Worldwide Hospitality and Tourism Themes

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Journal:	*Worldwide Hospitality and Tourism Themes*
Manuscript ID	WHATT-01-2021-0013
Manuscript Type:	Article
Keywords:	business strategy, COVID-19, hotel industry, resilience, United Kingdom

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Evidence from the Hotel Sector in the North East of England

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Abstract

Purpose: This paper examines developments in tourism during the COVID-19 pandemic using the hotel sector in the North-East of England as the area of study. The country has attracted a lot of attention not only because of its importance as a tourism destination but also due to its rather controversial management of the pandemic at least in its early stages.

Methodology: Fifteen semi-structured interviews based on ten open-ended questions were conducted with North East of England-based hotel managers of international brands on the level of their hotels' preparedness to effectively deal with pandemic cases. The interviews took place in August and September 2020 with participants kept anonymous.

Findings: Meeting new operational and bureaucratic requirements added to the cost structure and proved a major challenge for managers who saw their hotel occupancy rates and revenue collapsing within a short period of time. Innovative and aggressive pricing strategies were introduced to lure especially younger travelers in the absence of business clientele. Staff were made redundant and/or asked to work overtime making effective human resource management very difficult.

Originality/Value: This is one of the first research attempts to highlight the importance of the COVID-19 pandemic for the hotel sector in a major region of the United Kingdom. The paper also attempts some generalization by discussing managerial implications and suggesting a possible way forward for the hotel sector. Developing resilience by building on previously used successful business practices proves of essence.

Keywords: business strategy, COVID-19, hotel industry, resilience, United Kingdom

Introduction

In March 2020, the World Health Organization (WHO) declared COVID-19 as a pandemic due to the growing number of associated death cases and patients in over 160 counties. Italy was the first country in Europe severely hit by COVID-19 and the first to declare a nationwide lockdown as a drastic measure prioritizing safety over the negative economic repercussions (He and Smith, 2020). By the end of March, however, most of the countries globally followed suit. The risk management model including the identification and the evaluation of the risks; the analysis of the ways to address them; and the decision-making process per se, were activated by governments, which advised people to stay at home abstaining from professional and social interactions. Not surprisingly, the world economy entered a sharp and unexpected recession with businesses driven to bankruptcy and unemployment rates substantially rising (Wullweber, 2020).

Tourism has been very negatively affected by the COVID-19 crisis. In a dynamic world where a significant part of the service sector economy is based on tourism, the spread of the pandemic constitutes the biggest challenge not only because of the associated hygiene measures and travel restrictions but also because of its very adverse financial implications. In a few weeks and following the imposition of travel and other restrictions the hotel industry started collapsing and many hotels closed until further notice (Sharma and Nicolau, 2020). The national authorities' role is crucial as there is currently wide uncertainty about peoples' future travel behaviors and the impact of the pandemic on services related to air transport, cruising, hotels, and other types of accommodation. Several studies connect the impact of COVID-19 with de-globalization since travel is the connecting link between countries and the major reason for the popularization and expansion of the tourism industry (Niewiadomski, 2020).

To counter the emergence of a protectionist world because of de-globalization, developing antibodies proves of essence. The inability of tourism and hospitality enterprises (including hotels) to inventorize their product/service renders them vulnerable to economic downturns and/or crises of other character thus leading to damages at various levels (Stabler, Papatheodorou and Sinclair, 2010; Dobie, Schneider, Kesgin, and Lagiewski, 2018). As tourism and hospitality are characterized by tangible and intangible elements, their vulnerabilities are multi-faceted, complex, and largely affected by guest decisions to spend money while travelling to a destination (Becken, Mahon, Rennie, & Shakeela, 2013). According to Faulkner (2001), the crises faced by the hotel sector often entail a component that can be somehow controlled by its management team; at the same time, however, disasters may occur suddenly thus provoking events and dynamics, which are largely exogenously determined and difficult to control: natural disasters (e.g., earthquakes and tsunamis) and pandemics would fit under this category impacting not only hotels but also entire destinations.

Therefore, building business resilience in the hotel sector should rely on an organizational structure that considers both economic and community aspects not only internally but also at a destination level involving different stakeholders as highlighted in the case of several countries in South-East Asia (Brown, Rovins, Feldmann-Jensen, Orchiston, and Johnston, 2017). Well trained, smiling teams ready to offer a proper customer service underlining safety and characterized by friendliness when major adversities occur, can be a very good starting point. Moreover, the existence of strong, experienced managers that can inspire and provide solid leadership both internally (i.e., within a hotel) and externally (i.e., at a destination level) are important to ensure readiness irrespective of the circumstances (Brown et al., 2017). This is because hotel business resilience and destination image are structurally interlinked.

Having the above in mind and rather unsurprisingly, the COVID-19 pandemic provoked a multifaceted, unprecedented crisis in the United Kingdom and its constituent regions. This is especially the case for areas that rely substantially on tourism such as the North East of England. Further to a literature review on destination offering, image and choice, this paper discusses the results of primary research based on interviews with managers from fifteen different hotels located in the region to highlight the emerging challenges in terms of reservations, occupancy rates, pricing, and employment strategies. In fact, from an empirical point of view, the paper contributes by providing a further understanding concerning the perspectives of tourism managers during the most severe crisis the industry has ever faced. The findings of this research may prove useful to pave a sustainable way forward.

Destination Offering, Image and Choice: Are they still relevant?

The mid 1990s may be perceived as a turning point in tourism research as increasing emphasis was gradually put on the business plans and the multiple factors that can enhance a destination's image and produce positive socio-economic results at international, national, and regional levels (Korstanje, 2009). Considering the aspects/challenges affecting tourism quality such as overcrowding, environmental problems, visitors' safety, and security as well as seasonality issues and appropriate sensitivity to local culture, countries relying on domestic and inbound tourism had to design an appropriate institutional and legislative framework to set the fundamentals for sustainable tourism development (Evans, Fox and Johnson, 1995). At the same time, becoming customer-centric proves of essence in an increasingly competitive marketplace hence the need for effective destination management and marketing strategies (Papatheodorou, Vlassi, Gaki, Papadopoulou-Kelidou, Efthymiou, Pappas and Paraschi, 2019).

In fact, tourism researchers use the word "image" to refer to the reputation of a destination and how this is associated with the tourists' experiences and beliefs about visiting a place (Veasna, Wu and Huang, 2013). By capitalizing on the available tourism product, the marketing process can highlight specific destination traits and create expectations for the tourists who travel and look forward to having a memorable journey as per the advertisements and the promotion of that destination. This process may boost place identity or conversely result in the disappointment of tourists when their expectations and choices are not met. This may result in negative evaluations and the underrating of a tourist destination that can be spread through the media and the online review platforms (Sánchez, Callarisa, Rodríguez and Moliner, 2006). When a place is regarded as a desirable tourist destination, a virtuous cycle can be created in terms of travelers' loyalty, place-related premium, and revenue generation. Loyalty is based on behavioral and attitudinal measurements of tourist destination choice and is expressed via repeat visitation. Brand preferences regarding travel and hospitality companies also play an important role in the actual tourist choice. As a result, actual travel decision may become heavily affected by characteristics not only of destinations but also of tourism-related companies (Almeida-Santana and Moreno-Gil, 2018). This is especially the case with tour operators, which can influence if not shape destination desirability based on the holiday packages they offer to travelers. Bundling cheap flights and stay (including accommodation and food & beverages services) in an inclusive price can catch the eye of a holidaymaker; if the package is then presented using the right marketing tools, the promotion can be beneficial for the destination and the local economy if appropriate linkages are also developed (Baniya, Thapa and Kim, 2019; Stabler et al., 2010).

Nonetheless, tour operators (at least in Europe) are predominantly interested in promoting mass tourism destinations typically associated with the summer/winter sun and/or summer/winter sports activities. Hence, promoting tourism in other places, e.g., in Northern Europe should predominantly capitalize on new trends characterizing free independent travelers. According to Huen (2020), the four most significant travel trends in 2019 included mini vacations; insta-holidays; wellness tourism; and the bleisure type of trips combining traveling on business with a short vacation. In many cases, these activities are also set in the context of responsible tourism, which aims at minimizing the negative, social, and environmental impacts of tourism while still generating financial benefits for hosting countries, regions, and communities. In fact, responsible tourism calls for all involved stakeholders, including governments, hoteliers, destination authorities and tourists to take all necessary actions to make tourism more sustainable (Lee, Bonn, Reid, and Kim, 2017).

In this context, the United Kingdom provides a very good example of a country interested in encapsulating the latest trends in travel and tourism from a responsible tourism perspective. Among others, the United Kingdom is well known for city breaks; cultural tourism related to a range of architectural monuments, museums, and world renowned sites; as well as for places suitable for outdoor activities (Dunne, Flanagan, and Buckley, 2011). The country recorded 39.4 million international tourist arrivals in 2019 that accounted for USD 50.4 billion (UNWTO, 2020a). Most inbound visitors in the UK originate from the United States, France, Germany, and Ireland followed by residents of Spain, Italy, and Netherlands. It is worth mentioning that three out of five visitors in the UK travel for business reasons and over seven million visits combine business with leisure activities. All the above, however, are now put in question because of the COVID-19 pandemic.

In fact, and as tourism is characterized by a high degree of linkages with other sectors of the economy, the consequences of COVID-19 were fatal not only for the industry itself but for the local markets too. The pandemic caused high-pitched falls in the GDP of countries, considered as tourism destinations (Uğur and Akbıyık, 2020). By recognizing tourism as a contributor for the spread of the disease, the financial result of the sector for 2020 seems dramatically negative in comparison with previous years (Gössling, Scott and Hall, 2020). Closure of borders, travel restrictions and other measures imposed in the hospitality industry resulted in substantial damages: according to the UNWTO (2020b), international tourism arrivals during the first semester of 2020 decreased by 65% on a year-on-year basis; if such a percentage reduction is recorded for the second semester of the year too, then the prevailing situation will prove very close to Scenario 2 developed by the UNWTO in May 2020, which forecasts a 1,020 million drop in arrivals and an associated USD 1,080 billion reduction in revenue (UNWTO, 2020b) for the entire 2020. Focusing on the hotel sector and taking the United States as an example, it is worth mentioning that out of the 8.3 million Americans occupied in the hotel industry, 85%

are paid on an hourly basis (Ross, 2020). As a result of COVID-19, the total number of employment hours in the US hotel sector decreased by 71% and the volume of employee terminations over a period of just two weeks increased by nearly 470% because of lay-offs, furlough and hotel closures (Ross, 2020). Similar negative experiences are shared by other countries. For example, China generated about USD127.3 billion from its travel and tourism industry in 2019, an amount that sounds rather dreamy for 2020 when the cancellations for visits have escalated causing the closure of 75% of its hotels (Bakar and Rosbi, 2020). Australia tourism earnings have dropped by 50% on a year-on-year basis while at the peak of the lockdown period, the revenue per available room in European hotels was down by 95.2% (Bakar and Rosbi, 2020).

The UK response

The United Kingdom imposed a national lockdown on the 23rd of March 2020. The British tourism sector is considered to be one of the worst affected given that it offers employment to 3.2 million people and generates 130 billion of economic activity in terms of taxes (UKHospitality, 2020). After the COVID-19 outbreak, 75 millions jobs came at risk to be lost especially because of the forecasted 30% reduction in international tourism arrivals. Illustratively, London Heathrow Airport expects a traffic reduction exceeding 50% for 2020 compared to the all-time heights of 2019, when it hosted 80.9 million passengers (Štimac, Bračić, Pivac and Oleksa, 2020). The UK government intervened by offering financial assistance of up to 25,000 pounds for small tourism businesses and credit lines exceeding one million pounds for qualifying small and medium sized tourism enterprises. Still, many companies decided to cut job positions and/or filed for bankruptcy (Bas and Sivaprasad, 2020). It is also worth mentioning that the UK government's attitude was somewhat relaxed in the beginning of the pandemic causing severe criticism from countries that followed a much stricter stance. The emerging negative publicity regarding the UK's pandemic management in addition to the imposition of travel restrictions may explain the 73% and 79% fall recorded in visits and spending from overseas respectively. Moreover, domestic tourism is forecasted to fall by 60% for overnight stays in 2020 compared to 2019 (VisitBritain, 2020). Local economies in several regions of the country suffered as a result, including the North-East of England, which is this paper's study area.

In particular, the North-East of England is one of the nine administrative regions of the United Kingdom that includes the counties of Northumberland, Durham, Tyne and Wear and North Yorkshire. The region has fifteen cities with the largest ones being Newcastle, Sunderland and Durham. Even though the North-East had the highest unemployment rate in the UK in 2019, it is regarded as one of the most innovative and extrovert regions of the UK contributing with 13.2 billion pounds of exports and accounting for 14.0 billion pounds of imports in goods and services (Gebbels, Pantelidis and Goss-Turner, 2019). Tourist attractions in combination with businesses operating in the North-East of England create a delightful environment for people to travel especially in the city of Newcastle which is regarded as a major business center in the United Kingdom. In fact, tourism is the fourth largest sector in the North East England contributing with about five billion pounds into the economy each year and securing 66,000 job positions (North East Hotel Association, 2020). In 2019 the region welcomed over 90 million visitors recording an increase over the past five years. Hotels in the region offer 4,500 bedrooms and spend around 70 million pounds per year on purchasing goods and services. 3,400 people are employed by the sector and 11,400 jobs in the region are affected by the hotels' operation. Each year North-East of England hotels generate revenue of approximately 200 million pounds; when indirect, induced, and catalytic effects are considered, then their total economic footprint amounts to 616 million pounds (North East Hotel Association, 2020). Well-known hotel brands in the region include Hilton, Crowne Plaza and Marriott.

Between 2015 and 2018 the average hotel occupancy rate in the North-East of England region was about 76%. Predictions for 2019 indicated a slowdown in the activity of the hotel industry due to a lack of long-term hotel investors as well as because Brexit made well-known hotel brands originating from the United States to withdraw their activity and funding (PwC, 2019). Newcastle Gateshead Initiative (2020) forecasts indicate that the tourism sector in the North East of England may suffer from a loss of up to 955 million pounds because of the pandemic. However, the total effect may prove higher, as 70% of local businesses had to furlough their employees and a 23% of them took the decision to cut jobs. The unemployment rate in the region is expected to reach 15% at the end of 2020, i.e., the highest rate from 1971 (Newcastle Gateshead Initiative, 2020). This may be accentuated by the fact that since the national lockdown, a significant number of hotels remain closed or operate at very low occupancy rates. Moreover, many local events have been cancelled to the detriment of hotel business. As discussed in the empirical section of the paper, hoteliers confirm this rather grim image. All these are strengthened by the fact that the North East of England is the most affected UK region from COVID19 with a 65% increase of confirmed cases during the last week of September 2020 (Murray, 2020); moreover, it was the very first region in England to enter lockdown during the second wave of the pandemic (Halliday, 2020).

Methods

To better understand the prevailing situation in the hotel sector of the North-East of England, primary research was undertaken using a qualitative methodology based on personal interviews with fifteen hotel managers from the largest cities of the region, i.e., Newcastle (ten hotels), Durham (three hotels), Sunderland (one hotel) and Gateshead (one hotel). Based on the previous analysis, the aim of the study is to evaluate the effect of COVID-19 on hotel operations. The questionnaire includes ten open-ended questions answered in about twenty minutes and the participants replied by keeping the anonymity of themselves and the hotel in which they work for. Interviews were conducted in August and September 2020.

Out of those who participated in the questionnaire, 80% hold managerial positions in reservations and operations while the remaining 20% are general hotel managers. The participants' responses on differences in hotel operations and organization before and after the pandemic were almost identical. The new processes include detailed health and safety instructions, appropriate staff training and internalization of several facility operations, which were previously outsourced. A first step was the observance of government guidelines about the two-meters distance rule. The hotels had to place signs on the floor to provide visible spots for guests and had to remake the sitting areas (including restaurants, bars, and lobby areas) to distance tables from each other. Hand sanitizers are provided in several places accessible by the guests and signs that remind guests of the government restrictions (e.g., the one-person-at-a-time lift use rule) are displayed in designated areas. Spa and gym facilities had to close; hotel managers also had to deal with severe restrictions imposed on the specifications of meeting rooms and the conduct of events and many related facilities also remain closed. Changes have also been introduced in the food and beverage operations as menus and service configurations and facilities face various restrictions. For some hotels even after the re-opening on the 4th of July 2020, the way of serving breakfast included take-away bags with pre-packed food creating an unpleasant guest experience. According to the legislation restrictions, guests are not allowed to consume their own food and drinks in the public area of the hotels anymore to reduce risks associated with human contamination. Staff had to attend special seminars about how to behave and offer customer service after the reopening of the hotels and the use of face masks became mandatory for both staff guests. Three out of the fifteen managers commented on the complications regarding the use of lifts by guests and the efforts undertaken to introduce online check-in and check-out to reduce the time spent by guests in the reception area. Glass separating boards in the hotel reception and bar were fitted into five out of the fifteen hotels.

Results and Discussion

Further to this introductory set of questions, interviewees were asked to provide information on current occupancy rates vis-à-vis 2019 as well as on the pricing policy followed to attract visitors. They were also asked to commend on differences between inbound and domestic tourists vis-à-vis the previous year. All fifteen managers stated that their hotel occupancy rates exhibited a reduction between 50%-70% compared to 2019 in spite of the substantial discounts that have been introduced to lure visitors. With occupancy rates ranging between 20% to 30%, three out of five jobs within their hotels had to be (temporarily at least) eliminated and per their saying "the difficult part is calling one of your employees to inform them that from tomorrow you have to find a better luck".

According to the reservation managers the outlook for the following months seems grim especially as the UK government currently announces the gradual escalation of restrictions related to travel, work and socialization. Several managers also pointed out that the introduction of heavy discounts in their hotel room rates resulted into a quality downgrade of their clientele as many of their customers are now on average 25 years old travelling for leisure and fun without realizing the severity of the pandemic situation; this may end up raising risks and create even a more dangerous and difficult work and living environment for everyone. The closure of many businesses throughout the United Kingdom led to the substantial reduction of business travel and the cancellation of North East festival and events reduced the arrival of leisure guests. Many hotels mainly rely now on projects in progress with key workers who cannot work from home and as per most of the opinions "The sales job is very essential to attract contracts even for a short-term duration".

The number of people travelling to the North East from other countries has dropped by approximately 85% to 90% further to the imposition of travel restrictions and the closure of borders; likewise, domestic tourism was at a 45% level compared to 2019, slightly better than expected by the interviewed hotel managers. This may be also partly attributed to the British Prime Minister's encouragement of domestic tourism activities this year to increase travel expenditure within the UK thus reviving the local economies that are shattered by the pandemic recession. As mentioned by one interviewee "…it was a deep breath for our economy that also proved important for my hotel earnings". For hotels operating mainly to cater for key workers during the lockdown the situation is considered better compared to other hotels that remained closed during that period; nonetheless, five out of fifteen managers argued that "…we have to take into consideration that at that time the hotel earned money, but the operational costs were higher", which may possibly raise further profitability concerns.

A further question related to the hotel guest selection criteria and whether these have changed because of the pandemic, i.e., whether destination offering and image are still relevant. Most respondents feel that "…leisure people keep travelling to places according to the available activities and attractions…" and "… do not think that the criteria about safety procedures play a significant role for their decision". One of the hotel managers also argued that "…probably the most attractive point is the low price in combination with name of the brand – it is exciting to find out a branded hotel offering the chance to stay for less than 50 pounds". Several managers reacted negatively to the cancellation policies stating that "… cancellation fees had to be stricter in order to help the survival of our companies". However, this is a clause that applies predominantly to hotel chains with an international brand name and the main reason is to manage to keep the loyalty of the guests and their confidence with the specific brand.

Hotel managers were also asked to comment on how their guests react to the changes introduced in the services and facilities within the hotel. Most of the participants were rather concerned, complaining that except for the few business travelers, most guests observed the mandatory health and safety hotel procedures rather poorly. In fact, two out of fifteen managers seemed happy with the way that people received customer service changes; nonetheless, the remaining thirteen managers mentioned cases with shocking incidents and condescending guests that on some occasions they were even asked to leave the hotel. It is also noteworthy that all hotels managers mentioned that they had gone beyond the minimum guidelines set by the UK government to find innovative ways to create and sustain a healthy and safe environment for their guests and staff. Regular sanitization, keeping personal items locked in individual lockers, and use of special protective masks and shields are some indicative examples. Most of the hotels that participated in this study are run by international management companies that have developed detailed hotel operation policies.

In addition to the various financial and occupancy challenges, the adaptation into the new operating environment was difficult for the hoteliers who had to rearrange their paperwork procedures, the operational guidelines for each department as well as to make many of their staff redundant. One of the respondents expressed the opinion that "…it is not only difficult to come to terms that several people lose their jobs, but also to realize and ensure that the remaining staff members have to take responsibilities for more departments from their pre-defined ones". Another interviewee also argued that "…overtime hours have to be spent not only from the head of departments but also from all staff members as it is the time to provide a strong teamwork spirit", and that "…it is important to show our love for the hotel and the company that has supported us during smoother periods". Most of the hotel managers also claimed that given the adversity of prevailing circumstances, the attitudes of remaining staff members were positive as they felt fortunate enough to have kept their jobs when many of their colleagues were made redundant.

Admittedly, one of the most difficult questions set to hotel managers related to their own forecast about the future; most of them seemed to be disappointed with the general situation without having much hope for a better future in the near term. In fact, almost all the respondents believe that the tourism industry will not get back to the normality before the summer of 2021 the earliest. Moreover, inbound tourism into the North East of England is expected to take much longer to recover. Based on unpredictable future government guidelines, the participants were struggling to provide numerical estimates; nonetheless, they seem to largely agree that by the end of 2020 the UK hotel sector will have experienced a turnover drop of 4 billion pounds on a yearly basis. Several participants expressed their worries not only for the possibility of a second national lockdown but also for an individual hotel closure as the difference between the mounting operational costs compared to the rather poor actual revenue from hotel stays seems to be financially unsustainable. One of the respondents said that "…as a reservation and revenue manager in Hotel [X], I can assure you that we will try to offer attractive prices to keep our hotel open, welcoming our guests", while another one added that "…from my point of view, a second national lockdown will not be the ideal scenario as people can take individual responsibilities and make their own decisions for their daily life". A manager also echoed the opinion of several others when he argued that "…the earnings from the reservations in the near future do not depict the desirable results, however we keep trying for the best". It is the time to realize that unfortunately neither occupancy rates nor revenue per available room can be kept under control by hoteliers who face largely unpredictable exogenously determined conditions at international and national levels.

Conclusions and the Way Forward

The COVID-19 pandemic has brought about unprecedented uncertainty and fear in the global economy (Bakar and Rosbi, 2020). If social distancing and other preventative measures prove effective, then there is hope that a new wave of full national lockdowns will be avoided. The tourism and travel industry has proved quite resilient in the past successfully facing various challenges. For example, the original Severe Acute Respiratory Syndrome (SARS) crisis in South East Asia had very important implications for its hotel sector especially in major business centers such as Hong Kong (Chien and Law, 2003); at that time, many hotels in the region lacked the necessary hygiene protocols to provide a truly safe environment for their guests. Since then, not only had the hotel sector managed to recover in the region but the lessons learned from SARS proved beneficial to face the COVID-19 with a higher level of preparedness as shown by the statistics published by the WHO (2020) and the UNTWO (2020a). Similarly, the hotel sector proved resilient to the major shocks of the 9/11 terrorist attacks in the USA and the global financial crisis in 2008-09 (Kubickova, Kirimhan and Li, 2019): among others strategic planning decision-making was improved (Chin, Wu, & Hsieh, 2012) and government financial support proved generous reaffirming trust in existing national and local institutions (Nunkoo, 2015). Similar outcomes emerged out of dealing with major natural disasters showcasing the importance of effective stakeholder management at a destination level (Filimonau and De Coteau, 2019, Ivkov et al., 2019).

Developments in technology have also shaped competition dynamics in the hotel sector over the last decade (Kitsios, Grigoroudis, Giannikopoulos, Doumpos and Zopounidis, 2015), setting the fundamentals for further change in the near future especially since COVID-19 instigated a leap forward in the adoption of remote working conditions which may reduce the necessity for business travel in the future. Therefore, hotel resilience in the post-COVID 19 world should rely on a new narrative that will combine brand equity and loyalty based on efficient customer service (Šerić and Gil-Saura, 2019) with distinct destination characteristics and the opportunity to experience special and alternative forms of tourism in the context of bleisure travel as this cannot be substituted by teleconferencing. In other words, and although the empirical findings of the paper support the view that the destination offering and image are still relevant for visitors albeit only due to heavy discounts and also at a much smaller scale compared to only a year ago, this may prove only transitional as in the medium to longer-term hotel branding is expected to become much closer linked to destination image than before.

In any case, it is important to have a thorough disaster planning approach that would allow companies to develop scenarios and contigencies for all eventualities (Brown et al, 2017). Job vulnerability and the associated loss of key human resources should be also somehow addressed (Papatheodorou and Pappas, 2017) for example by linking furlough/reduncancy schemes with training on the acquisition of transferrable skills as well as by supplementing unemployment benefits with low-interest rate loans that can be repaid by unemployed people when these get back to work. Timely, accurate and transparent communication is vital to improve the effeciveness of tourism companies and the process of exploring individual recovery options is essential to overcome the adversities of a second national or local lockdown (Gossling et al, 2020). Undertaking certain operations remotely and/or online emerges as very important and investment in IT-related infrastructure should be prioritized to enable this (Bas and Sivaprasad, 2020).

Despite the research contribution of the paper, several limitations should be acknowledged. First, the research has examined the perspectives of tourism-related managers. If future research evaluates the perceptions of both tourists visiting the North East of England and locals, this would provide a further and perhaps more holistic understanding concerning the impact of COVID-19 in the region. Another limitation concerns the period of time the research was held, i.e. during the COVID-19 pandemic. Usually, the perceptions in the midst of a disaster or a crisis include a high emotional impact, meaning that after the crisis is resolved the overall evaluation may significantly differ. Therefore, a similar research in a post COVID-19 period (and a comparison of both studies' findings) is strongly recommended. Finally, crises and disasters especially in the tourism sector include high levels of complexity, since they chaotically unfold and entail exceptionally high levels of unpredictability (Pappas, 2019; Pappas and Brown, 2020). On these grounds, future research should also take under consideration the levels of the generated complexity, employing sufficient methods such as fuzzy-set Qualitative Comparative Analysis, Conjoint Analysis and non-linear regression.

In any case, for the hotel industry in the North East of England financial viability in the short-term relies predominantly on business travel related to large projects in progress rather than to leisure group visits per se. After all, longer term strategies based on sophisticated revenue management techniques to boost revenue and occupancy rates are rather meaningless at present. On the other hand, committing to the observance of health and safety guidelines not only from staff but also from guests is essential in this new travel environment to foster a culture that would allow travel to return to normality when the long-awaited and hoped medical progress in the treatment and/or prevention of the disease is achieved.

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