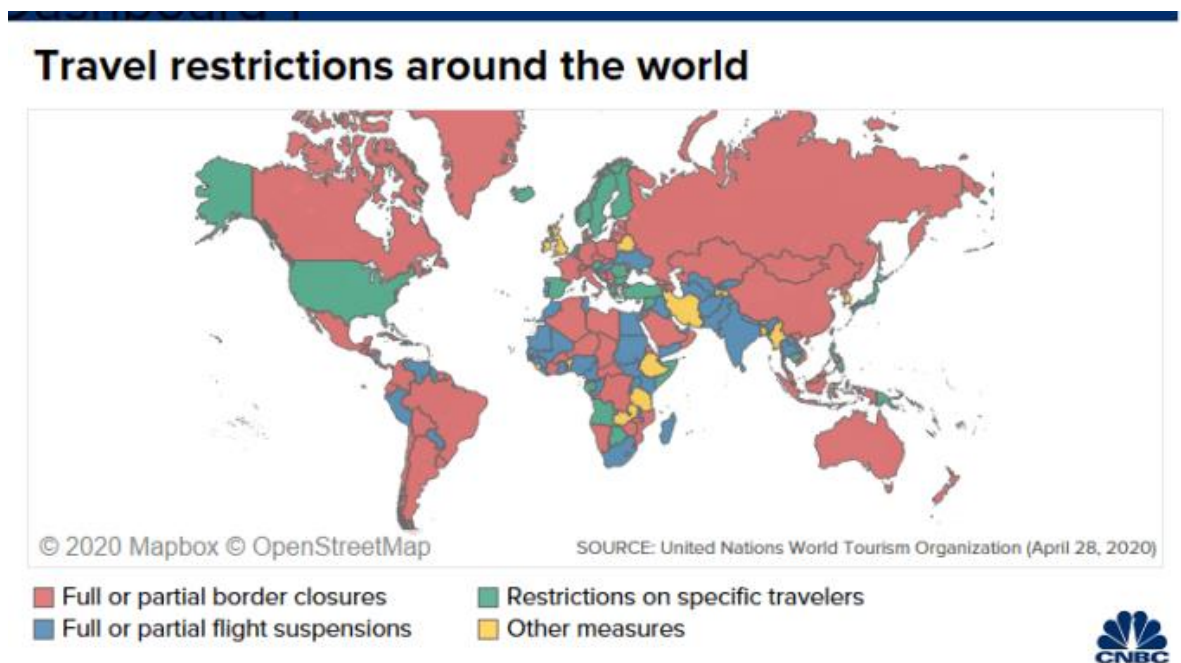


Figure 4: Travel restrictions around the world (United Nations world tourism organization 2020)

COVID-19, a name that force economic collapse in every sector across the globe. The challenges were in our lives and livelihoods (Krishnan, Mann, Seitzman & Wittkamp 2020). Businesses counting loss and looking for a process to recovery (Jones, Palumbo & Brown 2020). Among all, hotel industry is one of the first to be impacted and suggested it will be one of the last to recover as well (AHLA 2020). According to AHLA research in august 2020, some of the key impacts are in the picture bellow:

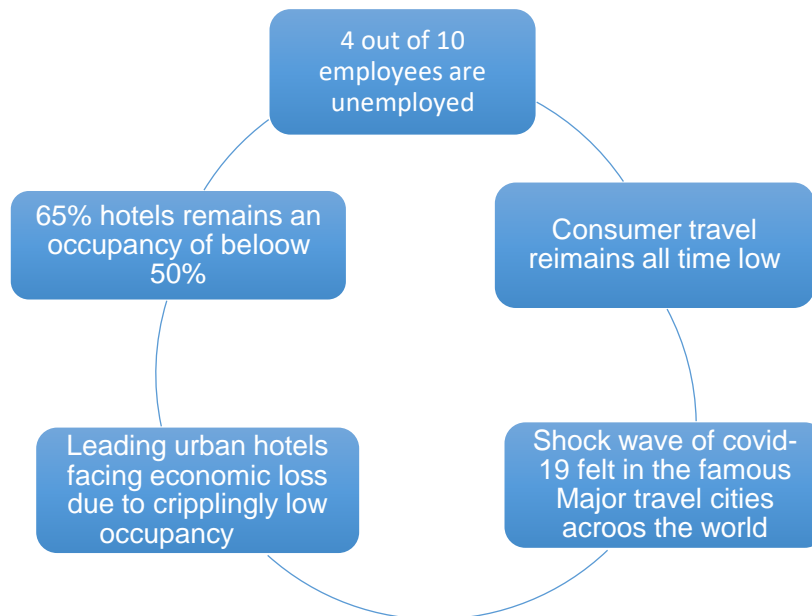


Figure 5: Ahla 2020. Covid-19 impact.

During the COVID-19 impact during the year 2020, 4 out of 10 employees were laid off. 65% hotels had an occupancy rate below 50%. Consumer travel was all time low (AHLA 2022.) Unemployed rates were overtaking rapidly all over the world (Jones, Palumbo & Brown 2020; AHLA 2022). An economic expert (Beckman 2020) has noted, COVID-19 affect in global scale would be in 3 main ways: by directly affecting production, by creating supply chain & market disruption, and by financially among firms & financial markets. According to Krishnan (→ & al. 2020) suggest that the recovery to COVID-19 economic recovery could take until 2023 or more.

Subtle and substantial shifts will be seen in the hospitality industry in the post pandemic era, and some of these signs already visible today, they added. Due to dramatic downfall in travelling, hotels are operating with minimal staff (Simon 2020). Simon..... (Oxford Economics 2020) also points out that nearly 3.9 million total hotel-supported jobs lost after the crisis has begun. In a weekly wage loss of 2.4b\$ is at loss (Oxford economics and Hotel effectiveness). COVID-19 has already affected almost all the sectors across the globe and the hotel industry facing the topmost economic crisis (Krishnan → & al. 2020.) Revpar (Revenue per available room) has decreased all over the continents. According to Hostats author Eisen 2020, the revpar in the month June 2019 and in the month June 2020, shows dramatic losses in the different hotel market segments. The report shows the U.S has a loss of 87.3%, 68.5% in the Asia-pacific, 94.6% in the Europe, 75.6% in the middle east.

Though, the depth would depend largely over the household's approach of consumptions and the supply chain disruption (Toivanen 2020). In Finland, RevPAR during January - July 2020 was only 43.90€. In Helsinki Metropolitan Area district, out of 96 hotels, change in unit compared to previous year 2019, was -24.1% during that mentioned period. The biggest hit in change affected in Helsinki region of -28.2%. The lowest hit was in kouvola region of only -2.6% (Statistics Finland 2020.)

Summer 2020 was over and economic recovery from COVID-19 still due to see the new sunrise. Hotel management organizations making conferences and online seminar to analyse the way to economic recovery in hotel industry. According to Hotel management 2020,

A group panel discussion by Doggerel, editor in EMEA noted, that ever-evolving relationship within hotels and online travel agencies as the key force of what hoteliers can achieve. Hotel Managements CEO Mr. Patel said, “As hoteliers right now just try to keep the lights on and pay the bills, as the forbearance and the Paycheck Protection Program are coming to an end ... guests are coming from various angles”. Even though, hoteliers primary target is to get as much as booking possible. He added “If you're a loyalty member, you might be booking through brand.com, but if that's not important to you, then you might [book] through other avenues like OTAs to get the best rate possible (Fox 2020).” He clarified that rates are being dropped in all the brands. Fox... (2020, Reeves 2020) points out that Booking time was increased from 5-6 times visit to a certain hotel to 8 days. Guest constantly worried about the cleanness, what was open and what was not. The booking process was solely different from the website visitor, the guest, and the hoteliers. Fox... (2020, Osmond 2020) also noted that mobile booking had been tripled and people were booking on the last-minute approach. According to him, Innovation needs to be applied 2-3 years prior to adjust the recovery. Torrano & Bradac 2020, figured out that many hotels were been started to offer non-residing guests to use mainly the open lobby area offering upscale drinks and working space. Though there were also hotels who do not prefer to welcome non-overnight guest, but it is an opportunity to use the open lobby and ground floor area. Hotels were offering office-oriented rooms and space, daily meal to the room, offering allocated meeting space and facilities to join online conference and meeting. It does require distancing in the meeting area to allow safety distance. This was a way for daily business traveller to work at work being away from work (Torrano & Bradac, 2020.)

Fox points out that.... (Malouf 2020), SVP at red rood, emphasize that it was important to engage hotel employees to participate and get involved in the creation of a safely environment for travel consumers. It was important to keep more than just the hard surfaces in

proper clean, he added. Burnett 2020, VP at G6 hospitality said that their company's portfolio had suspended housekeeping temporarily and other services like morning coffee in the lobby. Exterior-corridor property was becoming more popular. She added, though G6 hotels seating are hard surface and easy to clean, however, they started to use triple sheeting and stop using the bed coverlets. Housekeeping trained to make minimum contact with the beds and the laundry (Burnett 2020.)

Mr Duncan 2020, president, and CEO of First Hospitality said, "The first rule was to stop digging ... As hotels are going through this downturn, stemming losses, recapitalizing, and making sure you are not digging a deeper hole is probably the key first step here." He added "The first objective to refilling the coffers is the age-old rule of how to fill holes." Fox points out that.... (2020, Petigara 2020) argued on providing more loan to the business from government. According to him, in the early quarters of the year 2020, economy hotels have managed much better compared to the upscale or resorts. However, in the 3<sup>rd</sup> quarter upscale and upper -upscale has over 50% occupancy.

During the coronavirus era, hotels were not being through an easy ride. Almost 96% all the global destinations were under travel restriction in the month of April 2020. Around 90 destinations were completely or partially closed due to the response, furthermore, over 40 destinations were closed for certain travellers based on the country of origin (UNWTO 2022.)

The first and the deep impact it puts into hotel employees. Many employees were lay-offed, and many had no unemployment insurance. AHLA 2020, found in their report, 4 out of 10 employees were laid off during spring/summer season of the year 2020. Hotels tried to survive by cutting off their employees. Since occupancy rate fall dramatically hotels had no option but lay off employees. In some hotels with 1000 rooms had an occupancy rate of only 1%. They could barely keep their lights to pay the employees in the reception desks, phones have been ringing to cancel hotel reservations.

Once the COVID-19 travel restrictions come into force, travellers had to cancel their business trips. Many airlines and hotels offered free cancellation. It has been a hectic period during the beginning of the lockdown time to get all the calls, email answered to do the cancellation of the reservation (Frater 2020.) In many countries national law provides right for the consumers to cancel any services they have bought but not consumed without any penalty or charges for the changes (EU 2020). In some stages, cancellation was fully free of charge. Occupancy rate fall dropped with a spike just by overnight. Many hotels did expect not to close their operations fully. Employee were offered fewer working

hours. However, luck did not favour in many. Many hotels all over the world had to shut down and employees were laid off. Many employees had to look for new jobs as they were not part of the unemployment insurance. Many had to take new part time temporary contracts in some hotels. They offered their hotel rooms to use as a daytime office space. It was helpful for corona effected family to temporarily use a home office at the hotel. In some hotels, they offered their hotel rooms to use as a daytime office space. It was helpful for corona effected family to temporarily use a home office at the hotel (Frater 2020.)

Frater 2020 added, While the hotels already suffering through rapid fall of reservations, due to suspension of shopping malls, restaurants, entertainment centres, travellers were expected to have less price for their commodity. Pricing was a challenge in many hotels due to the unprecedented change in service offered. That created a competitiveness among hotels to offer the least expensive hotels rooms. Many hotels offered low price rooms to not to fully shut down operations. In a study conducted by NerdWallet found that prices that were on average \$255 in 2019 fell to \$186 during the COVID 2020 and in 2021 the price were \$194 on average (Kemmins 2022). The target was to achieve the breakeven point or even with a small loss but to keep the brand image. Due to offering of low-price hotel rooms, some found hotels to be a criminal's head office. Many effected and homeless people were giving quarantine in hotels rooms. Thus, created challenge for the hoteliers to provide right kinds of attention for different segments of customer groups (Frater 2020.)

Another noticeable change during COVID-19 was the use of mask and distance maintaining. Hotels had to offer sanitization for their guests and masks with a service from a WHO announced distance. The mask has never been such an everyday life commodity ever before for this generation of people (WHO 2020.) Some staff and travellers got overly sensitive and stressed to get infected. Everyday touch points and hotel rooms were disinfected every day, gives extra attention to the housekeepers. Though hotel cleans everyday however, travellers were overly cautious in choosing hotels to stay. In addition, unpredictability has been an issue in business. Government rules, airlines travel policy changes, creates challenge for travellers so are the hoteliers. During the spike of COVID-19 hotels operated with new service standard with hygiene and culinary services. One of the remarkable was the food service. FDA in April 2020 provides a 4 step rules for food services: clean, separate, cook and chill. Sanitization the area of food making and serving, separate guests according to the social distance measurement, cook food in the appropriate heat including separating raw and cooked foods (FDA 2020). During the early stage of COVID-19 pandemic, in many hotels Breakfasts and other meals were served in package to the room. Buffet was closed in many hotels. Some hotels have allowed people to seat



in the restaurant or hotel lobby with a limited number of gatherings. In some cases, service providers face challenges to fully comply with the new and limited-service module. Travellers asked all the time what services were open and what not (Frater 2020).

### 3.4 The impact in world Hotel industry

The COVID-19 pandemic has been given a mark to the world tourism industry. Among others it has changed the way hotels used to measure crisis and its management. The COVID-19 pandemic has been affected in the hotel industry in big numbers and challenges the recovery of night stays in a hotel. This regards, American Hotel & Lodging Association released 25 data showing that 70% of hotel employees had been laid off or furloughed due to the crisis. Year 2020 is the worst year of world's hotel occupancy rate as record in number for hotel occupancy (AHLA 2020.)

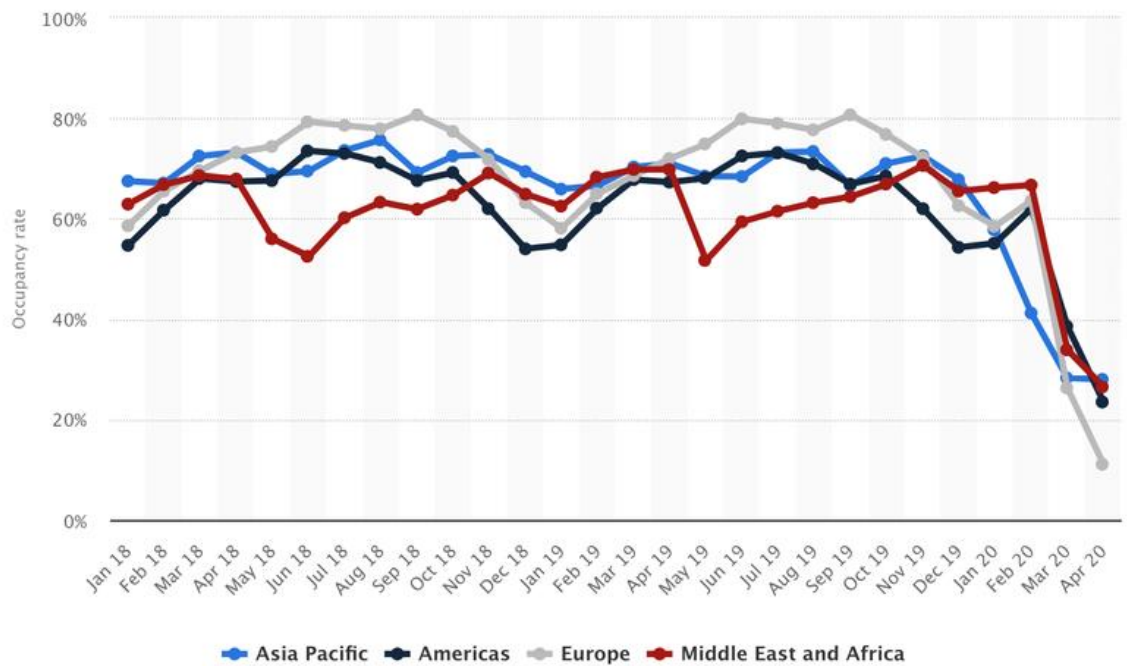


Figure 6: Hotels after coronavirus (Plugandplaytechcenter)

In April 2020, the highest monthly occupancy was in Asia Pacific 28%, Middle East and Africa 26.5%, America 23.5%, and Europe 11.1% (Choi 2020).

#### 3.4.1 Europe

In Europe, during the year 2020, loss of a turnover 115b€ has been recorded (Duthoit 2021). One of the most famous Europe destination, France has only 5% tourists than its

usual number during summer season. Spain, Italy, France, and Greece are the most affected countries, among others. The European tourism is accounted for half of the world tourist visitors (Unric 2022). After few restrictions down in summer 2021, France and Germany had a turnover slide of -43% and -44% respectively, in comparison with the -53% of the UK, Italy's -61% and Spain's -64%. The change will affect till 2024 (Duthoit 2022.) European Monetary Fund's reports in losses of 3% is being counted for Greece and Portugal. Around 120 million jobs were at risk. Tourism is accountable for 1 out of 10 jobs in Europe. It plays a significant role in Europe's developed countries. Women are mostly affected in this sector as almost 54% tourism workforce are female (Unric 2022).

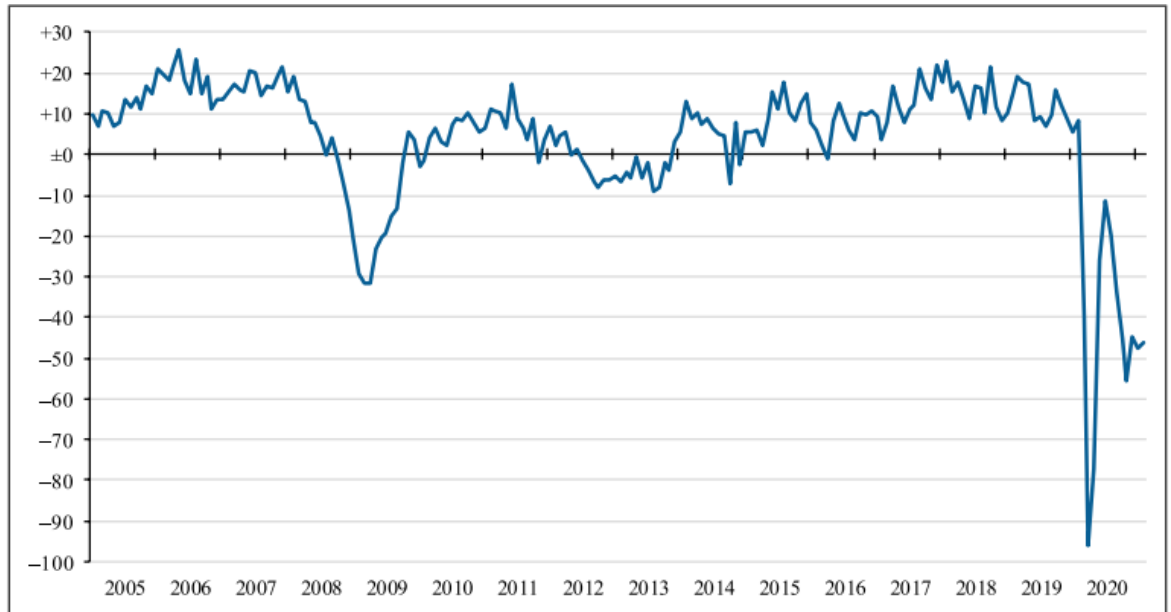


Figure 7: Turnover in Hotel industries by February 2021(European commission 2021)

### 3.4.2 America

The U.S travel association and oxford economics published a report regarding the downfall on the American travel and tourism sector. Only in the U.S travel spending decreased by 42% in 2020. After the announcement of in the U.S travel association report, it is being found international travel spending reduced to 76% and the business travelling down to 70% from the year 2019. Only in North America 43% jobs were lost only in the month of march and April in 2020. In accounts for 48% RevPAR declined in the same year. In New York along, 200 out of 700 hotels were being closed. Many suffered through high debts. With over 55,000 branded and independent hotels counted over 5 million hotel rooms, the management became complex for owners, operators, and asset managers. Pandemic had evaluated the resilience and crisis management of the various stakeholders: owners, operators, franchises, developers, lenders, suppliers, and employees. With hotel companies ran below 75% below normal levels, CEO of Marriott hotels had to slashing four

thousand corporate jobs. Unemployment rates fall 38% in the year 2020 (BU 2021). Lardieri 201, estimates in his article in U.S. News estimates that COVID-19 pandemic has puts back 10 years of employment growth in accommodation sector. He added, more than 670000 hotel industry operation jobs and 4 million tourism industry jobs were cut off due to the pandemic. The industry will expect to reach to its pre pandemic levels not before 2023. In 2019 hotel industry in the U.S. occupancy rate was 66% in on average, whereas in April 2020 fell to only 24.5%.

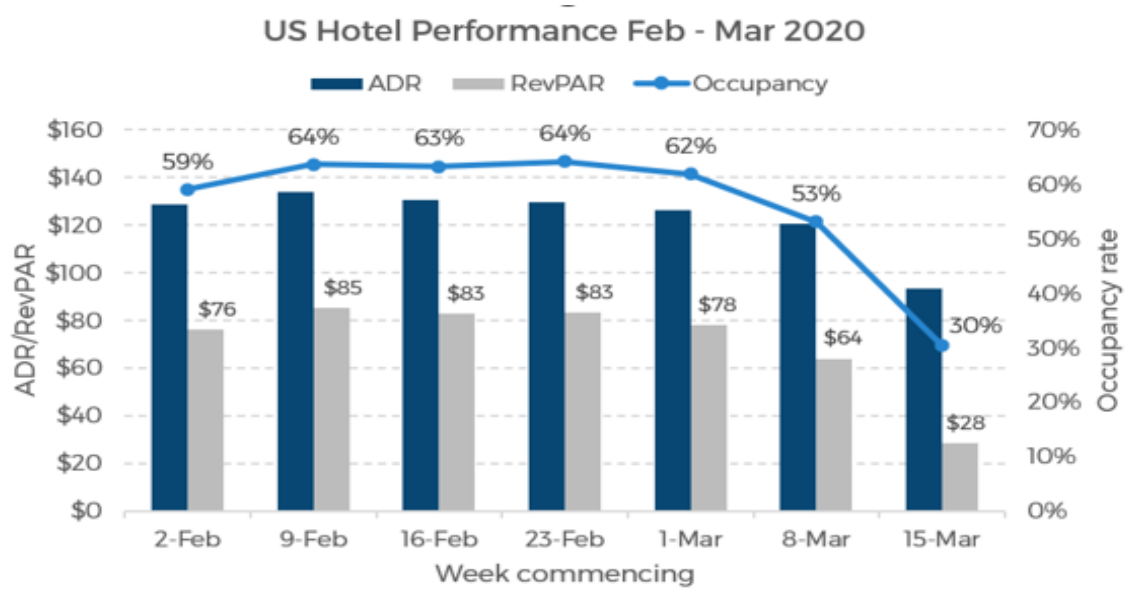


Figure 8: Hotel performance in USA Feb-Mar 2020 (US travel association 2022)

### 3.4.3 Asia pacific

Asia is continent with many countries directly dependent on tourism revenue. Author Agustina & Yoshintha 2020, has released an report of their anaylisis under Tiday University, has found a drop of 57% in occupancy and 63.4 million tourism job loss during the topmost hit by COVID-19. A loss of 1.04 million US dollars is being recorded due to flight cancellations and many had to leave job and suffer through no income to support their life (Augustina & Yoshinta, 2020.)

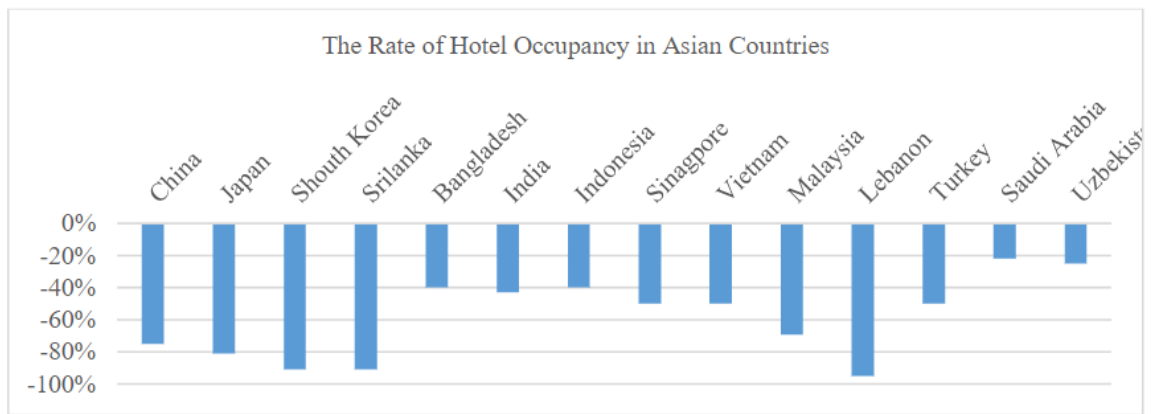


Figure 9: The rate of Hotel occupancy in Asian Countries, year 2020 (Ejournal 2020)

In east asia, specifically in china, hotel declined by 75%. Main reason for this downfall is cause of many domestic and international airlines cancelled their flight to and from china. Japan shows significant fall of 82.4% (et all---Business times 2020.) Whereas South Korea even even lower to only a single digit (et el. ....Pulsenews 2002.)

Followingly, in south asia, the occupanyc in Srilanka had only 10%. Bangladesh had 30-40% decrease cause of arrival visa cancellation (The Daily star 2020.) Similarly in India has decreased by 43% (Str. 2020.) In southeast asia, PHRI (Indonesian Hotel and Restaurant Association) said occupancy in their country islands fall to 30~40% (Jakarta Post, 2020a). The worst his is seen in Bali, Manado, Jakarta, Sulawesi ha Riasu Islands. In singapore, a fall of 50% in occupancy had been recorded. Quarantine and Flight cancellation were the key reason to have such low occupancy (ETHospitalityWorlds, 2020). In vietnam, 60% international visitor were down short and 80% domestic travellers. Aprox. 7 billion us dollar loss it counts for this crisis. (Nguyen 2020.) Paralaley, in Malyasia, Hotel occupancy decreased 69.4% (...HSV 2020) In the west asia, country like Lebanon the occupancy rate holds only 5% . Around 90% of the hotel closed operation (Hotel Management 2020). In Turkey, 50% drop is counted in the TRTWorld, 2020 release. Followingly, Saudi Arabia had an occupany only 22%. This make saudi Arabia paralyzed (Hotelier ME 2020). In addition, In the central asian country like Uzbekistan had occupancy rate fell to 25% (Eurasia net, 2020). The lower occupancy rate is declined due to the travel ban, travellers refunded their flight and hotel booking, quarantine regulations, lockdowns and so on. Overall, Asia received a decline hotel occupancy to 58.74%. The lower occupancy led to have laid off and hotel closures. For example, in indonesia, more tha 150000 employess were laid off. In India paid only 40-60% to their managers. In vietnam, 23000 employee were forced to have temporary leave (ILO 2020). However, in total 63.5 million jobs were affected due the circumstances. In total estimate of 1.04 million US\$.

### 3.4.4 Africa

Africa, worlds second fastest growing tourism industry, faced a sudden halt after the COVID-19 attack. In fact, tourism was always depended on international travellers. Only in Ghana, in the year 2019, has received \$1.9 billion from tourism, which accounts for 5.5% GDP in the west Afridan nation (DW 2022.) One executive Director James Musinguzi said "The foreign guest would come for research , they could come for specialized programs, long stay voluteering, internships—they are no longer coming". In tanzania, is being lost tourism which mostly includes safari industry. Wheas 90% of the clients there are internationals says safari operator Elia Richard. Africa attracts 1000~2000 tourists a year pays around \$7000 for each person for safari. All these impact accommodation service as well. In South Africa, 50000 tourism business were being closed, resulting 6,00,000 jobs under risk. At the level five lock down, they had only under 5% occupancy rate in the hotels, and mostly serving as quarantine and isolation camp and other service related purpose (Sucheran 2021).

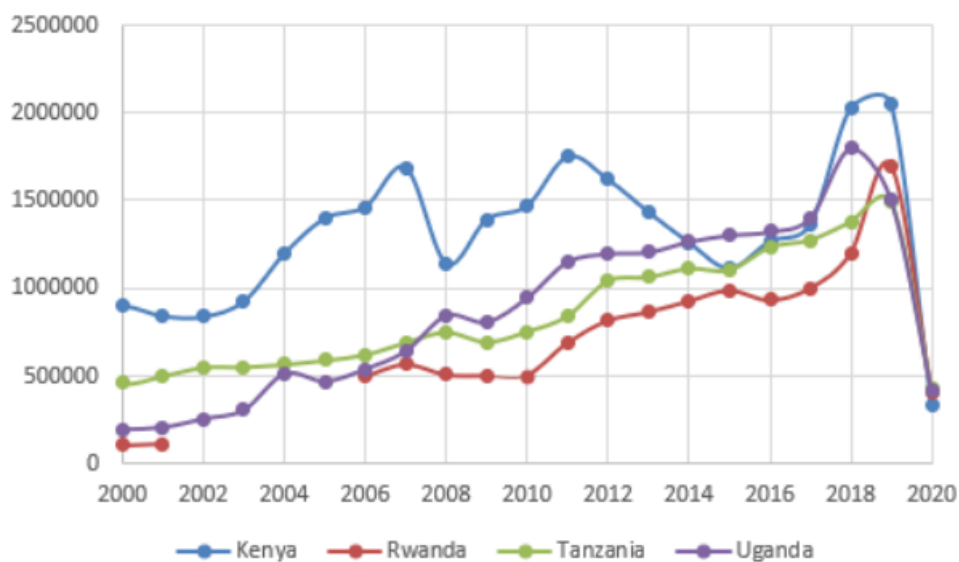


Figure 10: International arrivals (EAC statistics bureau 2021)

In some East african counties like Kenya had 72% drop in international tourism during the jan-oct 2020 period. Which estimated \$1,1 billion loss only from direct tourism revenue. Kenya's national airlines Kenya Airways lost an estimated \$0,73billin revenue due to fewer passengers. In Rwanda, hotels business lossed alsmot 90% of their revenue during the 2020 year (Muvunyi, 2020). Another EAC member state Tanzaniaia faces 76% occupancy and apporximately 437000 lost their jobs. It impacted 80% loss in tourism income (Ezra & et all.....Tanzania National Bureau of Statistics, 2020). Another country Uganda, where hotel booking fall 92.1% and 99.8% among travel agents and tour

operators by June 2020 (Ministry of Tourism 2020). This impacted a loss of 1 million tourists and \$1,6 billion in revenues (Kyamutetera 2020.)

### 3.5 The impact in Finland

According to the research data from Stat 2022, COVID-19 impact is still in force in Finland. In February 2022 accommodation data, overnight stays have been increased by 23 percent than the year 2021. A total number of 1.04 million travellers were visited by February 2022. The number is 5 times higher than the previous year for international tourists. Foreign tourists were counted for 0,38 million. For domestic travellers, still the number was 16 percent lower than the year 2020 before the pandemic. A total number of 1.42 million visitors were counted as overnight stays in the year 2020 by February. The recovery data is calculated for two years from the year 2020, till February 2022 (Stats 2022.)

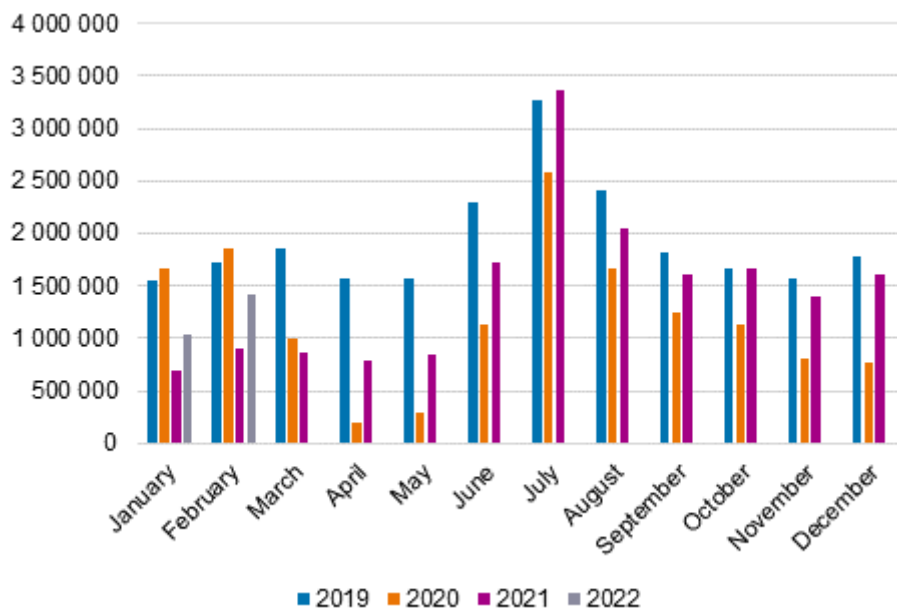


Figure 11: Yearly changes in number of travellers in Finland 2019-2022 (Stats 2022)

Overnight stays are being affected in all areas in Finland before the pandemic as of February 2020 than year 2022, February. Changes mostly decreased in Uusimaa areas by almost 45 percent overall. However, above is a chart representing the increment in overnight stays during the year 2022 against 2021 (Stats 2022.)

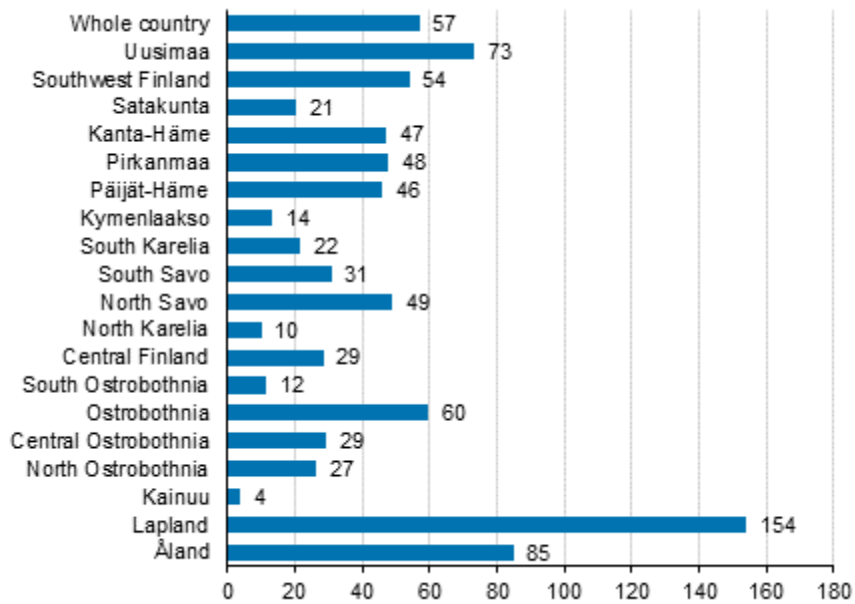


Figure 12: overnight stays during 2022 then in 2021 (Stats 2022)

### 3.6 The effect in Helsinki Metropolitan Hotel Industry



Figure 13: Helsinki Metropolitan area map (Mapcarta 2022)

Helsinki Metropolitan Area is the region in the coast of southern Finland. It consists of 4 cities: Helsinki, Espoo, Vantaa and Kauniaisten (Mapcarta 2022). Due to small number statistics of tourism activity and effect of economic impact, Kauniaisten is excluded from this thesis research. However, the other 3 cities are taken the key economic zone of COVID-19 economic impact in the hotel industry. Helsinki is Finland's capital city and largest by population of 1.4 million. It consists of 300 archipelago islands. This city provides one of the best public transports in the world. It provides walking and bike track all over the city. It is known to be the hub of Finnish tourism (Visit Finland 2022.) Helsinki has over 70 hotels in the year 2018 and had over 21127 beds per night. In 2019, around 1.24 million foreign tourists visited in Helsinki. Comparing with year 2020 (August), night spent in Helsinki has dropped to -67.8%. From January to August 2020 during corona virus effects the change in night spent in Helsinki is -60.5. Among the residents and non-residents, the drop consecutively -44.7% and -73.4% (stats.fi)

Espoo is the second largest city of Finland. It is only 15 min away the central city of Helsinki. According to visit Espoo website 2020, city has 16 hotels. This city has the national park of Finland known as "Nuuskio." In 2019, 462000 nights were recorded the whole year. By August 2020 Espoo registered a decreased of -59% compared to the previous year. It makes an accommodation sale of 1,5mill. € (Visit Espoo 2020.) From January to August 2020, Espoo has an overall night spent drop of -60.5%, whereas -40.3% counts for residents drop and -63.2% for non-residents.

Vantaa has the Helsinki-Vantaa airport inside its region. Vantaa is located 30 min by road from Centre Helsinki (VisitVantaa 2020). Vantaa is the fourth most populated city of Finland. It has over 12 hotels in the region. 830000 nights were spent in the hotels of Vantaa. There were 82700 visitors in Vantaa in the year 2019. It provides an accommodation sale of 7 mill. € (Visitary 2020.) From January to August 2020, the change is total night spent in Vantaa were down to -62.9%. Residents' nights spent dropped to -62.9%, change of night spent among residents were -58.9% and -69.8% are among the non-residents (stats.fi.) It is clearly visible that Vantaa has a direct connection in proportion of night stays with non-residents tourists and had a clear impact in its number.

In the latest development of 2022 by Jan-Feb stats, Uusimaa has 18,697 rooms based on the record in the stat Finland (Stats 2022). Out of them overall whole Finland shows an overall occupancy rate of 40%, whereas Uusimaa shows only 31.5%. The most occupancy is shown in Lapland of 61.4%. Whole Finland shows an overall growth of 11.4%



whereas Uusimaa shows a growth of 9.1%. Though in terms of average pricing Uusimaa has higher rate of 61.12€, 1,42€ higher than the overall average Finland pricing. In Uusimaa 2,58,360 nights were used in February 2022, whereas 182,396 were residents and 75,964 were international travellers. 247.3 nights were increased in Uusimaa hotel in February 2022 than in January 2022.

Region	n. of accommodation	n. of bedrooms	Occupancy rate%	Changes than the year 2021	Room rate	RevPAR
<b>Espoo</b>	14	1,386	37,6	5,1	76,92	58,94
<b>Helsinki</b>	59	11,036	37,6	5,1	76,92	28,94
<b>Vantaa</b>	13	2,770	44,1	16,5	106,05	46,78
<b>Uusimaa</b>	126	17,345	30,5	9,4	105,04	31,99

Figure 14: Changes in Uusimaa area's occupancy and RevPAR between Feb 2021 & 2022 (Stats 2022.)

## **4 Research management**

### **4.1 Research methodology**

As it is known, empirical research is entitled to create a report structure includes with an introduction, theory, empirical part, and the discussion to conclude (HH 2020).

The research will be conducted using qualitative method, which is to describe, understand and express phenomena, also to answer the research questions of what, why and how (HH 2020, 21a). Qualitative research does not produce numerical data; instead, it attempts to understand beliefs, behaviour, and attitudes. (Pathak & coworkers, 2013) A greater understanding of research topics, structures, and procedures can be gained through comparative research. Systems, civilizations, thought processes, and behavioural patterns can all be highlighted by comparison. We can put hypotheses to the test and gauge the extent of phenomena by comparing. (Vliegenthart & Esser 2017,4) General theories over economic recession in hotel industry will be analysed during the research and Helsinki Metropolitan Area (Helsinki, Vantaa & Espoo) will be used as the case study.

Managers will be interviewed Face-to-Face or online video conference to collect qualitative data. In-depth interview method would be applied to compile the interviews. In addition, hotel industry experts would be included to provide a brief futuristic recovery and to provide a managerial implication on recovery from COVID-19.

Face-to-Face interviews are performed within a researcher and target respondent in the home, office or in a meeting place. Among many advantages of F2F interviews, the use of visual aids, maintaining the social norms, using appropriate body language and facial expressions, validity of the response, deeper insight over a topic, follow up questions upon discussions, length of the interview could be considerably longer, capture emotions and behaviours, easy to focus etc. However, it has also its downside, interviews could be time consuming to allocate and conduct, it costs both travel time and money in some cases, (Marshall 2016; DeFranzo 2014.)

It is possible to do qualitative research using document analysis. Glenn A. Bowen describes document analysis as a "systematic process for assessment or evaluation of printed and electronic material. It is possible to analyse and interpret data. Document outlines, benefits, and restrictions can all be described via document analysis. It may draw attention to the document's advantages and disadvantages. Without the researcher's involvement, words and images have been recorded. Documents are considered "social facts" when they are created and used in a social context. Advertisements, meeting

minutes, brochures, press releases, radio and television scripts, photo albums, agendas, diaries, journals, letters, etc. are examples of this type of document. (Bowen, 2009, 35.)

## 4.2 Research process

The proposition put together began with introductory dialogue with the thesis supervisor. After some chats nearly contemporary topics and pertinent writing, the notion for the situation got here to light. After locating an associate to coordinate with the proposition, the imaginative and prescient of the thought were given to be clearer.

The theory of financial reports is collected from various sites online and books that are relevant to the associated topics. Haaga-Helia online library is being used as primary source. Statistics of Finland, specifically Uusimaa is being collected from stats.fi website. And other country COVID-19 occupancy and financial loss are found from various sources of the country's tourism data. Empirical theories were being collected through several book and online academic sources. For the interviews, the managers were contacted through email to different hotels reception. However, 5 interviews were done physically, and 4 interviews collected through online platforms.

## 4.3 Data collection



Figure 15: Qualitative Data collection method (Questionpro 2023)

In my research interview, observations methods are being used and below are the characteristics of them.

Due to its methodology, an individual or in-person interview is considered one of the most reliable, extensively applied, and prevalent techniques for collecting qualitative data. This technique involves a structured and purposeful dialogue between two individuals. The interview survey is created to gather information or viewpoints of the interviewee concerning a subject, plan, or problem. Occasionally, the discussion may be informal or unstructured, but it is always geared towards comprehending the interviewee's opinions, principles, comprehensions, emotions, experiences, and outlooks on a particular matter. Frequently, the interviewer opts for open-ended inquiries during one-on-one interviews. When the respondent picks from a predetermined list of choices, it transforms into a structured, inflexible response or a prejudiced conversation. The one-on-one interview is an excellent technique for gathering qualitative data. Especially when the investigators desire custom-made input from the subjects. The individual interview is a distinguished approach if the interviewer elects to delve deeper and pose additional queries to obtain further understanding (Questionpro 2023.)

#### **4.4 Data analysis**

The rapid integration of technology into our everyday lives has turned occasional ventures onto the internet into regular habits - we now use mobile devices, emails, Facebook, work websites, and online forums anywhere from several times a week to several times a day. Recognizing that the digital and physical realms are closely linked in both technological and societal aspects in a cooperative rather than a separate way has led to the rise of the notion of a 'cyborg' - a cybernetic being (meaning a being with both natural and artificial systems with the ability to enhance human ability). The implied concept of eliminating the barriers between the constituents that constitute the cyborg enables an unrestricted transition from biological to technological to occur, resulting in the growth of complexities at various tiers. (Grbich 2022.)

The conventional ethnographer who examines pre-existing written/visual data and engages in a 'fieldwork' to 'participate' to the necessary extent to obtain reliable data, has now transitioned to a new type of field where privacy and anonymity reign supreme. In this field, no one is visible or identifiable, except through carefully selected words, and online text is the only thing that can be observed, with no visuals, sounds except for mouse clicks and keyboard taps, and no fixed location. In this context, interaction is no longer face-to-face but instead occurs through technological mediation. Although breadth of ob-

ervation and time spent in the field were previously critical in authenticating accounts, these terms have been replaced by criteria such as 'thread-length' and position in the site (Grbich 2022.)

The researcher still must spend time in the field, fully immerse themselves in their selected role, observe with great care, accumulate additional data sources, and negotiate the final interpretation with the participants. It has been proposed that in cyberspace, the libraries of books that were used in traditional ethnography are now replaced by libraries with people on the shelves rather than texts. These people will use the web as a stage, but without the constraints of time and space, and the dialogue is unscripted, the discourse unfinished, and the movement flexible, both online and offline (Grbich 2022.)

#### **4.5 Limitations of the research**

The domain of virtual anthropology is a fascinating and inventive domain that requires an exploration of the online world as an independent cultural entity or as an inseparable aspect of both digital and real-life interactions. Nonetheless, moral considerations, accuracy of information, and data interpretation remain as critical issues that require careful examination (Grbich 2022.)

This research excludes the area kauniaianen from the interview. It also could be deepened with more data in different continent. The research interviews mostly done as anonymous due to General Data Protection Regulation. Most of the hotel managers do not want to publish their names, hotel names and figures etc. Another key limitation of this research was its timeline. The collected source data were kept on updating; however, the time was a limitation for the economic and covid impact data collection.

#### **4.6 Result and analysis of the findings**

The research has been compiled with online data sources and interviews to gather qualitative data. Data from stat is collected about metropolitan area of Finland. Interviews are taken both on-site and online. 5 interviews are taken physically and 4 are taken offline of different hotel chains. 3 different hotel chains are covered in the data collection. All these hotels are midscale hotel having 178 to 300 hotel rooms. Hotel manager, front office manager and hotel representatives were covered in the interviews. 4 interviews were taken in Vantaa area, 3 interview covered Helsinki area hotels and 2 in Espoo. Microsoft teams, WhatsApp video conference and on-site meeting were used as interview methods.

The result has reflected in two parts the economic impact in the business and the socio-economic impact among the employees in the metropolitan area.

Number of interviews	Interview method	Duration	Position of the interviewer	Location of the Hotel
1	Online/ MS teams	1h 10 min	Front desk manager	Vantaa
2	On site meeting	1h	Hotel Manager	Vantaa
3	On site meeting	45 min	Front Desk Manager	Vantaa
4	On site meeting	1h 15 min	Hotel service Manager	Vantaa
5	Online/MS teams	~45 min	Front desk Manager	Helsinki
6	On site meeting	1h	Front desk Manager	Helsinki
7	Online/WhatsApp video call	50 min	Hotel representatives	Helsinki
8	On site meeting	1h 5 min	Hotel Manager	Espoo
9	Online/MS teams	55min	Hotel representatives	Espoo

#### 4.6.1 Financial and socio-economic impact in the hotels

As COVID-19 hit in the beginning of 2020 most hotels were keeping an eye on the world. Nordic countries were not affected immensely during Jan-Mar 2020. From April hotels starts to be shaken by the occupancy rate and restrictions.

All the hotels were in the primary shock of what to do. One manager from airport hotel mentioned they waited everyday morning to read what is coming today. The travel rules and COVID-restrictions were updated almost every day during the beginning of coronavirus. Employees were informed every day the latest. A panic starts to build as the number is infected numbers of COVID-19 cases and countries rose every day. New restrictions were being announced from various parts of the world. From December to feb,

many people think it is only a disease in China. But from Feb-March 2020 it is being spread throughout the world. Many hotels receiving lower percentage of occupancy.

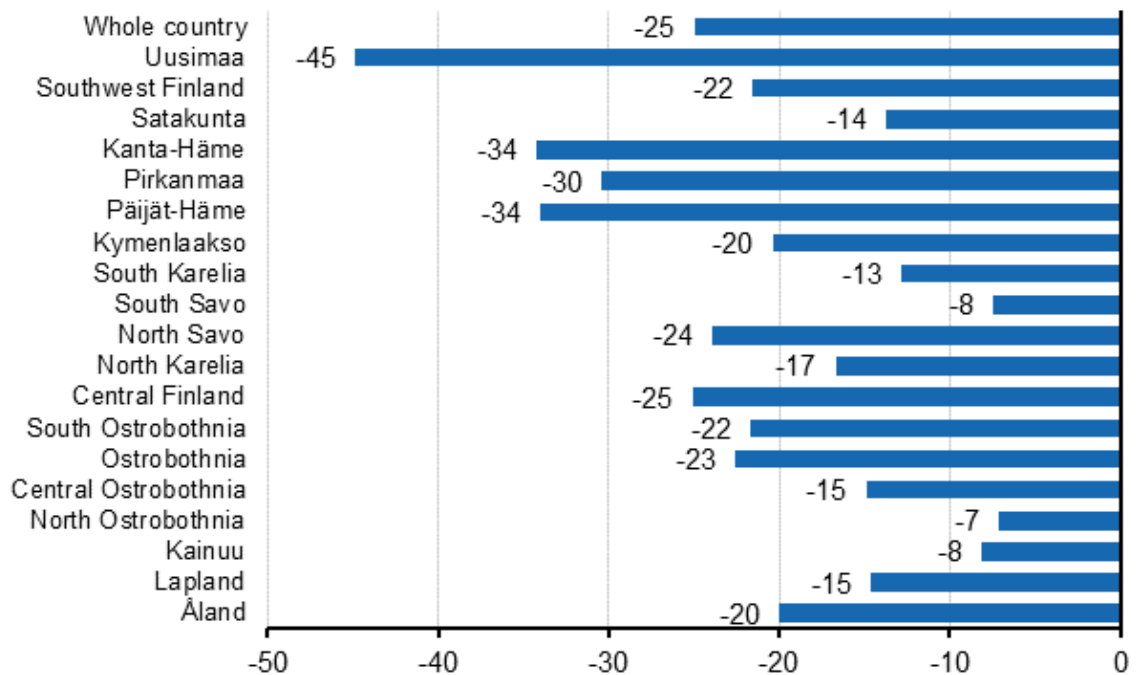


Figure 16: Downfall of occupancy in Finland Feb-Mar 2020 (Stats 2022)

Helsinki metropolitan area had a downfall of occupancy by -45%. The highest hit in Finland. Employees were mostly sent to laid off and many hotels close their operations temporarily. Many had to follow restrictions during their opening. Gathering more than 10 people in a premises were banned. Food deliveries to room service were commonly used for consumption. Buffet breakfast was being replaced by pre-ordered package breakfast to the room service. There was a social distance of 2 meter were introduced in hotel receptions during check-in. Guests always ask what is open and what is not. Reservation was cancelled and a free cancellation policy were introduced among the entire world for the flights and hotel reservations. Many hotels had shortage of employee as only the core reception team was allocated for the shifts. In some hotels faces challenges of inventory as many manufacturing companies were uncertain or has shortage of supply.

Regarding employee laid off and revise contracts, employees were understood the situations as one manager of a hotel chain mentioned. Employees were being communicated through hotels own group channels. CEO of some chain were updated the hotel operations through their desired company pages. Some manager mentioned they had picnic during the 2020 pandemic to keep connection and recreation among the laid off employees. Another chain manager mentioned, HR were proactive during the COVID-19 crisis,

they send greetings, updated COVID-19 restrictions, health care benefits of the employees and a Q&A section were opened for the employees to keep them informed of what to expect. Top managers coach their employees, about unemployment benefits, employee rights and offer personal advice regarding their employment status. One manager informed during the one-and-a-half-year closure of her hotel that one of her main jobs during that time was to keep the water runs in each room water pipes weekly and check all the doors were locked. Managerial operations were down to almost zero. However, as COVID situation get better after the summer 2021, many hotels were initiate to plan for reopening.

During the reopening process, hotel informed and welcome employees to re-join their work. However, some managers informed that some employees never came back after the COVID laid off period. Some of the reasons were that many employees went to new employment in different fields, some went to study and some even changes their locality. In the reopening process, personal hygiene was taken very seriously. Reception was added fence in their desks, guests had to follow social distancing during check-in, employees need to sanitize their hands frequently, room keys and pens were disinfected after each term use, housekeeping were trained to disinfect door locks and highly touch sensitive surfaces (e.g., remote control, nightstand lamps, toilet door, shower handle etc.)

Hotels starts to regain their occupancy from August-September 2021. One manager in a hotel is Espoo said their regain were quite slow and two managers from airport areas mentioned they had faster occupancy regain as situation starts to get better. As of 2023 Jan, hotel still recovering from the loss, and few mentioned they are closed to gain the breakeven point since the recovery of their operations.

#### **4.6.2 Recovery team**

The research revealed many of the hotel do have a recovery team or in other words a team who monitor, sends update, give directions, and create a plan. Among the interviewed hotels that were included in the research, they all have a central HR management team. One hotel representative mentioned, they had team meetings with the HR management during the start phase of the COVID. Another manager mentioned, they get weekly update from their CEO about the past week and upcoming week changes. "The change was almost every day, new rules, new restrictions" one manager expresses. It has been found that for the individual hotel it was easy to make decision, however, one manager mentioned it was rather harder to finalize decision as there was different decision made for different individual hotel within the same chain. However, few hotels were stra-



tegitically open as to serve the community though the operation was below operational cost. One manager emphasizes technological use during the COVID-19 years. One manager says, to confirm the lay-off they had to make video call or conference call to keep the evidence as a legal regulation. One hotel representative said, "in some days it was even not confirm where to accept some changes or not, in the end it was the receptionist who took the decision." Most of the manager and representative agreed that proactive approach did not a play here much role, rather reactive approach was effective as situation form different challenges every day. 7 out of 9 interviewers were happy how their recovery was managed during the COVID-19. Two of the managers said they expected more decision coming out the recovery or upper management team.

#### **4.6.3 External communication establishments**

Hotel is a public entity that required both national and international parties' involvement. Internationalization is defined as a firm's strategy to expand its products and services across the borders of countries et el. Suji & Seoki 2019.... (Hitt, Ireland, & Hoskisson, 2007). It is discussed with the interviewees regarding external communications in their business. All the nine managers/representatives believe that it is necessary to have close relationship with the government and international parties during a crisis. One manager said they had to follow the government rules to operate their business during the COVID-19 period. Another mentioned government aid during and after COVID-19 was essential, though he expected more financial aid from government. "Government set new parameters of travelling during the COVID-19" one manager ponders. As an airport hotel we had to follow up government and international flights guide.

Restriction came from international airlines where hotel needs to compensate or cancel without a charge due to the circumstances. Hotel management organizations decides which countries and airlines could bring tourist or business guests from a particular country. Sometimes hotels had to take COVID-19 guests in the hotel due to positive result of COVID test, one manager addresses. 3 of the managers say they had to cooperate with airlines due to travel policy changes and they had to keep COVID-19 patient in their hotel without publishing it in the public as other guests may scare out of it. One manager said it was sensitive to many guests to know if they have COVID-19 patient in the hotel. One manger said, during the change in gathering and food service, they had challenge to serve to guests with COVID-positive to their room, special sanitization was being needed to maintain service protocol. Travel agents always call to cancel certain booking and ask what kind of restrictions are at the hotel, one manager reminds. It was clear during the COVID-19, third party communications helped hotel to maintain operations even to a min-

imal level. All the manager urges that during a cross border crisis there is no other way but communicating among the parties.

#### **4.6.4 Alternative suppliers**

The big chain hotel has the same supply chain. So, it was straight forward decision making. Some very emergency tool kit like masks, shield, gloves, surface cleaner, test kit, hand sanitizer etc. were needed every day. Some managers say they had some stock, and they survive the early stage but when the decision to wait either hotel will perform or not, put them in dilemma to add more stock or not. However, hotel that were not open during COVID-19 did not buy any additional. One manager mentioned that in the restart phase some of the same products were not available and they had to buy from different supply chain. Another Manager mentioned that as they were always operational, however, there was raised in price due to supply-demand urgency e.g., shield mask.

Most of the manager do agree that for such pandemic or crisis it is good to have a certain number of products in stock, if possible, as to survive the emergency time. Another manager addresses that it might be even better option to have secondary contract to companies for multiple supply chain options.

#### **4.6.5 Human First**

Regarding employee physical, mental and psychological health questions were asked to the interviewer. All the managers agree that employee concern is an important issue during a crisis. Specifically, during a pandemic, we must take care of public health and very importantly to the staff, they say. In the early pandemic stage, employee health and safety were taken seriously. Most of the interview hotels were informed to their staff regarding health care services and support for them. One chain hotel opens a 24/7 doctor chat service in case employee feel bad or got COVID-19 positive result. At work hygiene and cleaning contaminated areas were a top priority, one manager ponders. All employees were trained how to protect themselves and how to take care of guests with safety guards. 7 out of 9 hotels uses safety shield glass during or after restarting their hotel. "Hand sanitizer was given to all the public and office areas. Room keys, pens, lift buttons, room doorknobs, remote control, phone were being sanitized randomly during the operation"-A hotel representative mentioned. All the managers felt emphatical during the pandemic towards their employees and guests. In 5 out of 9 hotels had to shut down their operations and they had to lay off their employees. It was not a good time to say that to our long-term employee, one manager empathized. Another manager mentioned it was sad to hear many were laid off and never came back.

However, all the managers said they always had their employees back. To keep their mental health and spirit, we had a monthly picnic one manager said. Also, in many hotels' General manager and other hotel upper manager, informed employee their rights and support from the company during the crisis. One manager said, due to shortage of working hours, they offered alternative temporary job position for their staff.

#### **4.6.6 New market segments**

Regarding new market segments the manager/hotel representatives agreed there is a need to rebuild the market segments for recovering the financial crisis. It is revealed that travel groups like China, Korea, India, Europe were being disappeared during and after the initial phase of COVID-19, so to bring them back to travel to Finland, campaigns and local marketing is needed to get them back. For bigger international chains, the brand itself play a role-one in marketing, hotel representative address. Another manager says it is important that we have new business and leisure traveller to improve overall tourism in Finland. One manager says, the downfall demolishes some travel agency due to the COVID-19 crisis, however, it also creates a scope of new entrepreneur to build business with innovative and more creative ideas. It is found by history robust improvement in a field after a crisis, may be COVID-19 crisis could bring similar impact in tourism in Finland, said one hotel manager. One of the representatives' addresses, it is important that government invest more in tourism and ease market segments for travelling. New offers, packages, services, promotions, creates new segment for tourism, stated by one hotel manager. It is similarly important to get the old guests back by sending them greetings and regards for their loyalty, one manager noted. Hotels have guest benefit membership account which is a great channel to stay connected and offer promotions to get guests back. The loyal guests are often like to return to their familiar hotels, she added. In terms of international segmentation government should fund to promote Finland in international travel fair. Also, local tourism can be improved by local fair promotions by different tourist authorities and companies, one manager points out. It was clear that all the manager/representatives were aware of the marketing improvement to recover from the financial crisis.

#### **4.6.7 Business owner's mindset**

In the research it is found 7 out 9 manager/hotel representative mentioned they had sufficient information from the local government, and they find it was useful and sufficient. Whereas two managers were not totally satisfied government involvement and support against COVID-19 financial crisis. One manager said at some point there were buffet

banned in the hotel, whereas in the supermarkets buffet food were available, which was not a fair decision to take. “Many hotels had to shut down, though the rent was still payable, government support was not enough like neighbour country had more support than in Finland” one representative addresses.

#### **4.6.8 Creating Knowledge economy**

In terms of creating knowledge economy all the managers agreed to the fact that knowledge is of course beyond all the sources. And they all agreed spreading the knowledge in hotel industry and recovering from this post COVID-19 financial crisis, is the key. One manager says HR usually focus on fostering creativity among our hotels. Another manager says “immediately after COVID-19, we have many open positions, but to fill them with adequate skill and knowledge we arrange few intensive courses. The result creates good result by gradually recovering our vacancies and stabilizing slowly our sale.” One manager says their international management arranged many recovery sessions with physical meeting and teams meeting, during and after the COVID-19 years (2020-2020), mostly it offers guideline and projection of financial recovery. As Cohendet (2006,8) says, “A knowing community can be defined as a gathering of individuals who accept to exchange voluntarily and on a regular basis about a common interest or objective in a given field of knowledge”. Many managers mentioned they did communicate with their management and teams during and post COVID-19 via WhatsApp, emailing, newsletters, own portal etc. Many shared updated regulations and rules operating business in group so to spread the knowledge among company. One manager says they kept a “COVID-19 update” page during COVID-19 as they were operational during the crisis. One manager said they had to send online laid off notification due to travel restriction and another says they send through postal. However, most of they agreed that keeping and sharing the common interest helped them getting many of their staff back, as in contrary few hotels face staff shortage after reopening the hotel operations.

#### **4.6.9 Managerial proposal among the interviewees**

Based on such circumstances all the 9 manager / representatives were asked their proposal on such crisis management and the proposal were collected and summarize as follows:

1. Government during the crisis did well, however, more financial support would be great.
2. HR needs to play a key role to keep the people who are laid off during the crisis will be back again after the crisis.

3. Communication is the key for any crisis management. It is important to maintain communication between upper and lower management. Also, from management to the staff.
4. Resources are key for any operations. Finding alternate human and materialistic products needs to be found quickly.
5. Creating a crisis management team. It is recommended to create a CMP (crisis management plan) with the experts of managerial board.
6. Wellbeing improvement. One of the managers mentioned it is vastly important that employee wellbeing is taken extra care during health crisis of a pandemic.
7. Housekeeping played a significant role during the COVID-19 pandemic. It is important to keep close touch with housekeeping management and housekeeping staff needs to adjust cleaning process during the crisis. Additionally, they are needed to improve personal awareness of self-protection during the pandemic.
8. Updating restrictions and government rules- one manager noticed that it was a rapid change in the rules and restriction almost every week during COVID-19 crisis. From the management, it is important to up-to date with the changes and communicate with hotel staff about the changes and implements of them.
9. Alternate service offer-many guests could not be able to have normal services during the lock-down time of the crisis. So, it was a key role to offer them alternate services to confirm their needs. Some hotels offered in room breakfast/dinner, 24-hour room services to help guests.
10. Medical supplies at hotel- For COVID home tests many hotels offered self-test kit at the hotel and that hotel needs to provide extra health care of the guests. Some had instructions on what to do in case of a suspicion of possible contagion.
11. Hotel maintenance during shut down session- One of the managers suggested that maintenance was needed to perform sewerage, electrical and other tools check periodically to keep the building functional and operational after the crisis is over.
12. One hotel chain offered employee mental wellbeing personal mentor on how to stay healthy mentally and physically during the crisis period. They had hotline and online video session to provide psychological help to the hotel employees. This is also a takeaway from this COVID-19 impact.

## 5 Conclusion

Every industry has been impacted by COVID-19, but the hotel sector has been particularly badly struck. A full recovery to pre-COVID-19 levels might not occur until 2023 or later. The hospitality sector will undergo both minor and significant changes in the post-pandemic era, like so many other industries. Some of these are already obvious now. Travel will come back. However, the length of the recovery will probably differ between sectors and be lengthier than in other industries. Domestic and international travel, as well as business and pleasure travel, will resume at varying rates. The next normal will undoubtedly be characterized by structural changes, particularly with customer demands for flexibility and hygiene.

Hotels could experience a protracted rebound. Properties' situations will change over the ensuing months and years depending on a few variables, such as chain size, location, and demand profile. Although there is not a single right answer that applies to everyone, there are some general rules. Hotels have a responsibility to take care of their staff, maintaining in touch with them throughout the pandemic and ensuring their safety upon their return. They must control client expectations, acknowledge that they will change over time, and get ready to respond quickly to health and safety issues. And with an eye toward the new normal, they must update their business plan for the relaunch.

In this research, 9 hotel manager and representatives were interviewed to understand the effect of COVID-19 in their hotels to understand the economic impact and recovery in Uusimaa, Finland. The study has shown that the COVID-19 epidemic has significantly harmed the Uusimaa hotel sector with the different restrictions made by the government in the country like the travel restrictions that caused a drop in hotel occupancy and decreased the income of the hotel, the industry in general has faced different challenges. In 2019, around 1.24 million foreign tourists visited in Helsinki. Comparing with year 2020 (August), night spent in Helsinki has dropped to -67.8%. From January to August 2020 during corona virus effects the change in night spent in Helsinki is -60.5. Additionally, the crisis has made the hotel customers more vigilant about their safety and health during this global pandemic and stressing about the necessity of the implementation of these safety precautions in the hospitality industry, which is why put in place safety protocols to guarantee the safety of its guests and its staff. Managers & hotel representatives who are taken interview provide suggestions to have more government help in such crisis, communications between the management teams, more wellbeing awareness among reception team, special training to housekeeping team, employee benefits by HR team, selecting a CMP team may mitigate the crisis among other implications.

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## **Appendices**

### **Appendix 1. Interview questions**

1. Position of the interviewees?
2. How long have you been working under management position?
3. What was your first realization of COVID-19 pandemic?
4. What was the first thought?
5. What were the initial impact in hotel operations?
6. How were your staff reacted in the beginning?
7. What were the initial action to the effects?
8. How staff psychological wellbeing were managed?
9. How operations in the reception were performed?
10. How operations in restaurant were performed?
11. How your hotel reacted during the impact? Financially and psychologically!
12. Was there any specific contingency/recovery plan?
13. How is the recovery process today?
14. Were there takeaways from the COVID-19 pandemic for hotel industry?
15. What are your thoughts during the recovery process?
16. DO you have any preparation for any unexpected future events?