

# The hotel industry in Mauritius managing uncertainties and ensuring recovery

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*With the COVID-19 pandemic, the tourism industry has been the hardest hit in Mauritius due to health containment measures linked to travel restrictions and the closure of borders to prevent the spread of the virus. The hotel industry attempted to change their operations and activities to adjust to the uncertainties of the pandemic and to avoid closure and bankruptcy. The paper assesses the strategies adopted by the luxury, large and low-cost hotels in Mauritius to mitigate the effects of the pandemic and to adjust to the 'new normal'. The research methodology adopts a qualitative approach with interviews carried out with the hotel managers or owners of 20 hotels in different regions of Mauritius. The study probes into the various strategies adopted, namely, digital transformation and technological innovation, social media marketing, the restructuring of the labour force, diversification of activities and focus on local tourism to ensure survival.*

**Keywords:** COVID-19, Tourism industry, Hotels, Strategies, Recovery, Mauritius

## 1 INTRODUCTION

The world economy has witnessed the negative consequences of COVID-19 on economic activities and the lives of people globally without being initially prepared for such crisis. The tourism industry in particular has been highly vulnerable to the pandemic along with other crises, and when multiple crises occur simultaneously, the systemic and compounding effects tend to be more severe. Mauritius, being a major tourist destination, has been highly impacted by the

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COVID-19 pandemic and recovery has been difficult but gradual with a varied number of strategies adopted by the firms along with support measures initiated by the government.

The pandemic has caused much uncertainty in the tourism sector and the hotel industry in particular has been largely affected. The return to the 'new normal' following the pandemic was immediately disrupted by the outbreak of the Russia–Ukraine war, the cost-of-living crisis with rising food and fuel prices, trade wars between countries, social unrest, economic and social crisis, the technological crisis, the geopolitical crisis as well as climate change crisis. These crises are often termed as a polycrisis situation that highlights the interconnectedness of various global challenges and the potential for one crisis to exacerbate or contribute to another (Torkington, 2023). This global risk landscape is more difficult for small islands to manage given their pre-existing difficulties and challenges in terms of limited fiscal space, lack of human capital and natural resources, high dependence on trade, unsustainable levels of debt and rising food insecurity, to name a few.

Several studies like Arbulú et al. (2021) and Duro et al. (2021) have observed negative consequences of the health crisis on the hospitality and tourism sectors. Whilst supply and demand for travel has been affected negatively (Bai and Ran, 2022), the effects tend to be highly country-specific and contingent on the measures implemented by the government (Sigala, 2020). Both internal management strategies at the firm level along with macroeconomic policies seem to have played a role in mitigating the systemic effects of the pandemic. However, policies withstanding the spread of the virus such as health containment measures (social distancing, stay at home requirements, border closures and travel restrictions, to name a few) have had important adverse effects on the tourism sector. Existing studies on the effects of the pandemic on the tourism industry have assessed the measures taken by tourism enterprises in the midst of the pandemic as well as recovery strategies adopted. These empirical works have been either country or region specific. Existing studies on the impact of COVID-19 on Mauritius have also adopted an overall perspective on the tourism sector as a whole focusing on micro, small and medium sized enterprises (MSMEs) in general (Tandrayen-Ragoobur et al., 2022). To our knowledge, none of these studies have analysed both internal and external policies for a particular component of the tourism sector. This paper inquires the effects of COVID-19 together with multiple crises on the hotel industry by differentiating between the low-budget hotels and the luxury ones. Using a qualitative approach based on 20 interviews with hotel managers and owners, the paper probes into the different strategies adopted to circumvent the effects of risk and uncertainties confronted by the hotels of Mauritius. The study also attempts to identify the appropriate preparedness and recovery measures that were adopted.

This paper builds on existing work on the impact of crisis on firms in the tourism industry by taking a different angle with emphasis on both internal and external strategies implemented to mitigate the negative impacts of crises, prepare for future shocks and build resilience and recovery. The paper is outlined in the following way: Section 2 probes into the prevailing literature on managerial strategies adopted by firms in times of crisis, while Section 3 derives a conceptual framework from the literature and extends by merging both the micro and macro strategies to build resilience and recovery of tourism enterprises in times of crisis. Section 4 analyses the tourism sector in Mauritius, and Section 5 discusses the methodological approach together with the qualitative findings. We conclude in Section 6 with policy options.

## 2 LITERATURE REVIEW

The tourism industry is an important driver of growth, income and job creation across small island economies (Nhamo et al., 2020). It contributes to backward and forward linkages with MSMEs and acts as a source of income and livelihoods to many coastal communities. Enterprises, whether family businesses, small activities or large firms, play a major role in various economic activities in varied forms (Verduijn, 2007). With the COVID-19 pandemic, many tourism-dependent economies have witnessed a downfall in their tourism sector and its consequent reduction in negative impact on economic growth, revenue and employment (Vanzetti and Peters, 2021). The effects of the pandemic extend beyond hotels and encompass enterprises, employees, self-employed individuals and communities with direct and indirect links to the tourism industry (Anguera-Torrell et al., 2020; Jiang and Wen, 2020). The tourism industry includes hotels/lodges, travel agencies, tour operators, restaurants, airlines, MSMEs, taxi drivers, transport service providers, car rentals, cruise lines and leisure parks, amongst others. The health crisis had significant repercussions on employees, customers, businesses and investors across all these activities (Demir, 2020; Škare et al., 2021). The loss has been immeasurable with lockdown, social distancing, shutdowns, restricted movements and travel restrictions when revenue loss, employment loss and even closures have put the industry to a halt.

The impact of the pandemic as well as its consequent crises on the tourism sector has spread to connecting sectors, leading to compounding effects. COVID-19 has not only resulted in a decline in tourist arrivals, prompting businesses in the tourism and hospitality sector to design fast survival strategies, but also impacted on the fiscal position of the government. As per Khalid et al. (2021), in addition to internal measures adopted by enterprises, governments have been responding to the crisis by adopting aggressive economic stimulus packages to withstand the consequences of the pandemic. The larger the size of the tourism sector, the greater the fiscal and monetary responses from the authorities. Governments globally have attempted to cushion the impact of the crisis on the tourism industry by supporting tourism enterprises to adapt and survive. Key strategies have been the promotion of domestic tourism, restoring confidence among international tourism, strengthening collaboration between countries and building a more resilient and sustainable tourism sector (OECD, 2020).

Existing empirical work on managing tourism crisis has concentrated mainly on recovery (Ritchie and Jiang, 2019) with five important dimensions of successful recovery centred across crisis management plan, market analysis, marketing and communication, collaboration and employee-engagement (Campiranon and Scott, 2014). These recovery elements however need to be clearly translated into tangible measures that can facilitate tourism enterprises to respond strategically and recover from the consequences of a crisis situation. In addition, Wenzel et al. (2021) set out an important classification of four strategic crisis reactions in the form of retrenchment, persevering, innovative and exit (Do et al., 2021). They establish key principles for managers to respond to unexpected crisis in different time dimensions, namely short, medium and long-run. The retrenchment strategy is linked to measures adopted by firms to reduce production costs along with other expenses, resources, assets, product lines and the number of employees. The enterprise therefore focuses on core activities to stabilise the decline in performance (Pearce and Robbins, 1994) and at the same time reduce any complex activities that tend to increase costs (Benner and Zenger, 2016). Retrenchment however is viewed mainly as a short-run reaction to a risky and uncertain situation (Wenzel et al., 2021). The next strategy is perseverance whereby enterprises

maintain the existing state of affairs or status quo despite the crisis. The persevering measure is targeted at sustaining the firm's activities in response to the crisis (Wenzel et al., 2021) and acts as an effective response to a shock mainly in the medium term. A crisis has not only negative consequences on the enterprises' growth performance but can also act as an opportunity for their strategic renewal by innovating. The renewal strategy postulates that firms adapt to the changing environment and try to gain from the varied opportunities created by the crisis (Martin-Rios and Parga-Dans, 2016) and as such develop current competencies and build new capabilities (Schmitt et al., 2016). The renewal strategy by innovating is mainly a long-term measure and is dependent on the organisational structure in terms of good corporate governance, the effective use of the firm's resources, the importance of innovation in the organisation and the perceptions and mindset of the entrepreneur and managers (Schmitt et al., 2016). Lastly, the exit strategy is linked to business restructuring, disinvestment or discontinuation of business activities. An exit strategy may often be the best option for enterprises in the midst of crises or economic shocks. Unlike bankruptcy, the exit strategy does not imply business failure but is viewed as a useful approach to face the crisis (Dai et al., 2018; Wenzel et al., 2021). Do et al. (2021) applied these strategies to tourism firms in Vietnam, in particular to tour operators affected by COVID-19. Their results show that the majority of tour operators concentrate more on short- and medium-term measures in terms of retrenchment, persevering and exiting rather than on long-term strategic renewal by innovating.

Other models of managerial principles have been adopted by the tourism and hospitality industry to assess the impact of the health crisis and simultaneously probing into the strategies adopted by the enterprises to withstand the consequences of the pandemic on their economic activities. For instance, the dynamic capabilities model studies the ability of enterprises to renew competences and match the demands of the changing situation. In essence, it explains the capacity of enterprises to shape, integrate and reconfigure their external and internal competences to face the ever-changing business situation (Teece et al., 1997; 2016). This model explains firms' experiences and survival strategies during crises by emphasising on their resilience, adaptive capabilities and survival. This is very relevant to the tourism and hospitality industry where in the times of COVID-19, hotels amongst other businesses had to cope up with the risk and uncertainty whereby an appropriate diagnosis as well as an alignment of their operations to match the fluctuating demands of the market was important (Teece et al., 1997). Teece (2012) underlines three dynamic capacities of the firms in terms of sensing, seizing and transforming-reconfiguring. Sensing relates mainly to identify prospects and threats and covers more information, learning and scanning activity. In the tourism literature, this takes the form of experience and knowledge about business activities and processes (Nieves and Haller, 2014). Seizing refers to the mobilisation of resources to take concrete actions to counter the negative impacts of crises, minimise losses and create new business possibilities. Fletcher et al. (2020) introduced the seizing-cluster model to the tourism industry where mobilisation of resources is considered an effective tool to face shocks in contrast to defensive mechanisms such as 'degrowth' in the midst of crisis situations. The last cluster is linked to a process of permanent renewal whereby enterprises assess the markets and adopt best practices (Teece et al., 2016). Existing empirical work such as Mansour et al. (2019) extend on the dynamic capabilities approach by referring to new dynamic capabilities in terms of crisis management capabilities. They analyse tourism firms' operating in situations of civil war and note that their responses were linked to strong interactions between tourism processes and management. Pereira (2020) further introduced the dynamic

capabilities framework to Brazil international hotel chains and noted the enterprises' capabilities in the form of renewals, their capacity to cope with uncertainties, and withstand risks, threats and ability to innovate.

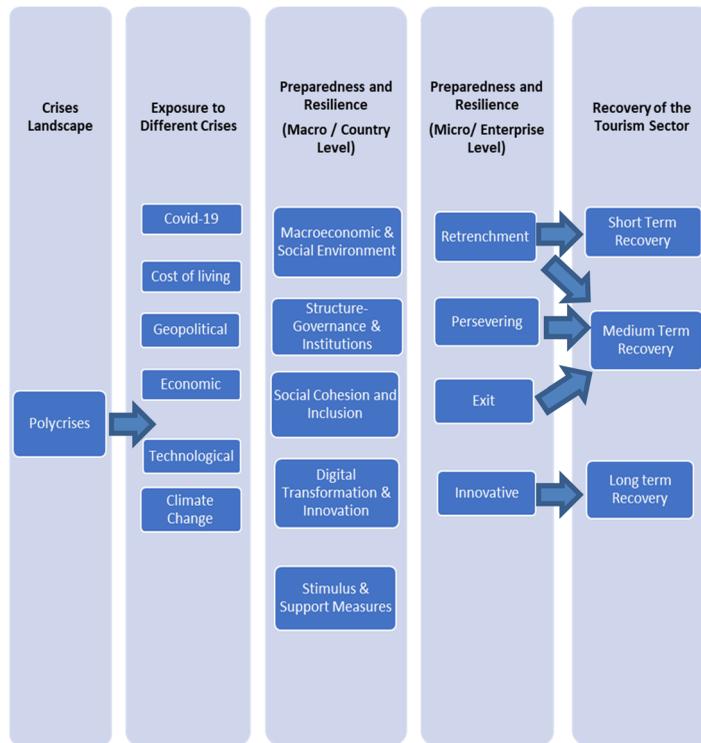
A more comprehensive framework recently developed and which is very much relevant to island economies is the Smart Tourism Destination (STM) approach. This method is also applicable in the time of crisis (Gretzel and Scarpino-Johns, 2018). The different areas of the STM approach vary from five areas in terms of governance, technology, innovation, leadership and collaboration (Segittur and TechFriendly, 2020) to nine dimensions governance, accessibility, information systems, connectivity, innovation, intelligence, online marketing, sustainability and evolution of the tourism industry (Ivars-Baidal et al., 2021). Bulchand-Gidumal (2022) in turn adopts a more comprehensive model of STD by including six areas, namely smart tourists, smart residents, smart mobility, smart governance, smart economy and smart sustainability. The six areas are in line with the model developed by Cohen (2014) for smart cities and are further considered into different areas including leadership or shared leadership (Ulhøi and Müller, 2014), productivity, employment, accessibility, mobility management, transport systems, sustainable planning, inclusivity and collaboration between firms and government.

The above literature underlines the need for a more holistic managerial framework for the hospitality and tourism firms, especially in times of crisis. Different approaches have been adopted with the focus on micro perspective with strategies solely at the firm level. However, it becomes important to add a macroeconomic perspective with government interventions, particularly in times of risks and uncertainty. These different strategies together with an appropriate macroeconomic business environment can provide a pathway towards preparedness, resilience and recovery for the tourism enterprises. This paper addresses this gap by designing the following conceptual framework adapted to the tourism industry in the context of a small island state in the midst of shocks. There is a dearth of research on the link between the impact of crisis, managing these impacts, preparedness of firms and their resilience to bounce forward rather than bouncing back to the pre-crisis situation.

### 3 CONCEPTUAL FRAMEWORK

A conceptual framework connecting the polycrisis situation (that is different crisis/shocks) to preparedness, resilience at both macro and micro levels and recovery is applied to the tourism industry. The model is particularly relevant for small island economies like Mauritius, which are highly dependent on tourists. Figure 1 shows the linkage between the crisis landscape, preparedness, resilience and recovery.

The conceptual framework summarises the risk landscape via several crises, namely the pandemic, the cost-of-living crisis in terms of rising cost of food and fuel, economic or financial stresses, geopolitical crises, climate change shocks or natural disasters, technological crisis with the rise in artificial intelligence and biotechnologies, amongst others. These have important implications on economic activities and the overall development pathway of countries and in particular the most vulnerable ones like small islands and developing nations. The impact of these shocks will depend on the macroeconomic and social environment, the governance structure in place in terms of appropriate institutions, laws and regulatory frameworks, as well as social cohesion and inclusive policies established by the authorities. The effects of these crises can further be mitigated by adequate stimulus packages and support measures provided



Source: Authors’ Computation, 2023.

Figure 1 Conceptual model

to enterprises in the most vulnerable sectors, namely the tourism sector for tourist-dependent economies. The private sector plays a key part in moderating the consequences of polycrises. Investment in digital transformation and innovation forms an important part in the whole preparedness and resilience strategies of enterprises. In addition to the macroeconomic environment, firm strategies from different managerial framework are adapted to the tourism industry in a small island context. We use Wenzel et al. (2021) important taxonomy of four strategic responses to crisis in the form of retrenchment, persevering, innovative and exit. These four dimensions together with an appropriate macroeconomic environment are linked to either short-term, medium-term or long-run recovery. Recovery rests therefore on the type of measures implemented as well as the adaptive, coping and transformative capacity of the industry in the midst and after the shocks (see Figure 1).

#### 4 THE TOURISM INDUSTRY IN MAURITIUS

Located in the Indian Ocean, Mauritius is a tourist destination, and the tourism industry contributed around 7.4% to GDP in 2022 (Statistics Mauritius, 2022). It is a major driver to economic development in terms of employment creation, investment in



Source: Authors' Compilation, 2023.

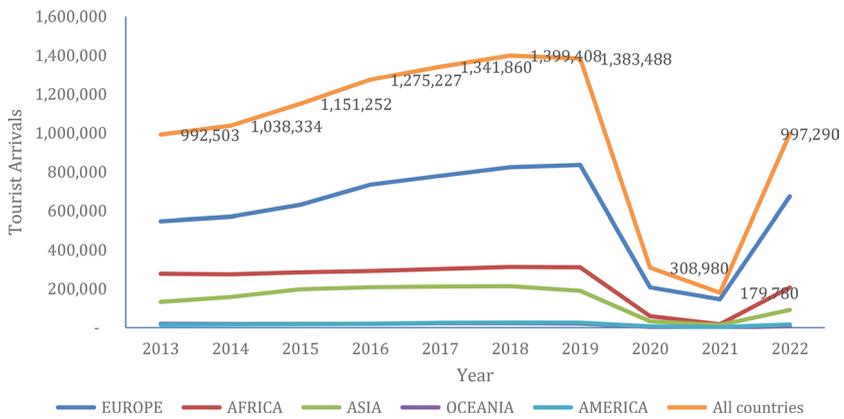
Figure 2 Tourism earnings and contribution of the tourism sector to GDP, 2006–2022

infrastructure, the growth of MSMEs in accommodation, transport and entertainment activities. Mauritius has strategically positioned itself as a luxury destination for tourists around the world, concentrating on high-end resorts, golf courses and wellness tourism. The country has been diversifying over the years into green tourism and medical tourism. In essence, the government has implemented varied policies to attract international investments in the tourism industry. A range of tax incentives, subsidies and various facilities are provided by the authorities to support investors in developing their businesses in the sector. These incentives are efficient in upholding the long-term viability and expansion of the tourism industry as they create a favourable and business-friendly environment.

As per Figure 2, the share of the tourism sector to GDP has been in the range of 7%–10% over the previous years, with the exception of 11.2% in 2007, and with the pandemic, the contribution to GDP fell to 2.3% in 2020 and 2% in 2021. It has since then rebounded to 7.4% in 2022. Tourist arrivals rose from 638,332 in the first nine months of 2022 to 901,126 over the same period in 2023 (Statistics Mauritius, 2023). Mauritius has already exceeded the threshold of 1 million tourists in 2023. Figure 3 shows tourist arrivals in Mauritius by region from 2013 to 2022. It can be observed that tourists come mainly from Europe, followed by Africa and Asia. Tourist arrivals dropped massively during the pandemic period of 2020 and 2021 due to mobility restrictions, closure of borders and travel bans.

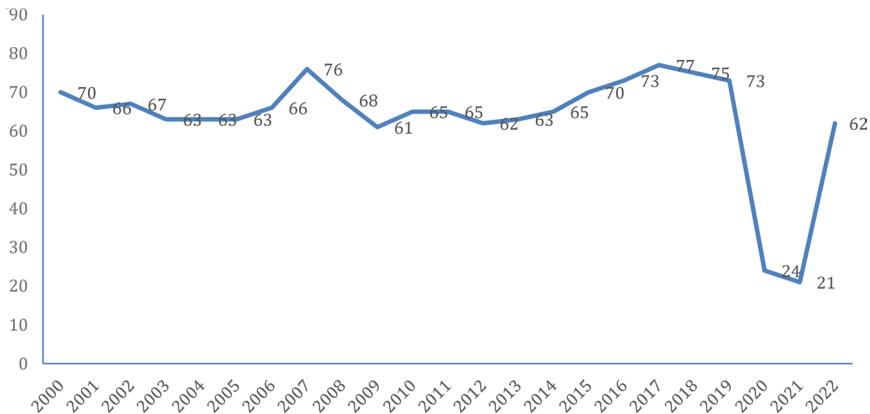
In terms of room occupancy rates across hotels in Mauritius, there was a large drop in 2020 and 2021, but it went up in 2022 not to its pre-COVID-19 level but still hotels have gradually recovered from the health crisis (see Figure 4).

The authorities have implemented several financial and support measures like the Wage Assistance Scheme to withstand the economic and social consequences of the health crisis on economic sectors. Many enterprises have encountered financial issues, and whilst many have managed to survive the crisis, others had to close down their activities. The Mauritius Tourism Promotion Authority, which represents the marketing



Source: Authors' Compilation, 2023.

Figure 3 Tourist arrivals, 2013–2022



Source: Authors' Compilation, 2023.

Figure 4 Room occupancy rate in all hotels

agency of the industry, has been supported by the authorities with additional funding support to promote Mauritius on the international scene. Other measures include the Tourism Business Continuity loan to small and medium enterprises along with the lease payment deferral on state lands. Government strategies also cover the temporary reduction of the training levy from 1% to 0.5% for operators along with the provisional waiving of the rental fee of counters by hotels and operators at the airport (Jaffur et al., 2022).

## 5 METHODOLOGY

The methodology rests on a qualitative approach with interviews from beach and business hotels across different regions of Mauritius. Twenty semi-structured interviews were undertaken across hotel owners or managers. A stratified-purposive sampling strategy was adopted by selecting participants based on specific characteristics. The hotels were stratified by categories as to whether they are luxury, business, boutique or small budget hotels to understand the various effects of the crisis as well as recovery measures adopted. Another characteristic was the geographical location as to whether they are located along the coastal or in the urban areas. Hotels were also stratified by size, that is whether they were large chains or independent hotels to capture variations in preparedness, resilience and recovery. The number of rooms was also used as a criterion of selection. The aim was to obtain a representative sample that includes a mix of hotel types, locations and sizes. With stratified purposive sampling, there is a better understanding of how the different types of hotels have responded to the challenges posed by the pandemic.

Semi-structured interviews were conducted to collect more detailed and in-depth information from the participants. They offer an appropriate balance between structure and flexibility, gathering in-depth insights while maintaining a degree of standardisation. Such techniques are in line with Neuman and Robson (2011) and Rai and Thapa (2015). The interview questions include the consequences of the COVID-19 pandemic together with recent crises on the hotel industry and the preparedness, resilience and recovery measures adopted to manage the impacts. The interviews went in depth into the strategies employed for recovery, such as marketing approaches, cost-cutting policies and adaptations to the changing environment. The support measures of the authorities were also discussed in the recovery process. Each interview lasted around one hour, with a total of 20 hours for all 20 interviews. We initially targeted 25 interviews but 5 participants, though contacted several times, did not respond to our email and phone calls. In all 20 responses were analysed.

The data gathered from the interviews were analysed using thematic analysis, where the interviews were first transcribed and we probed deeper into the data to get a comprehensive understanding. Second, initial coding was undertaken to highlight the important facets of the data in line with the research questions. The codes were then aligned with the themes of the study and the latter were then reviewed to provide a coherent narrative. The themes were integrated into the analysis where specific quotes gathered from the interviews were used to support the writing up. Throughout the study, ethical considerations were maintained and the confidentiality of respondents was respected. Informed consent was obtained from all participants before conducting the interviews.

## 6 FINDINGS AND DISCUSSION

The hotel industry in Mauritius has implemented several internal actions and policies to reduce the impacts of the pandemic on their economic activities and as such be more resilient. Amongst the several strategies adopted, the main measure has been to reduce the working hours of their employees. This was common practice for both beach and business hotels. Owing to travel restrictions, they had no choice but to stop or reduce their activities. Some of the hotels surveyed were used as quarantine facilities during the pandemic so they were paid by the Government for providing rooms

to those infected by the virus. In addition to travellers or infected patients, hotels provided accommodation to health workers who had to stay in these hotels for a given period. This was helpful for cash flow purposes.

## 7 USE OF SUPPORT MEASURES BY GOVERNMENT

Around 75% of hotel managers interviewed have applied for the wage assistance scheme provided by the Government to prevent the laying of workers. Under this initiative, hotels received support to continue paying their employees' salaries, mitigating the financial burden on both employers and workers. The wage assistance scheme helped in retaining workers and preventing massive job losses as well as maintaining the economic stability of the sector.

One participant stated that the *'Wage Assistance Scheme was a lifesaver not only for employees but also for the owner or else we would have closed down'*.

Another hotel manager from the coastal area emphasised that *'The Mauritian government provided financial relief to us and we were able to continue paying our employees' salaries, thus helping to mitigate the financial burden on the owner as well as the workers'*.

However, for the low-budget hotels, the wage assistance scheme was not helpful. They could not operate and it was difficult for them to sustain. For the low-budget hotels with a limited number of rooms, they had no choice but to reduce their workforce. They often operate with limited resources, and the variable nature of their operational costs, including rent, utilities, and maintenance, makes it difficult to keep all workers. Statements from the small hotels were as follows:

*'We had to resort to employee layoffs as it was impossible to sustain all payroll expenses as the operational costs exceeded the assistance provided by the Government'*.

*'Even with the government support, our business has encountered a substantial revenue decline that made it challenging to meet all salary obligations'*.

*'It was a difficult decision to reduce our workforce, seeing people we worked with several years leaving the hotel industry. I know some of them have set up their own business either in food, catering or entertainment. They are struggling but in the long term I believe they will succeed'*.

*'The closure of borders was too lengthy and we could not sustain that despite Government support, the pandemic's prolonged duration accompanied by the travel restrictions strained our resilience as small hotels. We could not keep pace as we are not financially stable as luxury hotels'*.

*'The absence of alternative financial resources or support beside the provision of the wage assistance scheme has caused many enterprises in the sector to layoff workers'*.

It is important to recognise that each low budget hotels' situation is unique, and the decision to lay off workers is influenced by a combination of financial, operational and strategic considerations. The complexities of managing a business during a prolonged crisis, coupled with the uncertainties surrounding the tourism industry, may have necessitated difficult decisions despite government support initiatives.

Other measures introduced by the Government were financial assistance provided to support businesses in restructuring, adapting to new market demands and investing in reskilling initiatives for their workforce. One participant suggested that *'Reskilling was crucial in enhancing the long-term sustainability and competitiveness of our activities. This was an important period for workers to learn about the new environment as we were never prepared for such a crisis'*.

To alleviate the financial pressure on hotels, the authorities introduced a lease payment deferral program. This initiative allowed businesses to defer lease payments temporarily, providing much-needed breathing space during a period of reduced revenue and operational challenges. The deferral measure was particularly important for the small budget and boutique hotels as they were facing important cash flow constraints. One hotel manager stated that *'This deferral measure ensured continued existence and eventual recovery as at some point in time our financial position was really in a bad state'*.

## 8 EXPLORING OPPORTUNITIES IN THE LOCAL MARKET

Another measure that hotels surveyed implemented was a reduction in the price of their service. Amid the challenges posed by the pandemic, a widely adopted measure by hotels was the implementation of a locally focused pricing strategy. Recognising that travel restrictions imposed on tourists will last for some time, many hotels chose to reduce their prices, making accommodations more accessible and attractive to local residents. Around 80% of hotels surveyed implemented discounted room rates exclusively for local residents. This initiative aimed to stimulate local tourism and foster community support during a period of reduced international travel. Beyond basic room rate reductions, 60% of hotels developed promotional packages tailored specifically for locals. These packages often included complimentary meals, spa treatments or recreational activities, further incentivising residents to choose their establishments for leisure or short getaways. Statements from hotels that provided these facilities can be summarised as follows:

*'When we incorporated spa treatments and wellness packages at discounted rates, we were able to attract more locals. There was a high interest and it positioned the establishment as a wellness destination, encouraging guests to indulge in relaxation'*.

*'Our hotel provided access to fitness facilities at a reduced rate, guided nature walks, water sports, or cultural experiences, enhancing the overall value proposition for guests'*.

*'We provided for family-friendly packages with complimentary meals for children, family-friendly activities, and spacious accommodations suitable for family stays'*.

However, not all hotels could provide such facilities. Small and low budget hotels were constrained in the ability to provide spa treatments for instance. However, they adopted other strategies. Small hotels comprising boutique establishments emphasised on personalised experiences. Some offered intimate settings, personalised service and unique touches that highlighted the charm of smaller accommodations. Others stated that they promote local culinary experiences. One hotel manager indicated that *'We partnered with nearby restaurants and local chefs to offer exclusive dining experiences, with special menus at discounted rates'*. Another participant shared that *'We designed wellness and fitness retreats which comprise of different packages linked to yoga sessions, the promotion of mental well-being focusing on stress management, reduction and meditation, amongst others'*. One of the hotel owners confirmed this strategy of providing an alternative package and in his case, *'The hotel offered nature and adventure retreats with activities like hiking and nature walks. This was an opportunity for visitors to discover the green side of Mauritius as well as its cultural and historical heritage'*. A similar strategy that focuses on nature was adopted by small and low-cost hotels. One interviewee indicated that *'We created promotional packages with guided visits to waterfalls, natural parks, forests and reservoirs, to name a few. Many young people*

were passionate about walking through the forests and engaged in various activities'. Many hotels have gradually been concentrating on a green and sustainable tourism strategy to attract locals.

Focusing on the local market was a survival strategy for many hotels in Mauritius and this was primarily achieved through different packages, whether linked to wellness and fitness or green tourism. Hotels have been committed to adapt to the new environment caused by the COVID-19 pandemic in order to keep their company financially operational, to ensure minimum layoffs of their workers and to gradually recover from the crisis situation. By adopting a local strategy, they have opened their doors to their activities at reasonable rates to Mauritians who would otherwise not have access to such facilities. They have also attempted to keep strong connections with the society, be it customers, workers or small businesses relying on the hotel industry.

## 9 DIGITAL TRANSFORMATION AND INNOVATION

Promoting digital transformation and innovation is crucial for both small and large hotels to enhance operational efficiency, improve guest experiences and stay competitive in the evolving hospitality landscape. Only around 25% of hotels surveyed have been able to innovate and invest in the latest technologies, while others have been struggling to adapt to this drive towards digital transformation. However, most hotels irrespective of size have invested in user-friendly booking platforms. The implementation of easy-to-use and mobile-responsive booking platforms has been effective in streamlining the reservation process. They have used their website for their marketing campaigns. One participant expressed that '*By leveraging social media, we successfully boosted bookings from local residents as well as foreigners*'. Social media is being used by all hotels surveyed to showcase the unique aspects of the hotel, share guest testimonials and run targeted advertising campaigns to increase visibility of the hotel and destination.

## 10 PREPAREDNESS AND BUILDING RESILIENCE TO FUTURE SHOCKS

During the interviews, stakeholders were also asked about their preparedness to current and future shocks, especially when there are multiple global crises happening simultaneously. All the hotel managers agree that they were never prepared for the pandemic or any of these shocks with compounding and systemic effects. There was unanimity among all hotel managers and owners interviewed that they were never prepared to such shocks and feel that in future there could be many more global crises with more profound consequences. There was a general sentiment that their current business model and practices need to be changed and adapted to these new stresses. They felt the need for a paradigm shift in managing risks, promoting preparedness and building resilience to future shocks, in particular external shocks by which small countries like Mauritius are highly affected. These shocks impact not only socio-economic development and activities, supply chains and production processes but also transportation and travel patterns. Risk mitigation and management strategies need to evolve with these new risks. For one participant, '*Resilience involves not only withstanding shocks but also adapting, evolving, and learning from crises to better prepare for future uncertainties*'.

Around 80% of the participants acknowledged that preparedness and resilience can only be possible through industry-wide collaboration. From the interviews, hotel managers highlight the need for greater cooperation and partnership within and across sectors, which will boost preparedness and resilience to multiple global crises. Their statements can be summarised as follows:

*‘There is a need for sharing the best practices, insights, and resources across the tourism industry in order to adopt a collective and more robust response to global crises’.*

*‘Building strong ties with the local community and collaborating with nearby businesses enhance a hotel’s resilience’.*

*‘Local partnerships, joint marketing initiatives, and community engagement efforts may contribute to a support network that can be crucial during crisis times’.*

*‘The hotel industry must advocate for government cooperation to establish frameworks that support preparedness and response to global crises. This could include collaboration on crisis communication strategies, and financial support mechanisms’.*

*‘Training programmes for hotel managers and staff on managing risks and global crises are important. Regular training programmes can help enhance skills in crisis management, adaptability, and strategic decision-making’.*

*‘Hotels may consider building financial reserves to weather prolonged periods of disruption. This can include establishing contingency funds and exploring financial instruments that provide flexibility during crises’.*

The collective acknowledgment of unpreparedness for the compounding and systemic effects of multiple global crises depicts the need for proactive planning within the hotel industry. Moving forward, a comprehensive and adaptive approach to risk management, resilience building and industry collaboration will be essential to navigate the uncertainties of the global multiple crises.

## 11 ENSURING SHORT- AND LONG-TERM RECOVERY

Recovery can only be achieved in uncertain times by adopting a comprehensive and holistic approach comprising of both short-term and long-term measures. The majority of hotel managers agree that there is a need to accelerate digital transformation initiatives at the level of their establishment. Both luxury and low budget hotels acknowledge the importance of enhancing online presence and enabling contactless services to improve the overall guest experience. Leveraging technology for targeted marketing, personalised communications and streamlined operations are keys in the recovery process. As discussed by the majority of participants, it is important for their marketing strategies to target both the local and regional markets. Having different packages, special offers for locals and partnerships with local businesses and communities can be revenue generating and can help in mitigating the impacts of crises. During the interviews, the following statements about adopting a comprehensive strategy were gathered:

*‘It is vital to adopt a two-pronged strategy that address not only immediate challenges but also ensure the basic foundation for prolonged resilience and sustainability’.*

*‘We should explore other possible revenue sources in order to ensure that we do not put all the eggs in one basket. To diversify our revenue streams, we will need to start hosting varied events, offering extended-stay choices to customers, foster greater partnership and collaboration with travel agencies, providing package services to tourists and this will necessitate again collaboration with other stakeholders in the sector’.*

*'By broadening the choices that we offer, we can target a wide spectrum of tourists with varied preferences'.*

*'Greater engagement with the authorities, industry associations and policy makers are needed to create greater synergy within the industry and as such design appropriate policies that craft a business friendly and supportive environment for the tourism industry'.*

*'Relative to small hotels, luxury ones are in a better position to invest and innovate through the application of the latest technologies like Artificial Intelligence and data analytics. These can be helpful to provide personalised guest experiences. Such tailored services help in creating a more memorable and individualised stay. This may however be difficult to implement for small and low budget hotels but they can gradually learn from them'.*

*'We must also embrace sustainable practices to attract environmentally conscious travellers and reduce long-term operational costs. These practices can range from recycling, composting system, waste segregation, energy-efficient technologies, use of locally sourced and organic materials for hotel amenities'.*

*'As hotels in a small island developing state, we need to work towards building climate resilience, ensuring the long-term viability of our operations, and contributing to broader efforts to address the impacts of climate change on vulnerable island communities'.*

From the discussion, it can be concluded that hotels can navigate the complexities of multiple global crises and position themselves for a robust recovery with a combination of policy measures at their level along with government support strategies. Risk management should form part of the development strategy of any country given that there are multiple global crises impacting simultaneously on different industries. The key lies in strategic planning, preparedness, adaptability, building resilience and transformative capacity that consider both the immediate and future needs of the industry in the midst of different shocks.

## 12 CONCLUSION

The paper investigates the diverse strategies adopted by both luxury and low-budget hotels in Mauritius to mitigate the profound impacts of the pandemic and other concurrent global crises. Across small islands, the tourism industry, and particularly the hotel sector, has been highly impacted by the pandemic and as such varied survival strategies have been implemented to prevent closure. For luxury hotels, digital transformation and technological innovation have played a key role in building resilience and mitigating the effects of the crisis. Large hotels have also fostered greater collaboration with the communities as well as other stakeholders in the industry to provide personalised services that meet different preferences. In contrast, low-budget hotels have centred their resilience and mitigated the adverse effects through a combination of cost-effective measures (either a reduction of their personnel or reduction in working hours) together with community-engagement approach. They have also relied on local marketing, using social media as a tool to attract locals through packages offering a mix of services in their small and cosy environment. The study highlights the ability of low-budget hotels in tailoring services to meet the evolving needs of the local market, emphasising their integral role in community support and economic resilience. Both large and low-budget hotels shared common threads in their strategies, such as a focus on sustainable practices and community engagement. Recognising the changing global landscape, the strategies identified may help the hotel industry to navigate through the uncertainties, foster resilience, and contribute to the recovery of the Mauritian tourism industry. The

adaptability demonstrated by hotels in Mauritius reflects not only their capacity to weather immediate crises but also their commitment to evolve in the midst of shocks.

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