

Impacts of Covid19 Pandemic to the Hotels of Tabuk Kalinga

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INTRODUCTION

Background of the Study

Hospitality is a vital industry for economic improvement globally. In 2016, the industry directly contributed US\$2.3 trillion and 109 million jobs worldwide. (<https://michigansciencecenter.net/>) In 2017, the Asia Pacific region's tourism and hospitality industries saw strong growth despite the continuing threat of terrorism and ongoing geopolitical tensions, such as the South China Sea situation. Hotel demand grew 5.9%, outpacing a 3.3% increase in supply. This trend continued in 2018, as supply was up 2.9% in the first four months of the year, while demand was up 4.3%. (Palmqvist, J. 2018) Philippine tourism is now a PHP2.2-trillion national industry that generates 12.7 percent of its GDP and employs about 5.4 million people in passenger transport, accommodations, and food and beverages. (Rocamora, J.A.2019) The Department of Tourism CAR Office confirmed that there were close to 2 million tourist arrivals in the region last year that helped sustain its robust growth. (See,D.A,2019)

Locally, the hospitality and tourism sector significantly contributed to the province's economy. The province is rich with culture, nature, and farm tourism, the major tourist attractions. Recorded in the DOT-CAR that the tourist arrivals in the province were 119,777. Furthermore, according to the Kalinga Tourism Office, in 2017, the province exceeds its tourist arrivals compared to 2016. Hence, the hotel's contribution to the local community is more than just tax revenue; more importantly, to the community in which it operates. It provides employment, which may alleviate the lives of people within the community. It also plays a significant role in spurring substantial improvements such as developing roads to provide easier access to desired tourist destinations.

Over time, tourism has served as an essential vehicle for development with the potential to bring massive benefits to the developing world (Ulack & Casino, 2013). It is also a vital

driving force for national socio-economic development in third world countries because it can generate a considerable amount in foreign currency (Dombroski, 2014).

Owing to its vast natural wonders, the Cordillera Administrative Region was eyed as an eco-tourism zone included in the proposed Philippine economic zone map project. (Plaza, C., 2017). For the past years, the province's eco-tourism has invited tourists and travelers, fueling the city's hotel industry. The promotion of eco-tourism in the Cordillera, according to Plaza, it will also help locals create a livelihood in their areas. The DENR and the DOT are pushing to promote 40 eco-tourism sites across the region identified for protection and marketed as significant tourism sites. However, the list was shortlisted into six priority eco-tourism sites: the Chico River, the Balbalasang-Balbalan National Park, and the Madaldalpong mountain range in Kalinga; the Marag Valley-Agova Wildlife Sanctuary in Apayao; the municipality of Sagada in Mountain Province; the Mt. Napulawan-Mt. Kalawitan mountain range extending to Mountain Province and Ifugao; and the Ibulao River in Ifugao. To dispel fears of unbalanced tourism and environmental management, DENR urged DOT to promote eco-tourism sites in the Cordilleras from an ecological perspective to prevent the destruction of areas due to uncontrolled tourism. (Osis, R., March 2017, SunStar Baguio City, CAR) Thus, the inclusion of two tourist sites of Kalinga helped the city's hotels provide jobs.

However, with N Coronavirus 2019, now a pandemic, it has led to a worldwide crisis with its effects on the hospitality industry potentially(<https://www.hospitalitynet.org/>) more massive than 9/11, SARS, and the financial crisis in 2008. (Djeebet,H.,April. 2020) The Philippine government declared Luzon, including the country's capital - Metro Manila, and other provinces in Visayas and Mindanao, under enhanced community quarantine (ECQ) on March 16, 2020, to contain the spread of the virus. All cities within implemented curfews from 8 pm to 5 am, and there were strict home quarantine rules, allowing inhabitants to only leave homes to buy food and necessities. Hospitals, banks, utilities, telecommunications, groceries, food deliveries, pharmacies,

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BPOs, and selected manufacturing companies can operate while all means of transportation are suspended to eliminate the spread of the virus. Most hotels are closed, while those that remain open are only allowed to operate on very limited or no-service to limit interaction.

The hospitality, travel, and leisure industry is among the hardest hit due to fears of community spread of the virus. The hospitality and tourism component sectors include transportation, travel agencies, tour operators' hotels, catering restaurants. All of which are significantly affected by the pandemic because of the travel restrictions and face-to-face interaction. The hospitality and tourism industry is struggling to survive because travel is the backbone of the hotel industry. Hotel management experts believe that properties located in gateway cities, especially those with a large convention business or cruise line business, will be the most affected by increased cancellations and reduced bookings. Also, hotels that have a high percentage of their revenues derived from food and beverage. Hotel businesses have not been hit this hard.

According to Arne Sorenson, the Marriot Hotel Group hotel companies' current CEO doesn't expect Coronavirus to upend the hotel industry forever. Reflecting on the 1991 recession, 2001's tech bubble burst and the 9/11 terrorist attacks, and the financial collapse of 2008. Hotels eventually recovered to pre-crisis performance levels after each downturn, and hotel companies expect the same with Covid19. Thus, this study aims to help the local hotel owners in Tabuk City revive back their operation; thru, assessing the impacts of the pandemic on the hotel's overall performance during the lockdown. Specifically, it will focus on the operating status, re-opening plan, market performance during the lockdown, an alternative measure implemented, and preferred assistance.

Conceptual Framework

The figure above presents the conceptual framework of the study. Thru survey questionnaires, interviews, and observation of the hotels, the study's five objectives were gathered. Hence, the pandemic's impact, specifically during the lockdown to Tabuk City Kalinga hotels, was assessed.

Furthermore, on the operating status, the products and services offered by the hotels were included. The re-opening plan was asked to know the length of the effect of the pandemic on the hotels. The hotel's performance during lockdown as to room occupancy, food and beverage seat occupancy, convention and event hall booking, off-premise catering sales and boutique sales. The alternative measure implemented to generate sales and cut cost is asked; and the preferred assistance from the government.

OBJECTIVES OF THE STUDY

The study primarily aimed to assess the Covid19 Pandemic impacts on the Hotels of Tabuk City, Kalinga. To attain the aim of the study, it addressed the following specific questions:

- Find out the hotels current operating status
- Tourism products and services offered
- Identify the hotels of re-opening plan

- Determine the hotel's market performance as to:
 - Room occupancy
 - Food and beverage seat occupancy
 - Convention and event hall booking
 - Off-premise catering sales
 - Boutique sales
- Identify the immediate and alternative methods implemented by the hotels to:
 - Maintain sales
 - Cut cost
 - Know the assistance preferred from the government
 - Financial subsidy
 - Tax reduction
 - Marketing

Significance of the Study

The hotels in Kalinga may be in its infancy phase, but the future is promising. However, the Covid19 pandemic happened, and the world seemed to stand still. The Covid19 originated in Wuhan, China, a respiratory tract infection and is more likely to cause symptoms in older adults and those with underlying health conditions (Eyvazzadeh, 2020). The disease outbreak quickly spread worldwide through person-to-person contact, with infection ranging from mild to severe. The virus outbreak has a significant impact on public health worldwide and on all stages of the supply and value chains of the different industries (Vitafoods, 2020). Hotels are no exception. There are six hotels; approximately each has 25 rooms, including other hotel departments, and of which it needs roughly 30 regular employees to operate and deliver services fully.

Moreover, hotels in the province hold an essential role in the tourism industry because they serve as the first impression provider. An increase in tourist arrival in the province for the past years would not have been possible without the thriving hotel establishments. Since the study will assess the impacts of the Covid19 pandemic on the hotel; the significance is to be a baseline for the hotel owners to revive their hotel businesses gradually. And for some government and private agencies to extend help to the thriving industry.

Scope and delimitation of the Study

The study was conducted from June 2020 to August 2020. The study's respondents were the six major hotels of the city: Grand Zion Garden & Hotel, Davidson Hotel, Golden Berries Hotel, M Hotel, Tampco Inn, and Las Vegas Hotel. There are other accommodation establishments in the city; however, most do not comply with hotel industry standards.

REVIEW OF LITERATURE

Impact of Pandemic on Hotels

The occurrence of Coronavirus in China has significant long-term impacts on the tourism industry of this country. The severity of the Coronavirus has grown considerable panic among the people across the globe. In China, almost all the inbound and outbound flights have been canceled. The Chinese

population is not going outside the country, and the outside people are not coming to China. Hence, China's tourism industry is affected mostly as the tourism industry is wholly dependent on the people's outing tendency. (Davies, R. 2020)

The Coronavirus puts a furrow on the Chinese tourism industry. Many domestic and international airline companies are forced to cancel flights from and to China due to insufficient passengers as people become panicked about the spread of this harmful virus. This figure has got a bit lowered as no individuals are traveling to China as all flights are being canceled. This research paper has examined the more significant impact that is being created by the virus on tourism. It has also showcased the ultimate harm it made on the country's economy and the globe, too, at the same time. It is being thought that the impact will continue for some more time, and that is of much more concern in recent times. (Ashikul, Hoque., et al.2020)

COVID-19 is expected to affect the tourism sector significantly. In 2018, international tourism contributed 1.5 percent of Philippine GDP—Chinese tourists spent around PHP110.8 billion, or over one-fourth of total tourism receipts in 2018. Meanwhile, Koreans spent PHP126.6 billion. With the Philippine government travel ban to and from China and its administrative regions and a partial ban to and from South Korea, the tourism sector is expected to be significantly affected. Following President Duterte's declaration of an enhanced community quarantine (ECQ) in Luzon on March 16, land, air, and sea travel were restricted.

Pandemics and travel relationships are central to understanding health security and global change (Burkle, 2006). Although tourism research has developed at least a realization of the potential systemic effects of global climate change, there has not been the same appreciation of pandemics' systemic effects. Studies were tending to focus on individual country impacts system-level challenges vulnerability. Several studies have demonstrated air travel's vital role in accelerating and amplifying propagating influenza and coronaviruses (see Brown et al., 2016 for a review).

With most hotels being closed or experiencing vastly lower tourism numbers, 2020 industry revenue forecasts point to a significant decline (e.g., US hotel revenue per available room is forecast to decline 50.6% STR, 2020b). Domestic markets can be anticipated to recover first. It is currently unclear how accommodation businesses can ensure that rooms are safe for newly arriving guests or how individual COVID-19 cases occurring in accommodation establishments would be handled. In particular large chains will also have to reconsider their global supply chains and the dependency structures.

Hotel Business Contribution

The service sector is now recognized as a vital sector of the economy. This sector contributes a significant share to the GDP. There are many reasons why the service sector is growing and has become a vital sector of the economy. The service sector's weight indicates that India's GDP growth will be influenced considerably by the service sector in the future. Interestingly, while the hotel industry generated more labor income and

employment than the other accommodations industry, the latter created more output and value-added than the hotel industry. (Kim, Hyojin. 2012)

Definition of Terms

The terms are defined accordingly to facilitate understanding of the study:

- Room occupancy refers to the turnover of accommodation facilities of the hotels
- Food and beverage seat occupancy refers to the seat turnover of the restaurant and coffee shops of the hotels
- Convention & event hall booking relates to the number of clients availing the hall facilities of the hotel
- Off-premise catering refers to the kitchen at another location. The preparation work is done at the hotel's kitchen and is transported and completed at the venue to the client's preferred premises.

METHODOLOGY

Locale of the Study

The study was conducted in the city of Tabuk province of Kalinga. A survey questionnaire was used to gather information to answer the questions and accomplish the study's objectives. The questionnaire was responded to by the owners/ managers of the six hotels in the city, namely: Grand Zion Garden & Hotel, Davidson Hotel, Golden Berries Hotel, M Hotel, Tampco Inn, and Las Vegas Hotel. The hotels in the city are catering to foreign and domestic tourists and the local community itself.

Research Design

The research design is both quantitative and qualitative to gather data and information to complete the study. A questionnaire was utilized to collect data about the hotel's profile and performance.

Respondents/ informants/ research participants of the study

The respondents are the owners or managers of the six hotels in the city: Grand Zion Garden & Hotel, Davidson Hotel, Golden Berries Hotel, M Hotel, Tampco Inn, and Las Vegas Hotel.

Table 1:Hotels and its owners-respondents of the study Name of Hotel.

Name of Hotel	Hotel Owners
Kingsquare Davidson Hotel and Restaurant Corporation Corp	Thelma Bayle-Ng
Grand Zion garden Resort and Hotel Inc.	Aurora Chan
Golden Berries Hotel and Convention Center	Grace Agtina

M Hotel	Mila Omengan
Las Vegas Hotel and Restaurant	Donna Bounquick
TAMPCO Inn and Training Corporation Center	

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