



Analysis of the Development Path of China's Hotel and Lodging Industry in the Post-Epidemic Era

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Abstract. The public crisis, which has lasted for nearly three years, has brought unprecedented impact to China's hotel and lodging industry, with tourism, lodging and other industries in an overall state of stagnation under the impact of the epidemic. The hotel and lodging industry has faced many problems during this period, such as a significant reduction in revenue, rising costs and expenses, and severe cash flow pressure. The three-year epidemic is about to pass, in the context of the post epidemic era, what should the hotel and lodging industry do? How to deal with the thorns and challenges in the future market? How to prepare for competition? How to find a breakthrough in the development of the industry under the circumstance of controllable risk and guaranteeing safety? This article will deeply analyze the coping strategies of the hotel and lodging industry under the influence of the post-epidemic situation, and actively explore and analyze the development path of China's hotel and lodging industry under the influence of the post-epidemic situation.

Keywords: Hotel and Lodging industry, Survival and Development, Transformation and Upgrading, Post epidemic era

1 Introduction

At the end of January 2020, a sudden public crisis involved all countries and industries around the globe, and the epidemic spread in a devastating manner. Our country, on the other hand, was the first to be affected. At the same time, under the manifest manifestation of the impact of the epidemic, the problems of the hotel and lodging industry's own development are also clearly visible. At present, the hotel and lodging industry has suffered from the impact of the epidemic and anti-globalization, and the industry itself also suffers from the imbalance of supply and demand, structural imbalance, low performance and other problems, and needs to be transformed into a modern service industry, intensive industry, and difficult transformation for high-quality development. However, with the "normalization" of the epidemic, the hotel and lodging industry is also actively seizing the long-term favorable environment for the development of the industry, from the support and help of the state and the government, to promote the rapid development of the industry's new forms of

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rapid development of the industry, industry consolidation, operational efficiency and risk mechanism, to achieve the completion of the development of the epidemic and industrial upgrading and transformation of the medium and long term goals. Medium and long-term goals.¹

2 The current situation under the impact of the epidemic in the hotel and lodging industry

2.1 Epidemic shocks, overall tightening up

Around the Spring Festival holiday in 2020 (late January - early to mid-February), the situation was more serious domestically and the outbreak abroad was milder. In the face of a wave of order withdrawals, the domestic hotel and B&B industry as a whole is facing financing difficulties and other operational challenges.² As the epidemic continues to deteriorate, the hotel industry and the B&B market have begun to tighten, during the Spring Festival, many hotels, B&B products and orders have appeared a large number of refunds and exchanges, including the United States Ctrip, including many OTA platforms are similarly faced with great challenges and tests, according to statistics, Ctrip accumulated tens of millions of returned commodities and orders to deal with the total refund transactions have totaled more than 31 billion yuan. And according to industry data, the average loss of industry hotel revenue during the new crown epidemic reached a staggering 67.81%, so much so that a number of single hotels were unable to maintain basic operations, and even directly declared hotel bankruptcy. Post-epidemic era, the hotel and lodging industry is still in an unfavorable position in the market competition, which is mainly manifested in the following aspects: First, the epidemic caused a reduction or stagnation of passenger flow in the hotel and lodging industry in some areas and cities; second, the lack of consumer confidence in tourism consumption after the epidemic, the quality of hotels to enhance the requirements; third, the consumer's concern about the changes in the consumer structure after the epidemic; fourth, the human resources of the hotel and lodging industry under the influence of the epidemic costs rise; Fifth, market competition intensifies under the continued impact of the epidemic.

2.2 Breakout remedies to challenge transformation

During the three-year epidemic, hotels sought ways to save themselves, evolving new strategic approaches and response mechanisms for outbreaks. Major upscale hotel groups continued to implement the refund and change guarantee policy, vigorously reduce or waive the owner's management fees, and continue to extend the membership of resident travelers to alleviate the financial pressure on franchisees; mid-range and economy hotel groups such as Yaddo, Huazhou, Dongting and other hotels took a number of measures to implement the reduction of franchise management fees. Dong Cheng and other hotels to take a number of measures, the implementation of the franchise management fee reduction, property rent reduction and waiver policy,

through financial support to franchisees to tide over the difficulties of the epidemic, to provide a full range of protection for the resumption of its hotels to solve the pressing problem, although the hotels have taken a number of means, but the industry's overall business data performance is still relatively poor. Before the end of 2020, the overall trend of the domestic epidemic was favorable, which created basic conditions for the hotel and B&B industry to resume work and production, except for Hubei, the key region of the epidemic, other regions have begun to actively and orderly resumption of work. However, due to the impact of external factors such as the new crown epidemic, the hotel market competition effect is highlighted. However, the hotel market has shown the trend of pushing out, differentiation and evolution, and some brands in the hotel and B&B industry have also begun to frequently replace executives, layoffs and salary cuts, reduce expenditures, merger and integration, financing into the books, and stock consolidation in the hope of carrying over a series of adverse impacts caused by the epidemic.

3 The deep-seated reasons under the influence of the epidemic in the hotel and lodging industry

3.1 Diminishing economic dividends

Compared with SARS hazards, the impact of the new crown epidemic is much larger, the new normal of the dividend reduction, the trade war between China and the United States, as well as the global economy of the reverse globalization, the new crown epidemic on the hotel and accommodation industry, the impact is also unprecedented, but also to force the entire industry to open the road of high-quality transformation of the beginning. The industry usually refers to this new crown. The industry usually compares the impact of the epidemic with that of the SARS epidemic in 2003, which lasted for several months.³ In 2003, the SARS epidemic lasted for several months and brought huge economic losses to China's hotel and lodging industry. Domestic tourism companies and the hotel industry experienced a rapid reduction in economic benefits and a significant drop in customer traffic by 50-70%. But the impact of the epidemic on the hotel and lodging industry will be even more severe, as the ongoing impact of the epidemic has led to extreme economic instability, coupled with the U.S.-China trade war and the U.S.-China trade war, as well as the impact on the hotel industry. The new economic normal has resulted in even fewer dividends due to the continued impact of the U.S.-China trade war and anti-economic globalization.

3.2 Insufficient endogenous dynamics in the industry

China's hotel and lodging industry is facing the transformation and upgrading to the modern service industry, the national macro aspects of the supply-side structural reform requires the hotel and lodging industry needs to be intensive and quality-oriented development, the hotel and lodging industry's transformation path has been exceptionally difficult, the lack of endogenous power of industrial development,

coupled with the sudden emergence of the epidemic external factors, making the entire industry's vulnerability are exposed. Under the epidemic, the epidemic, the economy, trade and many other external factors are superimposed, making the hotel B&B industry itself some of the problems have also come to the fore. As a result, the operational performance of the hotel and lodging industry is relatively low, and the premium capacity of both products and services is weak .

3.3 Facing the challenge of transforming and upgrading consumption

From the perspective of the demand for consumption, China's hotel and B&B consumption industry has gradually presented five major development trends: namely, mass consumption, quality of demand, internationalization of market competition, development of the whole region, modernization of the industry, and therefore these five industries urgently need to be further reshaped from the six dimensions of human resources, products, services, marketing, channels, and innovation of capital. To a certain extent, this epidemic is like a magnifying glass for the internal and external developmental dynamics of the industry. China's hotel and lodging industry, because of its own weak foundation, is hardly able to meet the consumer needs of the current customers. Operational performance and the ability to premiumize the brand are also relatively poor In the face of the severe changes in the current market environment and the rapid upheaval of the social environment, the collapse of the hotel and lodging industry is inevitable.

4 The development trend of the hotel and lodging industry in the post epidemic era

4.1 Industrial integration and transformation

The recovery and growth of the hotel and lodging industry is dependent on the development of domestic and international outbreaks, not just the industry itself. However, with the occasional "normalization" of the epidemic between regions in China, the industry must take the initiative to change the way of thinking, learn to coexist with the "epidemic" and dance with the "yang", and overcome the dilemma of endogenous development and transformation and upgrading of the industry. Development of endogenous power and transformation and upgrading of the predicament, leading the development of the industry. The crisis of the industry brought by this epidemic also heralds a change of the times, and the hotel and B&B industry must take the initiative to combine tourism consumption behavior and industrial characteristics, and make full use of the opportunity of socialization and modernization of the industry.⁴ As a highly socialized service industry, hotels and B&Bs need to effectively resolve adverse factors such as the epidemic as a starting point for recovery and revitalization. The hotel and lodging industry can carry out industrial integration and transformation in three main directions: industrial investment level, consumer demand level, and operation and transformation level.

Industrial investment level: industry consolidation opportunities and brand enhancement accelerated, investment and income are closely related, the new infrastructure provides opportunities for real estate. First, single hotels have an opportunity for industry consolidation. The impact of the epidemic brought about by the light assets of the hotel chain in preventing and resisting risk has a better ability to join the enterprise to provide financial and other management tools, to bring the hotel in the operation of the experience is to be sure to set up a very professional risk prevention and control mechanisms to enhance the response to some of the emergencies of the anti-risk capacity, so that the hotel chain group of the expansion of the speed and scale of the rapid development of the opportunity to be presented. Second, the brand enhancement flog faster. Due to the end of the epidemic, consumer demand for accommodation will be higher and higher, and the occupancy rate of domestic hotels will be higher and higher. At the same time, because of the focus on quality of life of young consumers and the rise of the middle class, the brand if the effective combination of quality and scale, operation and management chain prospects, even under the normalization of the epidemic can continue to catalyze the process of accelerating the brand upgrading flog.

Consumer demand level: Safe and healthy consumer demand is highlighted, with domestic demand as the core, new consumer opportunities will be more prominent. First, customer consumption demand is more prominent health, safety and high quality consumption characteristics. After the epidemic, consumer awareness of the need for health and safety prompted the industry to self-transformation, so the direction to guide the industry's recovery is precisely the series of consumer demand for the hotel industry. Secondly, the uncontrollable foreign epidemic, as well as the influence of the trend of reverse economic globalization, the hotel B&B will need to focus on domestic demand. Compared to Tongcheng Yilong and Toutiao, Tongcheng Yilong's business is mainly concentrated in the domestic, hotels, ticketing, tourist attractions, travel routes, etc. After the outbreak of the Xin Guan epidemic, the domestic business, although the first to be affected, but with the gradual easing of the epidemic in the country, Tongcheng Yilong's stock was the first one to return to normal. The market value of Touniu fell seriously, because its main business direction for overseas outbound tours, island tours, in the situation of uncontrollable epidemic abroad, the short term want to restore the market value has become extremely difficult.

Operation and Transformation Level: The hotel and lodging industry has both challenges and opportunities, and is at a critical stage of new business model and transformation and upgrading. In the post epidemic period, it is time to test the internal strength of the hotel and lodging industry, and the industry will enter a new stage of industry innovation, operation innovation, product innovation and marketing. First, optimize the supply-side structure and accelerate the exploration of diversified operations. The huge impact of the new Crown Pneumonia epidemic on the tourism industry has made the domestic hotel and B&B industry fully aware of the existence of a single business model with a large operational risk.⁵ Under the traditional business model, companies have to actively seek new consumer markets and continuously research and develop new products based on the existing product line in order to improve the market's risk resistance; at the same time, combining market demand with

technology orientation to expand the company's profits. During the New Crown Epidemic, major hotels in China also spared no effort in trying new retail, online operation and sales, specialty takeaways, flexible labor and no-touch service. Second, focus on different stages of development, deepen the follow-up of business strategy. The first stage: focus on the industrial economic recovery in the early period of the surrounding life and consumer market conditions; focus on the preferred warming of the local catering and lodging consumption needs, driven by the market's cash flow to the positive, storage of energy to prepare for the market to further move towards the warming. The second stage of development: to further strengthen the joint marketing with major hotel platforms, such as Cheng Yilong set up "Ark Alliance", to provide promotional services for destination hotel customers, and jointly promote the hotel market to further accelerate the pace of upgrading of consumer demand; focusing on the resort outskirts of the travel, parent-child tours, such as around the scenario of visiting resorts, Focus on the scenario of visiting resorts in various cities in the province. The third stage: focusing on returning to the domestic short- and medium-term needs that are favorable to growth, attracting more consumers' attention and chasing new growth points with its own characteristics.

4.2 Strong linkage between investment and return, reshaping cost capabilities and focusing on multi-channel capital integration

One, the cost capacity of business entities such as hotels and B&B enterprises in the ongoing reorganization to control costs during the epidemic, divest bad debts, and stabilize cash flow. Second, through a variety of ways with the integration of funds, to build a platform for risk response and financing docking, in order to enhance the ability to withstand shocks and turn the crisis into an opportunity. Third, companies with sufficient capital should invest in stocks or financial assets to broaden the source of profits and prevent risks. Fourthly, they should share risks through financing means such as financial leasing and equity financing.

4.3 Enhancement of premium space and reshaping of new product formats

In this round of hotel industry recovery, more efforts need to be put on new consumer demands such as nighttime, parent-child, gourmet, study and self-driving to reshape the product and promote the industry. On the other hand, as the epidemic is gradually under control, the demand for peripheral and suburban travel is also increasing rapidly, and the trend of regionalization of cross-border hotels, inns, local lifestyles and services is becoming more and more obvious. Thirdly, low-density private hotel products are more popular with the customer base, and brands are launching "self-immune" hotel products to enhance the premium space.

4.4 Hotel digital transformation and OTA strategic cooperation

In the past few years, digitalization has brought a huge impact on the traditional industry, with the emergence of cross-border cooperation in hotels and the incubation of

smart hotels, and this epidemic has only exposed the fragile nature of the hotel industry in advance and comprehensively. Although the digitalization of the hotel industry, even after more than a decade of development, has still not achieved qualitative development, according to relevant data, the average annual growth rate of the digital economy is 30%, and in the future, the digital economy will be more than 51%. In the next 10 years, the digitization process will only become more comprehensive, fast and deep. Therefore, by taking advantage of the wave of digitalization, with more innovative, convenient and practical services and management, improve customer experience and labor efficiency, enhance the differentiation and competitiveness of the hotel, and embrace the warm spring of the market. In response to this, hotels should embrace the winds of technological innovation: upgrade artificial intelligence equipment, reduce labor costs, operating costs, and reduce operational risks; update online commodities, innovate business methods, and expand new revenue channels; enhance digital means, create high-quality network era content, promote the consumption of the digital economy, and innovate the mode of play of wine and travel + online, and upgrade online products. Expand the cooperation of OTA service platform, improve the ability of seeding, cultivate customer loyalty, use OTA platform empowerment to do breadth, rooted in the industry ecology to do depth.

5 Conclusions

The hotel and lodging industry under the influence of the post epidemic era has a lot of room for development, and the hotel and lodging industry will usher in the dawn after continuous innovation and upgrading. Hotels and B&Bs should embrace the changes, grasp the development opportunities in the post epidemic era, and actively respond to the challenges to enhance their competitiveness and achieve sustainable development. As we all know, the epidemic will eventually pass, but before the dawn, the hotel and B&B industry must survive the long night. In the era of sudden changes in the industry brought by the epidemic, hotels need to have a high standing and strong determination, and join forces to promote the development of the hotel and B&B industry and go into the future together.⁶

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