



Hotelier



*Hotelier
Report*

**Hospitality
in the Post
COVID-19 World**

Hospitality in the Post COVID-19 World

By Professor Peter Jones ,
Dean of eHotelier Academy



This report should be read with caution! It is aimed at promoting detailed thinking, discussion and debate amongst hospitality professionals as to how best to move to a reset and long term resilience for hospitality in a Post COVID-19 World.

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1. Introduction

“We are not safe until everyone is safe”

Anon

The incredible revolution, disruption, discontinuity and change that the world is currently experiencing has never been seen before at this scale and speed. It has turned upside down our understanding of "normal", it is changing our priorities and values, and will have a major impact on the way that we interact with each other for the foreseeable future. We will not be safe until everyone is safe. Being safe will mean significant restrictions on individual social and work patterns and behaviour until a vaccine is globally available. No one can provide a timescale on this but we are looking at years not months.

The pandemic will not treat all countries and people equally, governments have a key role to play in trying to minimise the health and economic effects of the virus and some will be better able to manage that than others. As the pandemic moves around the world the speed and ability of countries to recover will not necessarily mean that they will be open for business in the same way as they were before. Global recovery will be slow as different countries health systems and economies will be less resilient than others. Confidence has been very badly shaken and this will take time to be rebuilt. Some sectors and destinations will be slower to recover than others.

“This period will have taught us a lot. Many certainties and convictions will be swept away.”

*Emmanuel Macron
French President*

We are experiencing a revolution in the way we live our lives and that revolution will change our behaviour in the post COVID-19 world. The impact on the hospitality and tourism industry is likely to be profound in the short and medium term. This is not an economic downturn where the assumptions of recovery are based on the existing business models. This is a global health pandemic where those models have been fractured by global events and will need to be remade based on new values and ideas. Those models will be governed by what people see now as important and valued within the societies the industry serves.

This report is designed to prompt and support the hospitality and tourism industries thinking in response to this pandemic. It does not provide ready made answers but makes some major assumptions to be challenged and discussed. The reports assumptions and analyses will not hold true for every business in every sector, but just by prompting thinking about them this report will have fulfilled its aim. That of helping hospitality and tourism businesses in developing their own response to the post COVID-19 world. This report is particularly aimed at the

“At the same time lifting restrictions too quickly could lead to a deadly resurgence. The way down can be as dangerous as the way up if not managed properly”

**Tedros Adhanom
Ghebreyesus
World Health
Organisation**

small to medium enterprises who will not have the benefit of corporate strategic planning departments.

Hospitality and tourism is a very entrepreneurial, creative, and flexible sector of international economies. It has a strong unique culture and hospitable values that helps to create resilience and positivity. It is a valued sector of society with strong trust in its communities and values. The keys to long-term recovery will be in using the culture and values of hospitality combined with innovation, entrepreneurial flair and flexibility, in resetting, redesigning, reimagining and re-engineering hospitality for the post Covid-19 world.

The world is going through a revolution and even when global vaccines become available the outcome of that revolution will be the "new normal". Society, politics, industry will have all changed very significantly, it will not be a recovery but a reset to new values, new economic systems and new political imperatives. This revolution provides an opportunity to reset not to where we were, but where we now want to be.

Regrettably not all businesses will be in a position to survive. Some very reputable quality businesses because of their current circumstances will be forced to close. Others will reinvent themselves through creative and innovative responses and new business approaches that will allow them to develop in the future. Which businesses will continue and which that won't will be a combination of many factors, not necessarily the brand but the financial and wider circumstances that impact the viability of the business in the new world. This report is not a "how to guide" but should help in prompting businesses to think about their own potential solutions.



About Professor Peter Jones

Professor Peter Jones is the Dean of the eHotelier Academy and is recognised as a leading international educator and innovator. He holds a number of directorships and honorary appointments and has undertaken national and international projects for a wide variety of organisations within the hospitality and hospitality education sectors. He was made a Member of the Order of the British Empire for his services to the Hospitality Industry.

2. Analysis and Assumptions

“Hospitality sector is the most vulnerable with 41% of CEO’s suggesting that their firms were at risk of not surviving”

Reuters survey of global business leaders

The framework for establishing the analysis has been derived from the PESTEL analysis widely used in strategic planning, developed to re-prioritise and highlight areas where significant change, has and will, continue to impact on the industry.

Society, **C**onsumers, **E**conomy, **P**olitical, **T**echnology, **T**ravel, **E**nvironment, **L**egal, **E**ducation

This framework will be used to consider: **What** will Change, **Why** and **How** will that impact on Hospitality.

The scenarios developed here are based on detailed scanning of the wide range of views concerning, not just the health issues, but also the social and economic impacts that the pandemic is having and will continue to have on the way that societies and people live their lives. Those impacts will significantly change the way societies view the world and a major revolution is taking place that has readily increased the pace of change in all of the areas in the framework for the analysis.

The report prioritises the analysis in terms of impact, with the fundamental changes in the way that society behaves, as being the key from which all of the subsequent changes will flow.

3. Scenarios



Society

Society

What will change and why

- There will be a revolution in the way that we live our lives while still living with the presence of COVID-19. The pandemic has already significantly changed social behaviour with long term changes in personal and social values, priorities and beliefs. These reprioritising of values will continue in any post Covid world, as individuals, families and communities will come identify what is now the most important facets of their lives. Wellbeing in all of its many facets will be the overriding issue as social distancing will have to continue until a vaccine is globally available.

“Today, a corporation that customers believe is not showing sufficient concern for the safety of its customers and employees could incur severe damage”

*Judd Legum -
Lawyer*

- Public sentiment has changed significantly to recognise the contributions that health services, care workers and other key workers make to the health and well-being of society. This contribution is not directly related to salary but in the contribution they make to the public good. There will be a rethinking of the ‘value’ to communities and society of those who are often low paid and often overlooked but whose work is essential to maintaining the fabric and functioning of society. The present focus on ‘wealth’ as a measure of success will move towards one of wellbeing as societies values and behaviour change.
- Altruism is seen as vital to society in a crisis, the need to protect the vulnerable has been widely recognised as a responsibility of governments and communities, many organisations have and are responding in very positive ways but equally others are being seen as behaving very badly. Those ‘brands behaving badly’ recognised as being selfish, arrogant and self serving are losing reputation, loyalty and ultimately their customer base. Societies views have already shifted towards a stronger moral and ethical dimension to the contributions and values that organisations and individuals make and who the real ‘public heroes’ are. They are not necessarily the business heroes of the past.
- Humans are social animals and will require opportunities for social interaction and social experiences but those opportunities will need to be controlled, adapted and developed to minimise any concern over risk to individual wellbeing and health. Confidence to engage in social contact especially with strangers will only develop if all distancing measures and control measures are in place. Initially the social focus will be based on local communities and confidence will be judged on how local organisations and business responded to the crisis.
- The major social and personal upheaval of the crisis has caused reflection and review of priorities, society has been forced to slow down and individuals are recognising the benefits to health and well being that this brings in their professional and social life. The principles behind the “Slow Movement” will come to the fore and society and communities and individuals will recognise the importance of those principles.

“Marriott International has begun furloughing most of its American workers, jeopardizing their access to health care, even as the company paid out more than \$160 million in quarterly dividends and pursued a raise for its chief executive.”

*David Leonhardt -
The New York Times*

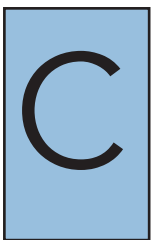
How will it impact on Hospitality

- The core values of hospitality of caring, welcoming, generosity and a willingness to help others will be much more important in society and this will be a positive factor in the industry's future. Public sentiment will look to reward organisations and business that have made a contribution to the public good and local communities. Hospitality organisations with a strong ethical leadership and moral compass are more likely to do well in the future as they will have been contributing to the public good whilst those organisations who are seen as arrogant and self serving will not enjoy public support.
- Society will be looking for real evidence of social responsibility embedded in the fabric of the industry and that will include the need to ensure that the focus is on the safety, health and wellbeing of customers in all of its facets.
- Hospitality can provide the opportunity for the much needed social focus and social interactions although these interactions will need to be in safe, secure and controlled settings that will be very different from the past. The industry will need to recognise that the pace and speed of life will be slow to pick up and recovery will take time.

Consumers

What will change and why

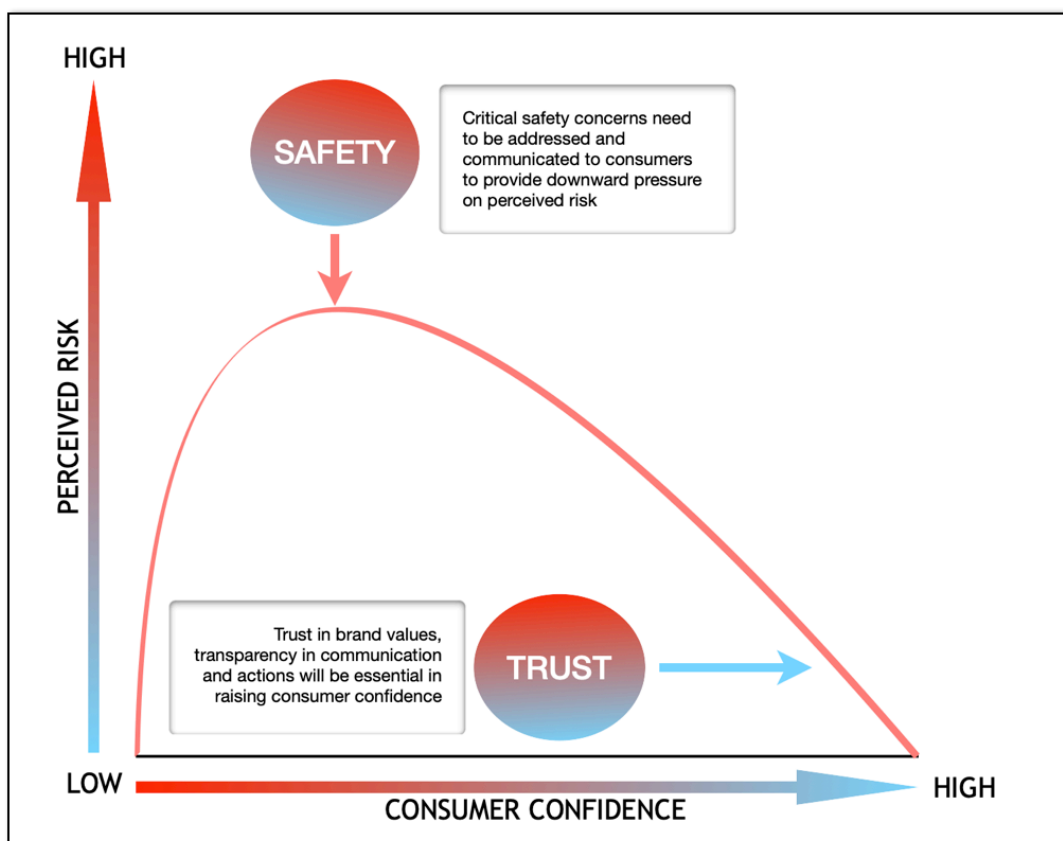
- Consumers make up the values of society and their collective sentiments will govern individual consumer behaviour. Consumers will have an overriding concern for all aspects of their safety, health and wellbeing and that concern will be the paramount factor in guiding consumers choices of engagement with communities and organisations. The need to establish trust, overcome fear and demonstrate safety, security and the duty of care will be essential for all organisations in establishing public confidence. (See illustration)
- However that confidence will be difficult to restore whilst fear of contagion exists, individuals will be looking



Consumers

for trust and confidence that are demonstrated through the core brand values of organisations that align with their own changed values of society.

- Therefore organisations culture and actual behaviour, as opposed to the promoted versions, will be paramount in achieving the trust of the consumer. This will include the public perception and sentiment on how staff are treated by organisations, and how that treatment aligns with public sentiment.
- Staff are also consumers and will want to be treated with exactly the same safety, health and wellbeing measures as the customers with whom they are dealing. The management of risk for all parties will be crucial and organisations that put pressure on staff to behave differently or not to fully comply with any regulatory controls will soon lose the confidence and trust of the consumer and suffer accordingly. Additionally such organisations seen to be flouting such regulations could face severe financial penalties



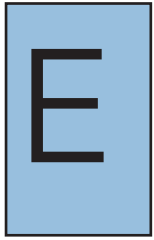
“I think global health security is going to be on that small but critical list of topics like climate change that we can only solve in partnership with other countries,”

Jeremy Hunt MP

- Consumers concerns for the wider population and environment will remain a major sentiment along with the recognition that, as this pandemic has demonstrated, that they as individuals, society and the political systems are not in control. They will want to see more attention, action and resilience to potential major international risks in the future. This will also influence their views on what security they will be seeking in all of their consumer experiences.
- The changes in consumer behaviour will become the "new norm" and consumers will not revert to previous behaviours. Ethical values will be examined by consumers as part of the trust and confidence relationship and consumers overall sentiment in relation to organisations contribution to the public good will become the key measure in consumers judgments. This will impact of buying behaviour, loyalty and spend. This could imply less spend on 'fast' disposable items with a greater emphasis on quality, durability and the experience.

How will it impact on Hospitality

- New models and concepts of hospitality will need to be developed to meet the consumers needs for a safe, social and hospitable experience. Empathy with the consumer and emotional intelligence will be the key to providing the future hospitality service and experience. Consumers will need to have confidence in the product and the service experience with the main focus on how their safety and well-being is being managed throughout the entirety of the hospitality experiential process.
- People will remain fearful of situations they cannot control. They need to have 'trust' in strangers who are providing hospitality. To achieve this enhanced staff training will be essential. Greater autonomy and empowerment of staff to manage and enhance customer confidence in the hospitality product by managing the new physical constraints yet still delivering a quality and personal service. This might be achieved by allocating small staff teams to managing all aspects of the customer journey thus minimising the number of staff with whom they have any interaction.
- Consumers perception of the value of services will change, they will be looking for a safe experience that reduces their anxieties and enhances their wellbeing. To achieve this organisations will need to establish trust with their consumers and colleagues and fully recognise their duty of care to all parties.



Economy

Going forward, investors' mindsets and qualifications about what constitutes a truly "valuable" company will change. Rather than focusing on the quantitative aspects like funding rounds and revenue, investors will place a greater emphasis on the qualitative aspects, such as an organization's structure, team, culture, flexibility, and profitability.

David Barrett, CEO and founder of Expensify

Economy

What will change and why

- This pandemic has caused a fundamental massive disruption and fracturing of the existing economic models on which all countries, institutions and governance models have come to rely. These models will no longer hold true and new and different economic models will emerge based on new realities and society values. The economic crisis will require global cooperation with new metrics and indicators on which to measure economic behaviour. This will include recognising that what was defined as an asset may not be an asset and that the real assets to any economy are the values that society and people place on them. In addition pay differentials will flatten as consumers make judgements on the moral and ethical behaviour of organisations and the intrinsic "value" of the contribution of the higher paid.
- There will be major shifts and reduction in demand for some products and services with increases in others, especially those related to health, safety and wellbeing. The service sectors with high levels of direct customer interaction will see significant short - medium term drops in demand. This will lead to business closures and redundancies.
- There will be a greater gulf in the financial health between the generations. The younger generations will be more insecure and more concerned about future opportunities and careers whilst the older generations have greater security in terms of their accumulated wealth. In the medium to longer term some redistribution of wealth will be required otherwise the younger generations will always be poorer than their parents generations.
- This period can be characterised as an enormous workplace shock that has produced major changing patterns of work and rising unemployment. As an example the physical 'office' that has been dominant in many peoples working patterns will become less relevant as the continuation of working from home will become to be seen as being part of the new working patterns. Not only has the use of the digital office and technology been to be revealed more effective and efficient for some people in the workforce, home working can also improve the quality of life. This will lead to major cultural and organisational shifts in the way that we work and think about the value of work.

People are carrying what they learned and experienced from remote work back to their “new normal.” We’re learning so much about sustained remote work during this time.

*Jared Spataro,
corporate vice
president, Microsoft
365*

- Offices will therefore need less space and become more of a work hub where workers may visit but not have permanent work spaces. Where home working is not an option, there will be a major shift in all aspects of workplace behaviours in order to maintaining social and physical distancing which in turn will lead to fundamental rethinking of operational practices.
- The changes that were already happening to city and town centres with the depopulation of retailing and commercial use has been accelerated and this acceleration will continue as many retail and related business will close.
- This will have an impact of many commercial property assets that will be devalued as demand changes. Offices, retail, hotels and hospitality properties could be significantly affected. The need to reimagine and reinvent commercial leases with all stakeholders will be essential if the assets are not to become distressed, abandoned and moribund.
- There will be no economic rebound and economic recovery will be a slow growth from a local base. There is no immediate quick fix and health and wellbeing will remain the priority. This could lead to a rethinking of the value of the workforce especially in terms of contribution to local communities, with more products and services operating through community social enterprises models that will incorporate hospitality, care and wellbeing as core operating principles.
- New models of organisation and ownership will need to be developed to reflect the changes in asset values, demands and long term resilience. Greater integration and cooperation between companies will develop new models that will support much greater creativity, faster speed of innovation, greater autonomy, through empowering staff teams and reducing the unnecessary organisational clutter and noise.
- Work organisation will change dramatically as business learn to implement physical distancing requirements into work processes and workflows. This can reduce the number of employees in locations at any one time with staggered or elongated patterns of attendance.

"It is clear that we are likely to see increasing virtualisation of business life"

Jamie Ross fund manager Henderson Eurotrust.

How will it impact on Hospitality

- There will be a local focus on the local hospitality experience and spaces as people will be reluctant to travel. This will affect businesses that relied on high volume especially related to commuters and retail centres and these will need to radically rethink their products and operational systems.
- Hospitality businesses that had specifically targeted the international business markets will need to re-position themselves, given the short to medium term decline in business related activities for travel, meetings and events.
- Hospitality will be affected by confidence, public debt and the weakening of consumer spending and therefore new collaborative approaches between businesses will need to be developed as cooperation and interdependency will be essential. This means that businesses will need to work collaboratively with closer supply and service integration to both re-imagine their offers and re-establish confidence.
- The whole financial models on which the pre Covid -19 industry was based will need to be redeveloped to recognise the new circumstances. Businesses with high debt ratios, expensive leases and high operating costs will not be able to continue with those previous business models for prolonged periods of reduced demand. This will require new forms of business models to be developed within the often complex relationships of owners, leaseholders, funders, franchises and operators.
- Short-term investment cycles will need to be re-considered to reflect the new elements of risk and potential returns and to try and build in greater resilience in the longer term. For the industry there is a need to create longer term resilience away from short-term profits to long-term investment. This could result in a decline in the conventional shareholder models in favour of partnership and beneficiary models.

“This crisis will force small businesses that have historically relied on foot traffic as their main source of income to develop alternative revenue streams so they can weather the next major event. For example, many restaurants might permanently link up with delivery service platforms or expand their geographic reach via ghost kitchens.”

Will Lopez, head of accountant community at HR platform Gusto

- Companies will have to implement physical distancing measures to minimise risks that will lead to major changes in all aspects of operational practices. The wearing of face masks in certain public spaces and workplaces may also become compulsory. These operational changes will significantly reduce capacity and therefore income with high volume high turnover businesses likely to suffer most.
- New industry leaders will emerge who are creative entrepreneurial and resilient, with strong ethical and moral values that will resonate with the post Covid-19 world. Leaders who cling to old leadership styles and pre Covid-19 values will be found wanting.



olitical

Political

What will change and why

- The geopolitical influences that were already changing the world order will be speeded up, leading to the continued rise of China as an economic and world leader with a reduction in US influence in terms of both global leadership and economic power.
- Political ideological positions have shifted fundamentally with new government interventions and responsibilities that have dramatically increased the size of government controls and responsibilities. Governments have had to intervene very dramatically in all aspects of peoples lives and that intervention is often against all ideological orthodoxy. These interventions including acting as a "lender of last resort" have challenged the relevance of these political orthodoxies in dealing with the future.
- Whilst nationalism was on the rise globally this will fade as societies realise cooperation is the only solution to global issues. This will lead to necessary global cooperation

“If the coronavirus pandemic has made one thing clear, it’s that knowledge, preparation and science matter. Political spin can win elections and keep millions of people misinformed, but it doesn’t sway the forces of nature, of which infectious disease is one.

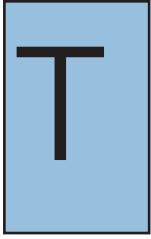
Mark Buchanan, physicist and science writer, Bloomberg News

and partnerships becoming more not less important especially in developing the global economy. This includes cooperation on the constraints and restrictions on the movement of people and the need for greater resilience in supply chains.

- The role of public services and utilities has been highlighted during this pandemic and societies expectations will be that this will now take precedence in future policy making. This will change political priorities and many of the previous policy directions will change accordingly.
- Politicians will continue to be under intense scrutiny and resolving the pandemic will be all consuming for the foreseeable future. Those politicians will be judged on their actual responses to the pandemic, not political ideology, and it is clear that the longer term solutions require wider skills to be engaged than just those of politicians. That wider engagement including transparency and communication with the public will be measures against which politicians will be judged.
- Governments ability to fund infrastructure and other projects will be very limited owing to the inevitable loss of government income and large rises in expenditure, thus many current policy initiatives will be lost through lack of funding, public sentiment, time and political will.

How will it impact on Hospitality

- Government interventions will be essential in the medium term if the industry is to continue to make future significant contributions to both employment and GDP. In areas of high reliance on tourism, government intervention to maintain the tourism infrastructure will be essential in the short to medium term. Creative solutions to initially encourage domestic travel will be required if high volume destinations are not to suffer disproportionately. However it must be recognised that governments cannot continue to intervene over the long term given the other financial pressures on public finances.
- The role of the state in supporting public services could impact positively for those companies with a public sector presence.



Technology

“what we have learnt from this is that there hasn’t been any drop-in productivity” some practices have improved, such as communication which is actually more regular and efficient remotely”

Phil Doubree , Founder JellyFish

Technology

What will change and why

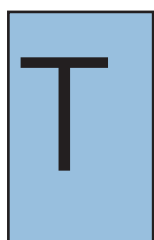
- One of the major lessons being learnt from this pandemic, is the very rapid embracing of technology to new uses and ways of working. The pandemic has acted as a catalyst for innovation, cooperation, speed and creativity not just in very rapid technological development but also with the users. Governments and individuals, have both come to rely on digital technologies in their forced changes in behaviour, processes, systems and work practices. Users have become more efficient and effective in understanding the capabilities of the technology and are exploring their use in creative and innovative ways. The major examples are in areas of creative re-engineering and technological innovation through collaboration in finding global solutions to the pandemic.
- The major shifts in the use of technology as a communication tool for businesses and as individuals will continue with greater reliance on communication technologies to bridge the gap lost through social interaction.
- Technology will be seen as part of the solution to the pandemic, not just in finding medical and treatment solutions but in the use of technology to manage the social and physical distancing restraints. This will lead to greater use of robotic technologies and other developments in both the means of production as well as delivery.
- The new dependency on the Internet for all aspects of business and social life will bring both challenges and opportunities including the changing understanding and creative uses especially for learning.

How will it impact on Hospitality

- Technological innovation will continue to impact on repetitive tasks with new robotics and other innovations that will support physical distancing being developed quickly. New technologies and systems for cleaning and sanitation will be needed across all hospitality sectors to ensure that the turnaround times of facilities are not unduly impacted. Other touch free innovations in relation to all aspects of the guest experience will be developed as part of the operations risk management and minimising

strategies, as will innovations in the physical delivery of items to guests especially in the areas of food and beverage.

- Increased emphasis on communication technologies as a means of business interaction will reduce the need for business travel and will also impact on some back office operations that can be carried out from home.



ravel

When travel does begin to resume, domestic travel will be first. For most countries, that means taking a train, not least because they're less crowded

Avi Meir, cofounder and CEO, TravelPerk

Travel

What will change and why

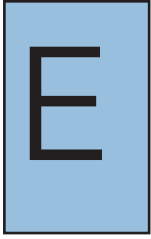
- The previous patterns of global travel will not return, not only will governments impose restrictions on public movements but consumer sentiment and safety concerns will be overriding in travel decisions especially for air travel. Business travel in particular will reduce not only through companies use of communication technology and changing work patterns but also they will be very conscious of their 'duty of care' and the potential health risks to employees in travelling. This will impact on large international events given peoples reluctance to travel and mix in large groups. In addition there are likely to be significant additional insurance costs associated with travel.
- The changes in work patterns and home working will generate less domestic business travel and regular commuting and journeys to work for some business sectors will reduce.
- Leisure travel including visiting family and friends will grow from a local domestic base. However consumers safety concerns with some forms of travel will lead to a significant drop in demand. As an example current aircraft seat configurations will not allow passengers to feel confident of their personal safety in that environment and this will require major shifts in aircraft configurations, reduced passenger numbers and therefore increases in the costs of travel.
- The situation will be the same for cruise liners, where the examples of how cruise liners have been implicated in the spread of the virus and the inherent problems that has caused, has received world wide attention. These examples indicate that current density

and profile of passengers on cruise operations will make safety, well-being and health of passengers extremely difficult, leading to a reduction in passenger numbers, revenues and long term financial sustainability.

- The implications are that these capital assets including aircraft and cruise liners will be idle for some time to come before confidence is restored to those markets.

How will it impact on Hospitality

- International business travel will be limited for the short - medium term. This will have a significant impact on hotels, restaurants and hospitality operators that have focused on the business sector, requiring change of focus towards the local, domestic leisure markets.
- Airports including the hotels, restaurants and retail operations will suffer significantly from the losses in passenger traffic and related international events including trade exhibitions, meetings and sporting events that will be significantly curtailed. This will impact on all hospitality businesses that had a reliance on those major events.
- International resorts destinations and cruising are likely to be slow to recover until public confidence in the safety factors involved in both travel and destination management have increased significantly. The capacity of resorts and cruise liners will need to be reduced as part of confidence building measures.



Environmental

Environmental

What will change and why

- There will be the recognition that the quality of the global environment has improved significantly during the pandemic owing to changes in work patterns, local restrictions on movements, less transport use and less air travel. The impact and relationship between those enforced changes on the environment and climate change have become more self evident and be more widely understood by society. There has also been a shift in public sentiment in recognising those improvements and the connections with the environment and how that impacts on their own health and well-being.

- All forms of pollution including noise pollution have, almost counterintuitively, become more obvious as they have reduced. This has sharply evidenced the human impact on the environment during the pandemic and through almost a freeze on human activity the world will see the biggest annual drop in recorded carbon emissions. This suggests that society will be looking at environmental sustainability in a more critical and informed way that will influence consumer behaviour and values as well as political interventions. The idea that climate change is a slower moving 'pandemic' with even more disruptive global consequences is now gaining public acceptance.

- The need for food security and the fragility of supply chains will become more evident as the pandemic continues. The focus on environmental costs and some scarcity of supply will begin to impact on consumer choice and price. This could lead to a greater awareness of the importance of local supply systems, seasonality of supply and the need to treat food as a scarce resource. This will have longer term political and economic implications.

How will it impact on Hospitality

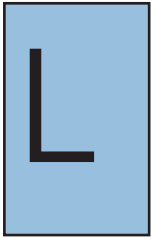
- Hospitality operations will need to be more cognisant of the environmental and sustainability issues and recognise that the pandemic has highlighted the fragility of the global environment and what some commentators have referred to as the "Wake-Up call". The sustainability movement will be both amplified and accelerated and consumers will want reassurances that

"There can be no return to normal, because normal was the problem in the first place".

Graffiti - Hong Kong

the hospitality experiences are not adversely impacting on the environment.

- It will be the health and well-being of the environment that will have risen in the public consciousness alongside individuals safety, security and well-being. Whilst there may not be a direct causal link between the pandemic and the quality of the environment, public sentiment now suggests that relationship between health and the environment is now being firmly established. For hospitality businesses demonstrating how they will be minimising environmental impact and increasing sustainability will become more important factors in consumer choice.
- Management of supply chains, emphasis on local procurement and support of local producers will not just be evidence of good practice they will be an essential component of managing future risk. Should the fragility of food supply in particular become a national issue this could impact on how hospitality will be able to source appropriate supplies. Therefore localism and strong cooperative partnerships will be an important component of future business models, also demonstrating the commitment to reducing environmental impact.



egal

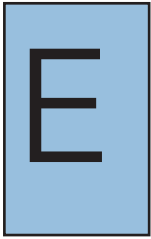
Legal

What will change and why

- Governments will need to establish new regulations and controls on many aspects of life including, health care, health and safety and risk. This will apply to all operations, travel, public gatherings and retail operations including licensing for maximum numbers. These could include legally defining social and physical distancing. Some of these legal changes will become more intrusive on societies choices and freedoms and could over time become subject to legal challenge.
- Visa regulations and health controls will change that will impact on the free movement of people leading to possible quarantine and other health restrictions being imposed by some countries.

How will it impact on Hospitality

- Managing risk in terms of health and safety will be the overriding concern and this will require new regulatory controls. New hygiene and sanitation regulations will impact on all of the hospitality operational practices, this could include imposed cleaning regimes to meet new safety and operational standards, and enhanced protection measures for staff. The base assumption could well be that anyone using hospitality premises could be a carrier of the disease and therefore the cleaning protocols will need to reflect that assumption. This has cost implications as well as potential of delay in bringing the facilities back into operation. If for example rooms had to be left for a statutory period after guests checked out before they can be entered by staff for cleaning purposes would reduce the availability of the inventory.



Education

“The change we are seeing right now in education is not something that is likely to revert back to “normal”. Although teachers will always be integral to the education process, there will need to be continued flexibility and agility when it comes to things like the delivery of content, testing, and grading. I expect that we will see an increase in blended learning environments that include learning in both the physical classroom setting and online.”

Simon Allen, CEO of McGraw-Hill

Education

What will change and why

- Education along with every other sector of society is undergoing radical transformation and change as the result of the pandemic, impacting on every level of education from school nurseries to postgraduate university courses. The impact is not uniform and will vary by country with different education systems as well as by stages of education. Schools in particular used to delivering face-to-face education, have had to respond by moving and using materials online. Initially this would have been done in something of a hurry but as time is progressing that material has become more refined, will have been tested in the online environment and the delivery process will become much more familiar to both teachers and pupils. Not all pupils would necessarily have the online access and differing arrangements will have had to have been made in different countries in order to try and secure continuity of education during the pandemic.
- Difficult areas to try and move online are vocational and professional education that requires laboratory and practical facilities to develop high skill levels in professional practice. This will be particularly true for subjects such as medicine, sciences, and engineering as well as other professional practice oriented programmes including the arts, music, dance, fashion, construction, catering and hospitality and associated areas. Whilst demonstration and developing greater knowledge and understanding can be addressed using digital and online technology, it is the skills development and ‘practice’ required that is impossible to replicate.
- The more flexible and creative delivery of education at all levels will in the future combine aspects of online learning complemented with the professional practice. The laboratory and workshop based components are likely to be undertaken within educational and training environments that will need to include significantly modified practice based learning environments.
- More flexible delivery will also lead to a change of educational ethos from the ‘teaching’ to ‘learning’ in a variety of contexts, environment and approaches. The model of high volume teaching in a ‘one to many’ physical environment will change radically and no longer be an acceptable model. Radical changes to the physical

organisation of schools, colleges and universities will also lead to major changes in operations based on limiting student numbers at any one time, stringent health measures and physical distancing. This has specific implications for institutions where students occupy student accommodation away from home.

- The basis of the curricula will have to change to reflect the post Covid -19 world. This will be particularly true as the level of education increases toward the tertiary and higher education sectors. Some of the accepted theoretical basis of curricula especially in areas of economics, consumer behaviour, marketing, management and organisational theories will no longer hold true and need to be rethought, reconsidered and adapted to a new framework of behaviour. This will equally apply to all aspects of operational theories and practice.

How will it impact on Hospitality Education

- Hospitality education will need to change to reflect the major revolutions taking place across societies and industry as well as the revolution taking place in education. Many of the existing educational models will need to be re-imagined, re-engineered and re-developed to reflect the post Covid-19 world.
- Much of the existing hospitality curriculum will need to be reviewed and re-developed in the light of society and industry changes. Where operations are a major feature of the curriculum this is an interesting opportunity to contribute to the future of the industry by considering the redesign and re-engineering of all aspects of operational process in practice. Similarly there will be a need to reconsider and redevelop the concepts and processes related to the service experience to better reflect the changing needs of the post Covid-19 consumer.
- Existing teaching materials will need to be rewritten to make the curriculum relevant to the current and future industry needs. Many of the current hospitality textbooks are likely to be in part irrelevant. Such major curriculum changes will require careful consideration to ensure their future relevance, and hospitality educational institutions could find difficulties in redeveloping and validating curricula in the short term putting significant pressures on staff resources. However such radical society and industry changes will provide longer term academic and professional research opportunities.

4. From Global to Local and Back Again

“The medium to long-term prospects for hospitality are good”

Roger Bootle - Capital Economics

Hospitality and tourism in the Pre Covid-19 world was based on global networks and systems that allowed consumers to book, travel and access a wide range of hospitality experiences in hotels, restaurants, attractions, and venues anywhere in the world. The globalisation of the industry has been a defining feature of its growth for decades. The Covid-19 pandemic has brought a very abrupt end, not just to its growth, but to the framework of organisation and interconnectivity on which it was based.

The total disruption to the industry in its previous form requires a total rethink and reset from the previous frameworks, structures and dependencies. It provides the opportunity to redesign the industry from the bottom up based on new values and ways of working that provides new types of hospitality experiences that are more relevant to the new Post Covid-19 era. With most operations closed it also provides the time to reassess priorities and think about the future without the constant pressures of the now.

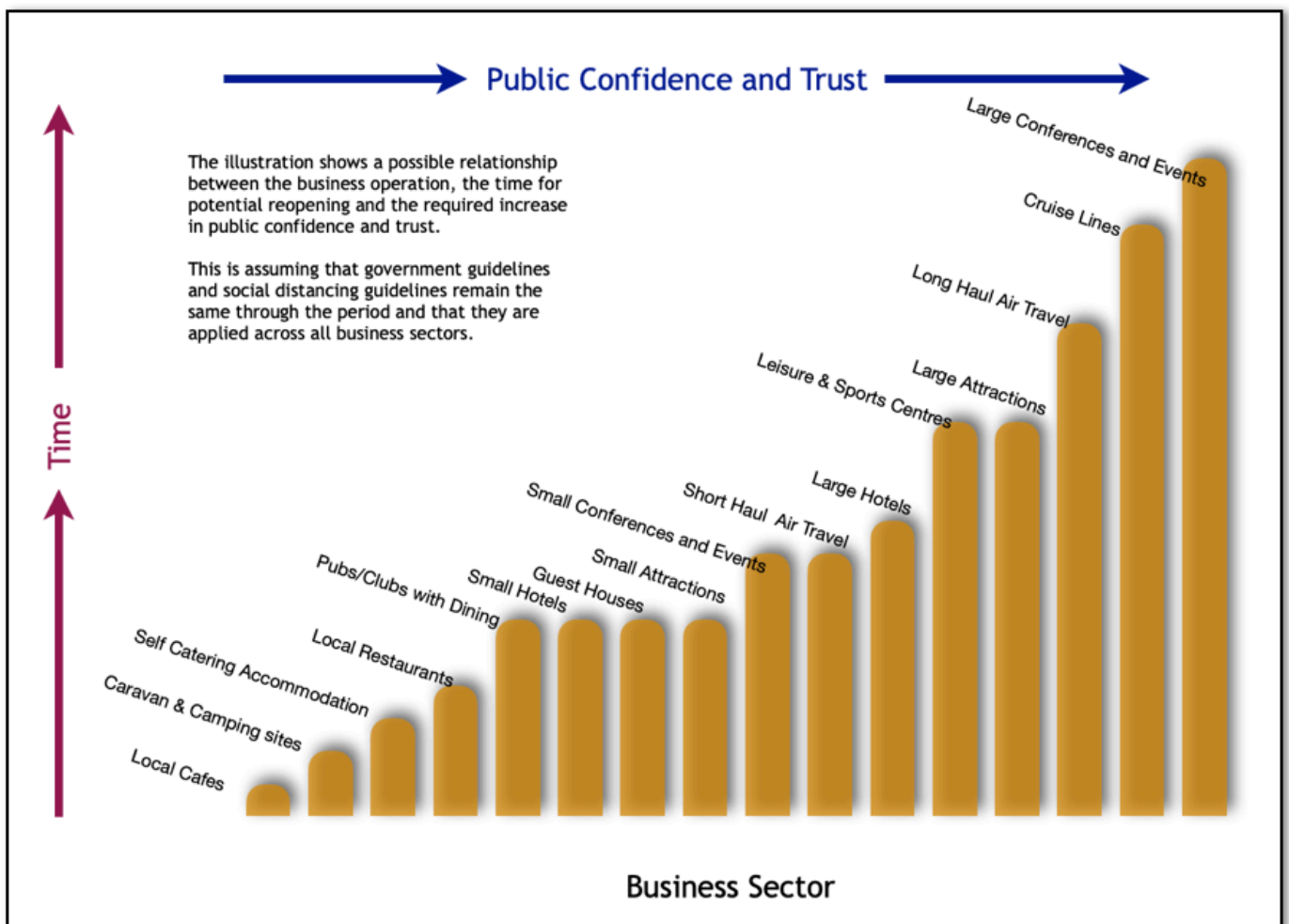
Leadership, creativity, innovation and entrepreneurial drive will be the characteristics of organisations that will be able to redesign themselves, to forge new collaborations and develop more resilient networks and supply chains that will initially be based on a focus of the local rather than the international. In hospitality people will remain the key to success, well educated and trained, the ability to take responsibility, work autonomously, and creatively with an empathy for colleagues and customers will be more important in the future than they have in the past.

The emergence of a new consumer with different priorities, values and behaviour will take place at the local level. People will be tentative in taking steps into the unknown, will be more risk averse and seek safety and security in all hospitality experiences. It will take time, advances in controlling the disease, in treatments and social behaviour before public confidence will increase in the different hospitality experiences. Those individuals feel better able to control themselves will be those in which they will have more confidence. Trust in the 'brand' will take time to be developed in the new post Covid-19 world, it will not be

sufficient to assume that previous brand loyalty will still apply. The brand values will have to be demonstrated in action as providing all of the attributes that the new consumer is expecting.

As the illustration suggests different types of hospitality businesses will gain public confidence and trust before others. This will also be influenced by a reluctance to travel and the inherent risks in experiences where there is the potential for interaction with large numbers of people. As people become more confident in more self controlled environments they will expand the range of experiences, providing their safety concerns are satisfied and progress is being made in controlling the disease.

The focus for hospitality must be to recognise that localism will initially be key and there is no quick fix to this crisis. Time and creative innovative bottom up solutions will create a new look industry based on its core values that will ensure a resilient, positive global industry.



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