

# ADAPTATION STRATEGIES FOR THAILAND HOTEL BUSINESS DURING THE CORONAVIRUS DISEASE (COVID-19) PANDEMIC

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## ABSTRACT

*The aim of the study is to investigate the strategies of hotel business during the COVID-19 outbreak. This research is qualitative and investigates how hotel service companies responded to the COVID-19 outbreak. A multi-case methodology is used, being suitable for studying phenomena occurring during the present COVID-19 situation. The Methodology - Seven cases situated in different areas of Thailand were studied: Chiangmai, Chonburi, Bangkok, Nakorn Ratchasima, Krabi, Phuket, and Prachubkirikhan. The types of business consist of a hostel, a mid-scale, and a luxury hotel. They were registered at Amazing Thailand Safety & Health Administration (SHA), enabling them to be operative during the COVID-19 outbreak. The participants were interviewed from November 2020 to January 2021. The interview format is semi-structured, allowing us to adjust the statement from each participant's message. The results show that the crisis has significantly changed every participant's strategy. Hotel businesses could not be fully operative and had to change some of their established customs in preparing food delivery. Moreover, marketing channels have significantly changed, and service innovation is adjusted. Overall, the aim of the new business models is work towards fast reopening.*

**Keywords:** COVID-19, Outbreak, Crisis, Hotel Business.

## INTRODUCTION

The coronavirus 19 (COVID-19) pandemic is the result of a disease caused by a coronavirus. In the past, similar diseases, caused by coronaviruses, occurred, such as SARS and MERS, but to a lesser extent. The COVID-19 pandemic started in Wuhan, China in 2019 and spread rapidly. The World Health Organization (WHO) declared it a pandemic on January 30, 2020, and since then it continued spreading all over the globe. There are no drugs that cure humans from the virus (WHO, 2019), but, during the past months, vaccines have been developed. Borders were closed and hospitality services, such as hotels, cruises, restaurants, and sightseeing activities have been shut down. Currently, it seems extremely difficult, almost impossible, that the world will recover from it soon (Sebastian & Florian, 2020; Priya 2020). This crisis is one of the most severe crises of modern times, impacting people's health and personal life. Various sad life-events keep happening worldwide. Moreover, the economic catastrophe caused by this outbreak is more severe as compared to other disasters (Fei et al.

2020; Huang, 2020). Since the end of 2019, when the first COVID-19 case was reported, most industries have been significantly affected, resulting in reduced efficiency in the hospitality service. Based on altered human movements and interactions, the hospitality industry was affected severely by the COVID-19 outbreak (Gallen, 2020).

Thailand's hospitality industry was hit badly by the COVID-19 pandemic since the end of 2019, starting early, almost at the same time as its outbreak in Wuhan. However, signs of business recovery were observed since July 2020 (Prachachat, 2020). The impact of COVID-19 in Thailand demanded investigations on new strategies for the hotel industry. This was helpful to the service industry in predicting recovery from the epidemic.

This study covers COVID-19 management frameworks of the hotel industry in Thailand, including principles and strategies of crisis management during the pandemic. The study has significant practical implications that could help recover businesses from the COVID-19 crisis, and that contribute to stimulating and revitalizing the industry in the post-epidemic era.

## LITERATURE REVIEW

### Impact of COVID-19 Outbreak in Thailand's Hotel Industry

Thailand welcomed 19.8 million tourists from January to June 2019, which is a slight, but not significant, a decrease of 1.48%, compared to the same period in 2018. Data from the Ministry of Tourism show that the number of tourists visiting Thailand was 38.28 million in 2018 and up to 39.80 million in 2019. Tourism industry is the most important industry for the Thai economy. The National Economic and Social Development Council (NESDB) mentioned in February 2019 that tourism accounted for 18.4%, or almost one fifth, of the country's GDP. As the Thai economy has decreased in recent years and Thailand's goods exports have declined in 2019, Thailand is still expecting to generate continuous income from the tourism sector (Richard, 2020; Thai website, 2020; Jui & Kusumalee, 2020). However, since 2020, due to the COVID-19 outbreak, unexpected and drastic changes, involving the whole world, have occurred. Thailand's tourism sector has been severely affected, as since the beginning of February 2020, and still ongoing, even worsening, new policies were put in place, not allowing citizens (and tourists) to travel, since Thailand does not allow international flights to come in at its airports (Richard, 2020; Thai website, 2020).

These measures and serious challenges have caused high suffering in Thailand's hotel industry, and in its stakeholders (Fei et al., 2020; Ikrar, 2020). Due to travel bans, social distancing, and common practices to eradicate the virus around the world, the number of tourists has significantly decreased, because of cancellations of travel plans, and hotel bookings, thereby affecting the hotel staff's income. This has caused a slowdown in the expansion of the domestic hotel groups (Elena, 2020; Fei et al., 2020; ITR, 2020). As a result of the outbreak, many hotel owners had to temporarily close or transfer their property. More than 20 provinces came up with directives on closure, and some properties were required to close immediately, if there were no guests. Tourist destinations in five provinces have accepted closure policies. They are Kanchanaburi, Chanthaburi, Phang Nga, Chonburi, and Phuket. According to the Thailand Hotel Association, registering 32,564 hotels, 95% of the hotels were experiencing loss during the COVID-19 pandemic (Horwath HTL, 2020). However, out of need, hotels started to challenge these difficulties by identifying ways on how to operate in the "*new normal*".

Thailand has the largest population of Chinese Tourists, and when the Thai government declared the state of emergency for 1 month (March 26 to April 30, 2020) and started a curfew from 22.00 hours to 04.00 hours on April 3, this resulted in a high decline of the number of tourists. Worldwide border closures have impacted hoteliers, causing financial problems, since they had to cut down operation costs. In normal times, hotels in Bangkok have a 90% room occupancy. However, after the Thailand Government reported the first cases of COVID-19, the occupancy of Bangkok's hotels dropped to 65% (Jeff, 2020).

## **Crisis Management**

Several definitions of “*crisis*” in the tourism industry have been formulated. In short, a crisis is defined as a situation that can damage the reputation and marketability of all tourism businesses or destinations or a crisis that can halt processes of tourism (Williams et al., 2017; Beirman, 2011). According to Simón-Moya et al. (2016), the definition of a crisis in business or management activities is any major or minor disturbance, internal or external, technical, or economic, affecting involved people, organizations, or social activities.

Crisis Management has been proposed by McCool, who stated that there are three features that should be considered in time of crisis: planning prevention and preparation, a quick response, and recovery strategy after the crisis (McCool, 2012; Mohammad et al., 2016). Accordingly, crisis management consists of three characteristics: crisis identification, proactive strategies, and reactive strategies. The proactive activities involve prevention and preparation activities and are concerned with a firm's market or operation efficiency. It is mentioned that crisis management has to take action and process before, during a crisis, and post-crisis (Alonso-Almeida et al., 2015; Hayes & Patton, 2001).

In the hospitality industry, crisis management has been investigated from different perspectives. Overall, the most important affected industry in a region is tourism (Anson, 1999; Matthias et al., 2021). A crisis model was established by Mansfeld (1999). It included coverage of an increased marketing potential focusing on local customers, infrastructure development, and government support. Moreover, Israeli & Reichel (2003) stated that there are different ways the hospitality firms used to overcome a crisis. In their results they present that the most critical aspect is the possibility of providing a grace period for local payments.

Also, Matthias et al. (2021) mention that the COVID-19 crisis is a general pressure situation and has become an important challenge. Hotels that receive less support are threatened by lockdown while remaining responsible for their employees. The lockdown caused by the COVID-19 outbreak pushed entrepreneurs under pressure to come up with innovative actions. Enhancing factors, such as psychological factors and financial pressure led to creativity in organization, looking for different or improved support. Therefore, hotel firms have recognized opportunities during crises that might add value to their business. Moreover, cost reductions for surviving a crisis have been described by Wenzel et al. (2020).

## **Innovation in Hospitality Industry**

During a crisis, and during recovery from it, customers expect hospitality service innovations in the applied service (Matthias et al., 2021; Chen & Elston, 2013). In hospitality service, innovation is defined as the implementation of significant improvements in the product and the process, and new organization actions in the business (Carlos & Teofil, 2019; Mortensen

& Bloch, 2005). Neringa & Ingrid (2015) and Chang et al. (2011) stated that innovation in the hospitality industry can improve service quality, can reduce costs. It can also improve customer satisfaction, increase profits, and create competitive advantages. New service ideas of the product, service innovation and administrative innovation can be developed.

Moreover, in the hospitality industry innovations are defined as actions that are different from normal business, and that represent an organization that has innovated and changed its products or services, processes, administration, service marketing, customer awareness, through service innovation. Thereby, most of the properties trying to invent innovations are able to be competitive in the market (Hjalager, 2010; Kallmuenzer, 2018; Tajeddini & Trueman, 2012; Thomas & Wood, 2014). Also, in most cases, limited financial opportunities and capabilities can further increase innovation, as compared to innovations that involve only technical advances in service innovation. Hence, customers will be able to recognize, distinguish and appreciate these services (Baggio, 2011; Pikkemaat & Peters, 2006; Matthias et al., 2021).

### **The Post - COVID-19 Situation and Thailand's Hotel Industry**

Fei et al. (2020) and Valle (2020) stated that the COVID-19 pandemic has dramatically and permanently affected the world. Before the epidemic, the hotel industry was already facing challenges and increasing pressure, due to customer-centric, digital, agile, and more sustainable factors. The COVID-19 crisis has affected health and economy, urging the hotel industry to come up with innovations that influence positively their current business models, hereby increasing competitiveness. Thailand has been praised by the World Health Organization (WHO) for its success in dealing with the outbreak. However, its borders for foreign tourists remain closed, due to concerns for a more waves of COVID-19 infections. This was announced by the Special Long-Term Visa (STV) program and got implemented on 30 September 2020. The STV Visa program is for tourists who visit the Thai Kingdom for at least 30 days and up to 90 days. Its benefit for tourists is the possibility to stay in Thailand for up to two 90 days extensions, which means that tourists can stay in Thailand for 9 months (Jeff, 2020; Visaking, 2020).

According to the literature, the impact of a public health crisis trends in the hotel industry and affects marketing strategies for the post-COVID-19 outbreak. Firstly, hoteliers have begun to focus on the interests and benefits of artificial intelligence (AI) and applications, for example [www.thaichana.com](http://www.thaichana.com), robot services. Besides, social distancing, which is, after vaccination, the most effective prevention strategy to tackle COVID-19, especially in high-contact situations, AI or robotics help protect frontline guests and staff (Lei et al., 2019; Tussyadia, 2020; Wing & Tung, 2018; Zabin, 2019).

Secondly, hygiene and cleanliness are essential for customers and staff (Yangyang & Jun, 2020; Kim et al., 2005) and are helpful in the recovery process in the post - COVID-19 era. Studies have shown that customers are positively influenced by hygiene and cleanliness while purchasing services (Chien & Law, 2003; Henderson & Ng, 2004; Lo et al., 2006; Yangyang & Jun, 2020). Taken together, for recovery after the COVID-19 crisis, AI, hygiene, and cleanliness are essential factors, and higher expectations from visitors during trips will be demanded. Wen et al. (2020), Yangyang & Jun (2020) mentioned that maintaining optimal health is a key factor influencing hospitality services.

### **The New Normal during the Covid-19 Outbreak**

The COVID-19 crisis is different from other crises, but what is better understood is the "*adaptive recovery*" or "*The New Normal*" where we learn how to live with the crisis. Living

with COVID-19 and, subsequently with the new normal will be different from the past, as we might never go back to our original way of life. Living during the coronavirus crisis is the starting point for a New Normal that will keep minimizing the risk of COVID-19 (or other outbreaks of infections). Also, it will help humans to make a living, educate our children, and make our health care system work better (John, 2020; Erik et al., 2020; Peter, 2020). New Normal everyone will be more aware of the importance of good health and safety, and companies will be responding to job policies, such as implementing different work shifts, temperature checks, social distancing, and health regulations for employees, and visitors. Also, employers will have no longer working hours like in the past. Furthermore, the Oxford dictionary (2020) has defined the New Normal as a situation that was unfamiliar and a situation that has become standard and unexpected.

As this outbreak is everywhere, and composed by multiple outbreaks, the hospitality industry must suddenly recognize and reflect on the essence of the importance of a healthy life for its employees (Levenson, 2020; Helyer & Lee, 2014; Mohamed, 2020). Meister (2020) mentioned that we will be seeing changes in service quality training for employees, and that organizations must be part of sustaining the future well-being of their workers, creating high employability requirements. Almost all top organizations are working on re-skill, up-skill, or recruiting employees, according to new normal requirements. Considering these new normal conditions, the hospitality industry needs to work responsibly with multiple organizations (Mohamed, 2020; Lu et al., 2019; Fernando & Oscar, 2020).

### **Business Model Innovation (BMI)**

According to Martin et al. (2018) stated that business model innovation is defined as a modification of business model concepts consisting of specific characteristics goals, principles, value creations, and activities. Zhenya et al. (2009) stated that business is consists of two elements. Firstly, its value proposition followed by target segment, product or service offering, and revenue model. Secondly, the operation model containing value chain, cost model, and organization. BMI is more than product, service, or technological innovation.

Normally, business model innovation (BMI) can be described as the organizing activities that creates and offers value to customers to generate revenue by business models that enable organizations to bring new ideas to commercialization, and create and add value for customers (Kinderis, 2012; Neringa & Ingrid, 2015). Competitiveness in a market is not judged by the products or services it offers but is the result that leads to consistently in building realistic business models (Neringa & Ingrid, 2015).

Neringa & Ingrid (2015) and Litos et al. (2001) noticed that excellent business models for the hospitality industry were recognized by customer satisfaction, leadership, human resource management, and adequate operations. Moreover, the most important factors involving innovation include empowerment, customer relationship, technology, internal marketing, and value proposition.

As for business recovery after a crisis, firms will perceive a slow demand for their product or service through altered customer behavior, buying more intentionally, and sanitizing goods during the crisis (Fabeil et. al, 2020). According to Cook (2015), entrepreneurs recover their business during a crisis in 4 stages, namely: responding, resuming, recovering, and restoring. Furthermore, McKinsey mentioned that in 2020 7 trends were changed in new business models as social distancing, resilience, and efficiency, contact-free economy,

government intervention in the economy, mission-driven in shareholder, changing industry structures, and workplace innovation (McKinsey Digital, 2020).

## METHODOLOGY

### Research Design

Based on literature review, this research is qualitative, and investigates how service companies have responded to the COVID-19 crisis and assesses its crisis adaptation. A multi-case study method was used, being suitable for studying the phenomenon occurring during the present COVID-19 situation (Eisenhardt & Graebner, 2007; Matthias et al., 2021; Yin, 2017). Based on previous research, it is likely that, due to the COVID-19 crisis, the hospitality industry will look different, compared to other crises. Our study approach aims to expand existing theories by putting the concern within its context (Brand et al., 2019; Matthias et al., 2021).

Our case studies were carried out in hotel firms. We selected specific firms, but in some case studies of this research, some establishments of our study did not allow empirical statements or empirical conclusions. Therefore, our findings were summarized as a global content. We feel that this concept is able to produce reasonable findings that apply to the whole group (Bengtsson & Hertting, 2014; Matthias et al., 2021; Yin, 2017).

### Sample

We selected seven hotel businesses situated in Thailand: in Chiangmai, Chonburi, Bangkok, Nakorn Ratchasima, Krabi, Phuket, and Prachubkirikhan. We selected cases from different areas, and the type of business consisted of hostels, mid-scale, and luxury hotels. All cases were affected by the COVID-19 outbreak. Nevertheless, they presented signs of recovery from the third quarter of 2020. Due to the crisis, the establishments had to register to Amazing Thailand Safety and Health Administration (SHA), to be able to operate during the COVID-19 outbreak. We stopped data collection after we reached saturation (Matthias et al., 2021). This study was approved by the Institutional Review Board (IRB) of the Rajamangala University of Technology Thanyaburi, Pathum Thani as RMUTT No. Exp.22/63.

### Data Collection

A case study was performed according to the methodology that was defined by Yin (1994) and Eisenhardt (1989), fulfilling criteria of typical social science research. This methodology assumes there are theoretical structures and proposals, based on one or more theories through which empirical evidence is gathered. This study intends to understand the effects of the COVID-19 crisis, using qualitative research, by interviewing seven hotel businesses representatives of tourism destinations in Thailand. In each case of this sample, we have interviewed participants who were assigned by the managing director or owner. Interviews were done from November 2020 to January 2021. The interview format is semi-structured, allowing us to adjust the statements from the participant's messages (Matthias et al., 2021; Eisenhardt & Graebner, 2007; Jui & Kusumalee, 2020).

### Data Analysis

After finishing the interview, we have transcribed the interviews, read, and coded the interview data (Corbin & Strauss, 2014; Matthias et al., 2021). During the coding process, we recapitulated between data and theory. These varieties and similarities result in several participants therefore, we compared and contrasted the participants looking for a common theme,

and verified interactive (Eisenhardt & Graebner, 2007) to come to an in-depth interview, and understanding and detecting the generalizable features (Matthias et al., 2021). The reliability and accuracy of our findings are guaranteed by several independent encrypted instances that looped into process of aggregation (Kirk et al., 1986; Morse et al., 2002).

## RESULTS AND DISCUSSION

Based on our data analysis, we present our findings by explaining patterns obtained during the interview. The following analysis provides insight into individual cases.

### Within Cases Analysis

Participant 1 stated that during the COVID-19 outbreak the financial condition of property is directly affected by cancellation and a decreasing number of tourists in the first quarter of 2020. However, despite the cancellation of bookings, the property was able to postpone price raising to the next quarter of 2020, keeping the same price. Also, in some cases, tourists could not postpone their travel planning due to regulation in their own country. Therefore, refunds of their booking had to be arranged. Moreover, in the business management, they informed the staff to suspend their vacation or furlough. This had an advantage for the business during the outbreak, as staff was involved in renovations of the property.

During the post lockdown, the management informed new strategies to operate. This was labelled as the "New Normal". In the first stage, they have informed staff on prevention of the COVID-19 outbreak, hygiene, and health policy - which improved trust in the customers - such as cleaning, social distancing policy, and a contactless payment system. Furthermore, the property followed the regulation from the Ministry of Public Health and registered at SHA (Amazing Thailand Safety and Health Administration) to get certified

Participant 2 mentioned that normally, the target customers are from Europe, Australia, America, and Austria. They were strongly affected by COVID-19 outbreak during March – April 2020. All the target groups were cancelled and got a refund. The business was closed for 3 months. During the post lockdown crisis, the management had to build new strategies, suitable for the property, such as creating a new target group, new promotion strategies, and a health policy.

Participant 3 mention that besides marketing strategies, this hotel has an online travel agent, and promotions passed through social media such as travel agencies, Facebook, and event bookings. During the crisis, they had to stop operations and some staff was put on furlough. After the lockdown period, the management team needed to develop business strategies concerning health policy, safety, and security, hygiene, including staff training on hygiene. The hotel developed regulations that are able to build trust in cleanliness. Moreover, they followed regulations from the government, and were certified by SHA.

Participant 4 stated that the business was closed by government policy. During the crisis period, they adapted the business model of food and beverage delivery, including lunchboxes and snack boxes. The management team was supporting all staff by using a new business model. As front office departments they could not stop operating, due to customers, such as long stay customers or monthly contacts. During the post-lockdown crisis, they operated the business by using government regulations, for example on social distancing, temperature checks, hygiene and

cleanliness, and followed SHA policy to get certified. Due to the crisis, they learned to adapt the business model to the New Normal Era.

Participant 5 informed that before the outbreak, they had a hotel staff of more than 220 employees, excluding foreign workers in the engineer and maintenance department, who entering legally and also had 170 Thai people. They did not want to furlough or dismissed employees. During the post-lockdown crisis, they also operated, and all staff was receiving a normal salary and service charge, despite a decreased number of tourists. Some employees had personals reasons to prefer resigning and moving back to their hometown, including too many expenses, or cost of living expenses.

In the first quarter of 2020, they were affected by the crisis, due to the fact that their target customers are from the Middle East, China, Korea, Singapore, and the USA. Most of them come to Thailand for wedding or other events. They registered in SHA to get certified. They feel that this can help customers gaining trust in their services, offering a high standard of safety and hygiene policy. Also, the first thing they initiated was setting up a business model that covered marketing strategies, and pass it through via social media, referring to SHA policy, and using virtual reality technology.

Participant 6 informed that the property is a small hotel, that they label as a smart hotel, and were able to support the staff of 6 - 7 persons. For marketing strategies, and as a channel of distribution, they used social media, such as Pinterest, Instagram, Twitter and were also dealing with an online travel agent. During a crisis, they followed government policy. They became affected financially, mainly because they rent the building for their business, and were touching revenue.

Participant 7 mentioned that in the first quarter of 2020, this business was affected by the lockdown, but was allowed to reopen later. They believed that every property is affected by the outbreak. Therefore, costs were reduced, and most of the employees were sent on furlough and resigned. The management team, especially the marketing department, had to work, monitoring for new target customers. Due to the lockdown period, they had to payroll at least 50% of employees' salaries, in some positions. During the post lockdown period, they were able to increase to up to 75%, depending on the positions. During the post-lockdown crisis, they were reminded that the first thing that customers expect is high-quality service in chain hotels, such as sanitation and hygiene, safety and security, and prophylactic measures. Moreover, they developed a protocol that was set up to regulate events, and that was applied in every chain of the property. Furthermore, they were certified by SHA.

## Cross Cases Analysis

Table 1 gives an overview of the main results from case analysis. This table present that all firms had a similar understanding and approach to the COVID-19 crisis. Only participant 6 differed from the others, due to the fact that the accommodation is considered as a smart hotel. No differences on impact in coping with the crisis were found.

## Business Model during COVID-19 Outbreak

Due to the crisis, all the participants came up with a new business model, according to hospitality industry policies. One firm came up with a new idea for service innovation that was already presented before the crisis, and that was adjusted as planned due to financial pressure



(participant 6). The results have shown that the crisis has significantly changed every participant's policy. Firms could not offer full service, and as value creation, participant 4 created a new service of prepared food delivery to customers. On the other hand, marketing channels did significantly change. Service innovation was also adjusted in participant 1, and in participants 4 - 6. Overall, a specific business model was kept in conduct, except for participant 6 that considered reopening.

Hence, this case related to Marting et al. (2018) and Zhenya et al. (2009) mentioning that business models consist of business goals, value creation, and marketing strategies offering them to customers. Moreover, business models can create more value for customers, thereby improving competitiveness in the hospitality market (Neringa & Ingrid, 2015).

<b>Tables 1</b> <b>AN OVERVIEW OF ESSENTIAL IMPACT</b>							
<b>Details</b>	<b>Participant 1</b>	<b>Participant 2</b>	<b>Participant 3</b>	<b>Participant 4</b>	<b>Participant 5</b>	<b>Participant 6</b>	<b>Participant 7</b>
- Business status	conducted	conducted	conducted	conducted	conducted	considered	conducted
- Focused business	✓	✓	✓	✓	✓	✓	✓
- Service Innovation	✓	-	-	✓	✓	✓	-
- Value Creation	-	-	-	✓	-	-	-
- Financial Support	✓	✓	✓	✓	✓	✓	✓
- Marketing Channel	✓	✓	✓	✓	✓	✓	✓
- Furlough	✓	-	✓	-	-	-	✓
- Ministry of Tourism Support	✓	✓	✓	✓	✓	✓	✓
- Certified by SHA	✓	✓	✓	✓	✓	✓	✓
- Reduction of rent	Own building	Own building	Own building	Own building	Own building	Rental building	Own building

### Enhances of Business Model Crisis

Overall, introducing furlough was the most important action in surviving from the crisis, as was implemented by participants 2, and 4-5. This solved an overstaff problem, while enabling to maintain sufficient staff. Hence, participant 6 was a small hotel and was not affected by this issue. Although all firms have responded to the crisis by using their business model, three firms (participant 4, 5, and 6) also had developed new business ideas, due to marginal finances, and participant 6 had to rent for maintaining its operative status. Besides, the operations saving, all firms resulted from government support, and from government programs that allowed firms to decrease costs, thereby reducing the pressure to implement novel ideas.

As marketing channeling, all firms try to find new marketing channels that enabled them to help their business, such as looking for new target customers and engaging social media. Helpful was also that The Ministry of Tourism promoted tourism by launching a campaign on domestic tourism. Moreover, all firms registered and certificated by SHA before reopening. According to certificate by SHA, all firms had to focus on high-services, social distancing, hygiene, safety and security, and cleanliness, due to this COVID-19 outbreak. As a result, business underwent financial pressure and had to come up with marketing strategies and rethink their services.

According to the business model post crisis, most of businesses are going to recovery within 4 stages, namely: responding, resuming, recovering, and restoring. Moreover, businesses have perceived that lower of demand; behavior has changed for customer, such as buying intention, social distancing, re-organization (Fabeil et al, 2020; Cook, 2015; McKinsey, 2020).

## CONCLUSION

This study shows that implementing a business model is a useful strategy for hospitality services in helping them to reopen after the shutdown, due to the COVID-19 crisis. Based on the literature review, we found that the business model undergoes a gradual change that can be carried out quickly. Focused on different circumstances, the business model involves a transition period during the crisis and plays an important role in surviving the crisis. The government ordered closure and reduction of associated operations of businesses, which forced them in resource investments. Currently, these resource investments can grow, offering a better outcome than maintaining operation activities.

According to the results, we propose a crisis model for the service industry business. This model suggests that a crisis may have been a catalyst to launch a new business model for hotels, which is a new way in reopening a hotel business. The lockdown during the COVID-19 crisis had a negative impact on all revenues and resulted in businesses needing to seek innovation and change. However, the government provided support to companies, and various business models were launched and adapted by the help of liquidity and security raised by government policy. Moreover, the lockdown from the COVID-19 outbreak led entrepreneurs to have no revenue. Hence, pressure on firms forced them to innovate, including providing psychological support. The financial pressure led to change in organizational skills, enabling to maintain support. Also, hotel firms were able to recognize opportunities during the crisis, such as increased charge to customers through added value, bring new hygiene and sensitization service. Moreover, other studies mention actions of cost reduction, to survive the crisis.

Innovation in the hospitality industry can improve service quality, reduce costs, heighten customer satisfaction, increase profits, and create competitive advantage. Innovation can help in creating new service ideas, including product innovation, service innovation and administrative innovation. Thereby, hoteliers have begun to focus on the interests and benefits of artificial intelligence (AI) and to focus on specific applications, such as [www.thaichana.com](http://www.thaichana.com), and robot services. Besides, social distancing is, after vaccination, the most effective prevention strategy against from COVID-19 spread, especially in high-contact situations. Furthermore, to help in the recovery of the hotel industry after COVID-19, researchers noticed that artificial intelligence (AI), hygiene, and cleanliness remain essential factors. These factors are essential to cure and prevent outbreaks. Moreover, higher expectations on health assurance from visitors during trips will be continue in the future. These demands of tourists will remain and will have a huge influence on the hospitality industry.

## Limitations of Research

This study is subject to limitations which are mainly due to the crisis itself. This is the first investigation on hotel service that is related to business models during the COVID-19

outbreak in Thailand, in 2020. The purpose of the study was to come up with a representative sample for Thailand and to present data on the effect of the COVID-19 outbreak on hospitality services.

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