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# Guest editorial: Tourism and hospitality economics at times of crisis

### Introduction

The special issue on tourism and hospitality economics at times of crisis aims to develop knowledge on how countries, governments and entrepreneurs navigate different scenarios, approaches, tools and practices within the tourism economy in times of crisis. This special issue addresses several questions:

- *Q1.* How can the tourism economy and its agents respond to crises, such as the current spread of the COVID-19 pandemic?
- Q2. How do companies navigate and operate in times of crisis?
- Q3. How can technology and intelligence meet the challenges?
- *Q4.* How can we recognize, assess and explore new opportunities associated with a crisis, with implications for the hospitality and tourism businesses and economies?

This special issue attempts to offer answers, reflections and discussions through a collection of 12 selected papers. Since the early 1980s, the hospitality and tourism industry has become a critical global engine of economic growth. This industry contributes more than 10% to GDP and employment globally, and economies and their businesses have experienced an increasing number of global crises. This translates into new threats spreading across national borders and creating significant economic effects (WTTC, 2022). Governments and tourism organizations need to manage risk of crisis and potential impacts. This is particularly the case for insular and remote regions that become increasingly dependent on this industry as a source of income and employment (Buhalis, 2022; Teixeira and Ferreira, 2019; Teixeira *et al.*, 2019).

After 30 years of uninterrupted tourism growth, COVID-19 has affected the lives of millions of people around the world since 2020. The scale of the disruption caused by COVID-19 to global hospitality and tourism is shown in a new comprehensive report on travel restrictions from the United Nations World Tourism Organization (UNWTO). During the crisis, 96% of global destinations imposed travel restrictions and international tourism fell by 74% in 2020. All stakeholders in the ecosystem were deeply affected by the crisis (Li *et al.*, 2021; Suk and Kim, 2021). This impacted not only the tourism sector but also agriculture and all stakeholders cocreating authentic experiences for tourists (Antón *et al.*, 2019). Different regions and destinations have experienced COVID-19 differently. Whilst international tourism suffered dramatically, domestic tourism was strengthened in many regions. Often wealthy domestic clientele used land transportation to explore local resources. To support industry resilience the UNWTO has strengthened its collaboration with the World Health Organization (WHO) to coordinate the global response to COVID-19 (UNWTO, 2020).

Understanding the factors and policies that facilitate the development of the hotel and tourism industry and contribute to the competitiveness of the tourism economy is a fundamental task for defining tourism policies (Teixeira *et al.*, 2019). There must be a recognition that the sharing economy is also part of the ecosystem generating value co-creation and value co-destruction (Buhalis *et al.*, 2020). Crisis management and resilience need to be at the heart of the strategy through real time agility (Bethune *et al.*, 2022). Dealing



Journal of Hospitality and Tourism Insights Vol. 6 No. 4, 2023 pp. 1441-1446 © Emerald Publishing Limited 2514-9792 DOI 10.1108/JHT1-09-0223-639 JHTI 6.4

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with customers uncertainly, additional complications and the need to develop flexible processes and procedures is critical for resilience (Liu *et al.*, 2021). Technological innovations, based on big data and smart technologies (Buhalis, 2020; Buhalis *et al.*, 2019; Stylos *et al.*, 2021), provide some solutions to overcome the crisis. Given the ubiquity and depth of crises, such as the current spread of the COVID-19 pandemic, more research is needed to support the development of strategies capable of responding to the new challenges faced and building resilience for the global tourism and hospitality economy (Paraskevas *et al.*, 2013).

### Exploring tourism and hospitality economics at times of crisis

The main highlights of the contributions of this special issue are summarized as follows. In the first article, titled "Sharing economy in the new hospitality: consumer perspective", Julião *et al.* (2023) attempt to highlight how the hospitality businesses operate in a shared economy model when responding to the COVID-19 crisis. This study focused on the Airbnb service, the leading hosting platform within the sharing economy, to explore the consumer profile and analyze their motivations to use this service based on sociodemographic characteristics and user experience. Performing a multivariate analysis of variance, the authors show an increase in motivation for the sharing economy and its benefits for customers between 41 and 60 years old. It was also observed that consumers with monthly income below the average salary are less likely to adopt the sharing economy philosophy. This study, therefore, analyzes consumer behavior by discussing the potential of the accommodation sharing model for the post-COVID-19 recovery of the hospitality sector.

In the second study, "Tourism industry at times of crisis: a bibliometric approach and research agenda", Sampaio *et al.* (2022) examine how the COVID-19 pandemic has caused unprecedented global turmoil and disruption to international tourism. The study uses bibliometric methods and topic models, specifically latent Dirichlet allocation (LDA) methods, to assess the nature and course of the scientific literature on tourism crises and disasters. The authors evaluated the scientific literature on tourism crises and described how this flow of research has evolved in the face of economic, security, health, environmental or trust crises, providing insights into a research agenda on this flow. The findings show that the effect of economic and financial crises on the tourism industry, sustainable tourism, and tourist demand should be among the most relevant issues in the coming years.

In the third study, titled "Fiscal and monetary policies supporting the tourism industry during COVID-19", Sengel *et al.* (2023) examine financial policies implemented by countries to support the tourism industry during the pandemic period. Data were analyzed using the MAXQDA qualitative analysis program, and the authors found that countries financially support the tourism industry in terms of credit and liquidity. In addition, investments in tourism are encouraged by tax incentives and low interest rates. This investigation determined financial and monetary policies published by the UNWTO focused on solving the problems of the tourism sector. The authors reveal some problems experienced by tourist enterprises during the pandemic period with a holistic perspective.

In the fourth study, titled "Leadership challenges for Indian hospitality industry during COVID-19 pandemic", Shukla *et al.* (2023) explore the leadership challenges for the Indian hotel industry during the COVID-19 pandemic. This study examines the challenges India's hospitality leadership faces in addressing the crisis and how leaders manage key stakeholder expectations, communicate tough decisions with employees, look for revival strategies and explore the use of technology in surviving the crisis. The study takes a qualitative approach using structured interviews and revealed that leadership challenges included making customers and employees feel safe, optimizing operations, agility and leader resilience, maintaining balance among stakeholders, managing employee stress and securing cash reserves. The study results show that all industry stakeholders can shape the post-pandemic

era through collaboration. Empathic leadership can bring the industry out of chaos by balancing the interests of society's various stakeholders. The authors expanded research on the challenges of hospitality leadership in crisis management in the context of the COVID-19 pandemic.

In the fifth article, titled "Knowledge spillover, knowledge management and innovation of the Portuguese hotel industry in times of crisis", Mota Veiga *et al.* (2023) analyze how knowledge spillovers and knowledge management capabilities affect the innovation capabilities of companies in the hotel sector in crisis situation. This research was carried out in a crisis period, and as expected in a troubled period, the results are incredibly volatile. The authors concluded that knowledge spillovers work as external benefits of knowledge creation, increasing the innovation activities of companies in the hotel sector, which reinforces that knowledge spillovers help to enhance innovation capabilities. The study shows that it is essential for companies to manage knowledge and effective knowledge management facilitates the exchange of knowledge necessary in the innovation process. This study offers new insights into the mediating role of knowledge management capability in the relationship between a hotel's knowledge spillover and its innovation performance.

In the sixth study, titled "Impact of socially responsible human resource management on hotel employee outcomes: using the role theory", Shao and Peng (2023) explore the bright and dark sides of socially responsible human resource management in hotel employee outcomes through role conflict mediation. The study examined the moderating effect of prosocial motivation between role conflict, volunteerism, and organizational citizenship behavior. The authors found that prosocial motivation strengthens the link between role conflict and volunteering but not the relationship between role conflict and organizational citizenship behavior. Furthermore, the authors highlight the vital role of the employee in successfully implementing corporate social responsibility.

In the seventh study, "The crisis management strategies of Indonesian event organizers in the face of COVID-19", Haryono and Wijaya (2023) discuss the crisis management strategy for organizers of events in Indonesia in the face of the COVID-19 pandemic. The authors attempt to see how crisis management is implemented in the organization, particularly the company's efforts to maximize technology in this COVID-19 crisis. The authors focus on how to deal with crisis strategies in the Event Organizer world from the view of innovation diffusion. They identified the use of technology as a means to overcome the problem of organizing events during the COVID-19 pandemic and mapped the complexity of the innovation adoption process in event organizing companies in Indonesia.

In the eighth study, titled "Business strategies for small and medium-sized tourism enterprises during COVID-19: a developing country case", Kahveci (2023) explores how small and medium-sized tourism enterprises (SMTEs) in a developing country (Turkey) are dealing with the economic and financial consequences of the COVID-19 pandemic through a systematic approach. The authors found that even after a year and a half of since the pandemic, despite government relief efforts, vaccination programs, loosening of the lockdown and travel restrictions, survival is still the primary concern of SMTEs. Also, the authors argue that although the entrepreneurs do not have sufficient resources, they have energy and motivation, are optimistic about the future and are exploring new opportunities, capitalizing on their "strategic flexibility", an intrinsic strength of SMEs.

In the ninth study, titled "Coronavirus: choking global and Indian tourism economy and leave industry on the ventilator", Sujood *et al.* (2023) analyze the economic crisis caused by the coronavirus in the global tourism industry in general and the Indian tourism industry in particular. The authors highlight strategies tourism businesses should implement to reduce the negative impact in times of crisis. It also discovered the business opportunities offered during this deadly pandemic. Based on a systematic literature review, the results show that

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the coronavirus has severely affected the economy of the world and India. The pandemic has hit the economies that rely most on tourism, and these countries must bear the brunt of the crisis' consequences longer than other economies. This coronavirus outbreak indicates that the tourism industry was unprepared to deal with such a pandemic, which has affected and damaged the economy.

In the tenth paper titled "A theoretical reflection on thermalism and communication: future perspectives in times of crisis", Antunes *et al.* (2023) provide with a systematic review an understanding of what thermalism is and the relevance and challenge of communication in this sector. The authors propose a new definition of thermalism and develop an integrative conceptual model supporting a plurality of communication strategies with different characteristics and objectives.

In the eleventh paper titled "Endings, freezing and new beginnings: the return of customer comfort to Massachusetts restaurants following the pandemic", Palabiyik *et al.* (2023) examine restaurant patrons' comfort level with the sudden shift in the dining-in climate during the onset of the COVID-19 pandemic, in the state of Massachusetts. The results show that past consumers' eating habits affect how much their behavior will change during a pandemic. However, their dining-in frequency is not a predictor of their post-pandemic dining-in outlook. The authors found that some innovative approaches, such as limiting service offerings, are not well accepted by costumers.

In the final paper titled "A Markov regime-switching approach to modelling the effects of fiscal policies and COVID-19 pandemic on tourism destination competitiveness in Kenya", Kimunio and Maingi (2023) take a Markov regime change approach to model the effects of fiscal policies and the COVID-19 pandemic on the competitiveness of tourist destinations in Kenya. The authors discuss the specific role that fiscal policy plays in improving the competitiveness of tourism economy to improve its competitiveness. This study uses a Markov regime change regression model to establish the relationships between the COVID-19 pandemic, fiscal policies and tourism revenues in Kenya. The results show that the transition periods during fiscal policy changes affected international arrivals. The authors argue the need to review national fiscal and direct fiscal policies on the cyclical effects of COVID-19 on the international tourism market.

#### Conclusion

The studies included in our special issue demonstrate that crisis management in the hospitality and tourism industry emerged at different dimensions addressing the consequences caused by the COVID-19 pandemic. Hospitality and tourism organizations and destinations navigated the unchartered crisis waters differently, and real time response and resilience emerged as a key factor for smart tourism operations and their ability to survive during and after the crisis (Bethune *et al.*, 2022).

Governments and other stakeholders need to help the hospitality and tourism economy develop a range of resilience pillars to strengthen their competitiveness through various strategies. Big data and smart technologies are critical in developing a systematic approach to develop resilience in order to respond and overcome the crisis more effectively. Economic strategies should involve regional, national and international levels to regain their competitiveness and ensure that tourism contributes to society. Global hospitality and tourism alliances should also emerge to coordinate ecosystems to develop their resilience and competitiveness (Crotts *et al.*, 2000). Many governments worldwide realized how critical the hospitality and tourism industry is for the development of their economies and welfare of their societies.

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