

The Financial Impact of Covid 19 on the Hospitality Industry in New Zealand

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Abstract : In this research project, data was gathered at a Covid 19 Conference held in June 2021 from industry leaders who discussed the impact of the global pandemic on the status of the New Zealand hospitality industry. Panel discussions on financials, human resources, health and safety, and recovery were conducted. The themes explored for the finance panel were customer demographics, hospitality sectors, financial practices, government impact, and cost of compliance. The aim was to see how the hospitality industry has responded to the global pandemic and the steps that have been taken for the industry to recover or sustain their business. The main research question for this qualitative study is: What are the factors that have impacted on finance for the hospitality industry in New Zealand due to Covid 19? For financials, literature has been gathered to study global effects, and this is being compared with the data gathered from the discussion panel through the lens of resilience theory. Resilience theory applied to the hospitality industry suggests that the challenges imposed by Covid 19 have been the catalyst for government initiatives, technical innovation, engaging local communities, and boosting confidence. Transformation arising from these ground shifts have been a move towards sustainability, wellbeing, more awareness of climate change, and community engagement. Initial findings suggest that there has been a shift in customer base that has prompted regional accommodation providers to realign offers and to become more flexible to attract and maintain this realigned customer base. Dynamic pricing structures have been required to meet changing customer demographics. Flexible staffing arrangements include sharing staff between different accommodation providers, owners with multiple properties adopting different staffing arrangements, maintaining a good working relationship with the bank, and conserving cash. Uncertain times necessitate changing revenue strategies to cope with external factors. Financial support offered by the government has cushioned the financial downturn for many in the hospitality industry, and managed isolation and quarantine (MIQ) arrangements have offered immediate financial relief for those hotels involved. However, there is concern over the long-term effects. Compliance with mandated health and safety requirements has meant that the hospitality industry has streamlined its approach to meeting those requirements and has invested in customer relations to keep paying customers informed of the health measures in place. Initial findings from this study lie within the resilience theory framework and are consistent with findings from the literature.

Keywords : global pandemic, hospitality industry, new Zealand, resilience

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