

INSTRUCTIONS FOR ASSESSMENT TASK 3

Assignment Topic: COVID-19 Disruption in Accommodation Sector

These are the details of the third assessment for the unit for Semester 2, 2021.

The due date for the Assessment Task 3 (Report) is Wednesday, 27 October 2021, 5pm via Turnitin.

PRELUDE:

This semester we have discussed the importance of keeping abreast of changes and developments in those environments which can and do influence the business and industry we are engaged in. We have learned that these environments range from the **REMOTE** to the firm's **INTERNAL** environments. The remote environment was divided into several categories such as political, economic, socio-cultural, technological etc.

According to the coalignment principle, successful firms collect, collate, and analyse information gathered from and regarding these environments. This analysis is intended to determine several things about the changes identified, for example, how likely it is the potential changes will occur, how soon is the change likely to occur, and what is the likely impact this change will have on our firm? The answers to these questions (amongst others) will influence how the firm's management chooses to respond. The next component of the coalignment principle is STRATEGY SELECTION. In order to make an effective strategy selection, a range of strategy options need to be identified and considered.

PROBLEM:

The General Manager and Franchisee of a Serviced Apartment Hotel opened 4 months prior to the COVID-19 pandemic commencing in Perth, and was looking at implementing various strategies based on the news that all International borders would close until further notice. Furthermore, there was uncertainty about the closure and management of the Australian state borders.

With the news of the border restrictions announced, the Serviced Apartment Hotel lost 95% of all its forward booking for the next 12 months. Even with the loss of most of the revenue and bookings, the hotel chain was committed and decided to continue to operate during the COVID-19 pandemic, unlike a number of competitors who chose to close their doors.

The General Manager was very concerned about the immediate loss of business and its reliance on interstate travel while knowing they had a financial commitment to forthcoming fixed operating costs. With this she called upon the Business Development Manager and Front Office Manager to present strategies for both Sales (revenue driven) and Operations (cost mitigation) for the next few months considering the border restrictions that were in place at the time and that these were continuously changing, as the seriousness of the pandemic escalated.

Rooms:	90 Rooms			
Room Types:	40 x Studio Rooms 40 x 1 Bedroom Apartments 10 x 2 Bedroom Apartments			
Room Facilities:	Room	Balcony	Kitchen	Laundry
	Studio	No	Kitchenette	Not in room. Use of Hotel Laundry.
	1 Bedroom Apartment	Yes	Full	Yes
	2 Bedroom Apartment	Yes	Full	Yes
Market Mix:	80% Corporate / 20% Leisure Travellers.			
Staff:	15 Part Time / 3 Full Time			
Operating Hours:	7am – 11pm Daily			
Occupancy prior to COVID-19:	70% occupancy / ADR \$170			

Figure 1: The Serviced Apartment Hotel

CONSIDERATIONS FOR THE STRATEGY:

1. Immediate loss of business based on start of COVID-19 in March 2020.
2. What requirements need to be considered from Sales and Operations whilst considering the changing environment.
3. Consideration of Sales and Marketing activities to drive potential domestic travellers from both the Corporate and Leisure market.
4. New Government COVID-19 operational regulations that will be required to be adhered too, whilst operating a Serviced Apartment Hotel during COVID-19.
5. Minimising outgoings in every area of the business to save costs.

Whilst there is a financial obligation of the General Manager to meet rent payments and fixed outgoings, there is also an emotional side of all decisions made as these will impact staff and their continuation of employment during this time.

What would you do in this scenario if you had been Business Development Manager and Front Office Manager in terms of offering strategic recommendations to the General Manager. Consider that historically this event or any event like this has never happened and no blue print or previous crisis strategy had been considered.

THE WRITTEN ASSIGNMENT DOCUMENT:

As a consultant you are to prepare a written report (2000 words +/- 10%) and include at least EIGHT (8) academic references. Your report should:

1. Provide THREE (3) diverse strategy options for the General Manager of a Serviced Apartment Hotel.
2. Argue the case for which recommendation of strategic direction (choice) would be most beneficial.

Your written submission needs to be supported by reference to materials which have led you to the option you have decided upon. To do this you will need to access, read and reference information about the impact of COVID-19 and similar crises to hospitality industry, and what has been done to support/counter/control/regulate its introduction and use in other parts of the world.

REPORT STRUCTURE:

This report must contain comprehensive referencing in the APA 7th format. The report must contain at least EIGHT (8) academic references. **Please DO NOT include the ECU cover page.**

Please follow the below structure to guide your report:

1. Title page. Includes your name, student ID and affiliation - *not included in the word count*
2. Executive summary - *not included in the word count*
3. Table of contents - *not included in the word count*
4. Introduction - *included in the word count*
5. Body of the report (please use subheadings as appropriate):
 - a. Brief review of the business issue - *included in the word count*
 - b. Strategy One - *included in the word count*
 - c. Strategy Two - *included in the word count*
 - d. Strategy Three - *included in the word count*
 - e. Justification for the most beneficial strategy - *included in the word count*
6. Recommendations - *included in the word count*
7. Conclusion - *included in the word count*
8. List of references - *not included in the word count*
9. Appendices (if any) - *not included in the word count*

RECOMMENDED READINGS:

Here are some sources you may like to refer to, however please include additional sources.

Deloitte (2021). *COVID-19 recovery for the tourism sector. How are we tracking?*

<https://www2.deloitte.com/content/dam/Deloitte/au/Documents/Economics/deloitte-au-economics-covid-19-recovery-tourism-sector-090221.pdf>.

Jiang, Y., & Wen, J. (2020). Effects of COVID-19 on hotel marketing and management: a perspective article. *International Journal of Contemporary Hospitality Management*, 32(8), 2563-2573.

Lai, I. K. W., & Wong, J. W. C. (2020). Comparing crisis management practices in the hotel industry between initial and pandemic stages of COVID-19. *International Journal of Contemporary Hospitality Management*, 32(10), 3135-3156.

Laufer, D. (2021, January 4). *After COVID we may never think about hotels in the same way again*. The Conversation. <https://theconversation.com/after-covid-we-may-never-think-about-hotels-in-the-same-way-again-151373>.

Sharma, A., Shin, H., Santa-Maria, M. J., & Nicolau, J. L. (2021). Hotels' COVID-19 innovation and performance. *Annals of Tourism Research*, 88(July 2021), 103180.