

The Impact of the Covid-19 Pandemic on the Viennese Luxury Hotel Industry

Bachelor Thesis for Obtaining the Degree

Bachelor of Science in

International Management

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Vienna, 17th May 2021



Affidavit

I hereby affirm that this Bachelor's Thesis represents my own written work and that I have used no sources and aids other than those indicated. All passages quoted from publications or paraphrased from these sources are properly cited and attributed.

The thesis was not submitted in the same or in a substantially similar version, not even partially, to another examination board and was not published elsewhere.

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Abstract

The tourism and hospitality industry has continuously grown and became crucial in recent years. However, as Covid-19 was detected in China in December 2019, the industry was facing a significant threat. Within three months, the virus spread globally, nothing remained as it used to be, and public life seemed frozen. All around the world, tourism came to a complete standstill. Despite the fact that there is literature about the impacts of various crises on tourism and hospitality, as it is a very recent topic, there is no academic research about the actual impact of Covid-19 on the luxury hotel industry of Vienna. This thesis aims to determine how the Covid-19 pandemic impacted Viennese luxury hotels. Recovery strategies in the short- and long- term to overcome the crisis are uncovered. Lastly, what has been learned from the situation, which might be beneficial for the future, is presented. The solutions of the research are mainly intended to support general managers of luxury hotels to manage business during a crisis.

The results of this research are derived from primary and secondary sources of information. For primary research, a qualitative approach was selected, and five interviews with general managers of Viennese luxury hotels were conducted to receive detailed information about the impact of the pandemic on the industry. In order to get an overview of the topic and to acquire some background information, literature was used for secondary research.

The results of the thesis highlight that hotels were strongly impacted by the pandemic. Due to travel restrictions and closed borders, the industry was suffering. In order to overcome the crisis, costs were reevaluated and put to an absolute minimum. However, every crisis is also an opportunity, and hotels had to adapt their target markets based on countries, where people are allowed to travel. As tourism is really sensitive to issues concerning health and safety, numerous measures to prevent from any infections with the virus were implemented. Although experiences in crisis management can be valuable in handling future shocks, every crisis is different, and therefore, crisis preparation is just possible to a certain extent.



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1 Introduction

In this section, in the introduction, general information about the topic and the background of the thesis are presented. Furthermore, the purpose of the study and the research questions are provided. Moreover, the author explains the analytical approach, and the outline of the thesis is shown.

1.1 Background of the thesis

Every day, various crises, which are triggered by certain negative events, are occurring worldwide (Coombs, 1999; Gleasser, 2006). The roots of the catastrophes can either be the environment, wars, political or economic issues, terrorism, transport disasters, or diseases (Gleasser, 2006). Referring to crises in an organizational environment, the process of responding to such situations is called "Crisis Management". As no organization can be resistant to all types of crises, effective and innovative crisis management is crucial (Coombs, 1999).

Also, the tourism and hospitality industry has been threatened by various types of crises many times in the past (Pforr & Hosie, 2010). The history of this industry leads back to about 1800 B.C. (Barrows, Powers, & Reynolds, 2012). When cities in Europe experienced a cultural boost, people first got a sense for commerce in the fifteenth century, providing accommodation for travelers can be profitable (Barrows et al., 2012). The tourism and hospitality industry continued to develop really fast, and it became one of the most important industrial- sectors for the world's economy (World Travel and Tourism Council [WTTC], 2020a). This industry, directly and indirectly, accounted for 10,3% of the global GDP back in 2019. Furthermore, in the same year, 330 million people were working in the tourism and hospitality sector worldwide, roughly 1 in 10 jobs. In 2019, the global economy grew by 2,5%, whereas the tourism and hospitality industry grew at a rate of 3,5% (WTTC, 2020a). In Austria in 2019, 11,8% of the country's GDP and 12,5% of the total employment accounted for travel and tourism (World Travel and Tourism Council [WTTC], 2020b).

However, according to Gleasser (2006), the tourism and hospitality industry has been facing crises more regularly within the last years. The continuous growth trend of the industry was recently threatened by the sudden outbreak of Covid-19 end of



December 2019 in Wuhan, China (World Health Organization [WHO], 2020). As there were already cases reported from 114 countries, the WHO (2020) declared the outbreak of the disease as a pandemic on March 11th, 2020. All around the world, political authorities took actions in order to mitigate the spread of the virus (Bremmer, 2020). Social distancing and contact restrictions came into effect. Borders were closed, and heavily affected areas were put under quarantine in order to combat the virus (Bremmer, 2020). Consequently, disordered and uncertain travel conditions led to a catastrophe in the tourism and hospitality sector (Ugur & Akbiyin, 2020).

Focusing on Austria, on March 16th, 2020, a total lockdown came into effect, all shops and institutions except from basic supply were closed (Pollak, Kowarz, & Partheymüller, 2020a). The vast majority of air traffic was discontinued, the airport Vienna set its level of operations to an absolute minimum, social distancing and contract restrictions came into force. Public life came to a complete standstill. Since the outbreak of the virus in March 2020, the Austrian tourism and hospitality industry had to face many challenges (Pollak et al., 2020a). Lockdowns, restrictions about opening hours and seating capacity in restaurants and bars, and partial closures were measures set by the government to stop the spread of the virus (Pollak et al., 2020a). Consequently, the occupancy of Viennese hotels decreased. The average occupancy of hotels in Vienna decreased from 61,9% in 2019 to 22,3% in 2020 (Vienna Tourist Board, 2021).

1.2 Purpose of the study

As the pandemic changed public life in all areas worldwide, the author particularly wants to focus on Vienna's luxury hotel industry. The purpose of this thesis is to examine how the Covid-19 pandemic and governmental restrictions to minimize the spread of the virus have impacted the business of Viennese luxury hotels. Furthermore, it will be analyzed what actions were taken by hotels in order to mitigate the immediate impact of the crisis in the short- term, and how they are planning to recover in the long run. Additionally, the thesis highlights what Viennese hoteliers have learned from this particular scenario to be crisis- ready for possible future shocks.



As main destination for the research Vienna was selected, because it is of high interest for the author, as he is domiciled here and has already gained work experiences in the field of tourism and hospitality in this city. Due to the fact that the author is currently working in a five- star hotel in the city of Vienna, this particular niche market was selected. Moreover, this thesis is relevant for luxury hotels in Vienna, as data was received from interviewing general managers of those hotels. Furthermore, the researcher aims to support luxury establishments in finding ways to deal with the Covid-19 crisis and its impacts on business. The results of the research can be applied to most other luxury hotels around the world as well, as it is a global tourism and hospitality crisis. To a certain extent, the thesis can also be interesting for hotels of other categories, as they are also facing a lack of customers due to the travel and contact regulations.

Below- mentioned research questions must be answered in order to fulfill the aim of the thesis:

- How has the Covid-19 pandemic impacted Viennese luxury hotel industry?
- What are the recovery strategies used by hotels in order to overcome the impacts of the Covid-19 pandemic?
- What are the lessons learned from the current crisis which may be applicable in managing potential future crises?

1.3 Analytical approach

In order to get a better understanding of the topic, information based on existing literature will be provided. In the first section, crises in general and crisis management will be examined. Herein, the author will particularly focus on crises in the tourism and hospitality industry. In the next part of this section, information about Covid-19 will be provided. A detailed definition of the virus and its background will be shown, and the pandemic situation in Austria will be analyzed chronologically. Lastly, the third part focuses on the hospitality industry. The history of lodging, an overview of luxury hotels, and an analysis of the Viennese hotel market will be part of this section. Additionally, the impact of the pandemic in terms of occupancy of hotels will be highlighted.



To achieve primary research, interviews with general managers of various Viennese luxury hotels will be conducted. When analyzing the interviews, it will be shown if all hotels were equally affected by the outbreak of the crisis. Furthermore, various measures taken by hotels to fight the pandemic will be analyzed and compared. Lastly, "lessons learned" from the pandemic will be discussed, and it will be projected if the existing literature about crisis management is in line with what actually happened in the situation of the pandemic.

1.4 Outline of the thesis

The thesis consists of the following five chapters: Introduction, literature review, methodology, findings and discussion, and conclusion and recommendations.

In the introduction, a general overview of the topic and the background of the research will be provided. Furthermore, the purpose of the study, including the three research questions, will be presented. Moreover, the author will explain the analytical approach of the study. The second part of the thesis, the literature review, is separated into three main topics: Crisis and crisis management, Covid-19, and hospitality industry. In the first part, a detailed definition of crisis in a historical context as well as what it means nowadays will be provided. Various types of crises and crises in an organizational environment will be shown. Additionally, characteristics and processes of crisis management will be highlighted. Lastly, the author will provide information about crisis in tourism and hospitality industry. In the second part, the author will provide a detailed explanation of Covid-19 and its background. Furthermore, a chronological analysis of the outbreak of the virus in Austria will be shown. In the last part of the literature review, the term hospitality will be defined, and unique characteristics of the industry will be highlighted. Moreover, important historical aspects will be shown, and the luxury hotel industry will be analyzed. Lastly, the author will provide detailed information about the Viennese hotel market, and the impact of the Covid-19 pandemic on the hotel market in Vienna will be highlighted. The next section of the thesis, methodology, information about the qualitative research approach and an introduction to interviews for the data collection process will be provided. Furthermore, the development of the interview questions and the interview itself will be explained. Additionally, the process of collecting and analyzing data will be highlighted. The results of the interviews conducted with hotel



managers can be found in the fourth chapter of the thesis, findings and discussion. Herein, the answers of the managers will be compared and analyzed, the research questions will be answered, and findings are put into context with literature. In the last section, conclusion and recommendations, the author will summarize the findings of the research, practical implications and limitations will be shown, and the author will provide recommendations to hotel managers.



2 Literature Review

In this section of the thesis, crisis and crisis management in general, as well as in the tourism and hospitality industry, are explained. Moreover, a definition of Covid-19, the background of the pandemic, and a chronological analysis of the situation in Austria are provided. In the last part of the literature review, characteristics of the hospitality industry are shown, the Viennese hotel market is analyzed, and the impact of the pandemic on the domestic hotel market is highlighted.

2.1 Crises and crisis management

2.1.1 Definition crisis

The word crisis originates from the Greek word "krisis", which stands for decision or differentiation (Glaesser, 2006). In jurisprudence, this expression was mostly used to present the contrast between fair and unfair. People in theology used the word "krisis" to characterize the segregation between salvation and damnation. The term was also used in a medical sense, to describe an interruption in the process of development. In the nineteenth century, the word crisis was commonly used among the population, and people already began to argue because of the high frequent usage of the term (Glaesser, 2006). Glaesser (2006) declared that, "various scientific findings can be classed as either referring to persons/institutions or as contributions to the individual/collective model depending on their focal points" (p. 12). The human being is related to the individual model. Hereby, a crisis is recognized as an aggravation of the actual situation, which can consequence, in the worst case, the death of the individual. The collective models are referred to social systems, which are said to be a crisis under particular circumstances. Here a crisis is defined as a perilous situation in which a serious decision must be worked out very timely. To conclude, Glaesser (2006) defined the term crisis as "an undesired, extraordinary, often unexpected and timely limited process with ambivalent development possibilities" (p. 12). Another definition suggests, "A crisis is an abnormal situation which presents some extraordinary, high risk to business and which will develop into a business unless carefully managed" (Shaluf, Ahmadun & Mat Said, 2003, p. 29). Furthermore, Dutton (1986) claimed the term crisis is mainly referred to a threat or an adversative context. "Crisis implies a perception that an individual or set of individuals faces a potentially negative outcome



unless some type of corrective action is taken." (Dutton, 1986, p. 502). However, summarizing all definitions, it is agreed that a crisis is an exceptional situation, which can be described as a threat. Unless there are no actions taken to combat the crisis, the situation potentially becomes worse.

Referring to crisis in an organizational environment, the term can be described as follows: "An organizational crisis is a low-probability, high- impact event that threatens the viability of the organization and is characterized by ambiguity of cause, effect and means or resolution, as well as by the belief that decisions must be made swiftly." (Pearson & Clair, 1998, p. 60).

Parson (1996) defines the following three types of crises:

- Immediate crises: This is the most common type of crisis. There is almost no signal of warning regarding the upcoming threat. Furthermore, there is no opportunity to prepare for the potential problem.
- Emerging crises: An emerging crisis can potentially be foreseen and typically appears in a slow pace. There is a chance for an organization to mitigate the impact or even stop crisis.
- Sustained crises. This type of crisis maintains for several weeks or months and can last for years.

(Parson, 1996)

	Time Pressure	<u>Intense</u>		Minimal	
Threat Level	Degree of Control Response Options	Low	<u>High</u>	<u>Low</u>	<u>High</u>
Low	Many	(4) Level 2	(3) Level 1	(2) Level 1	(1) Level 0
	Few	(8) Level 3	(7) Level 2	(6) Level 2	(5) Level 1
High	Many	(12) Level 3	(11) Level 2	(10) Level 2	(9) Level 1
	Few	(16) Level 4	(15) Level 3	(14) Level 3	(13) Level 2

Table 1 Crisis classification matrix (Source: Burnett, 1998, p. 483)



Burnett (1998) argues that the crisis classification matrix is a valuable tool because it breaks down complex structures and facilitates the process of organizing information. Herby, a sixteen- cell matrix based on threat level, response option, time pressure and degree of control helps to categorize upcoming problems. The most dangerous situation is "Level 4", where there is intense time pressure, a low level of control, a high threat and, a small number of options to respond to the issue (Burnett, 1998).

2.1.2 Crisis management

Day by day, crises are happening worldwide (Coombs, 1999). May the trigger of the crisis be a terrorist attack, an infectious disease, or a natural disaster, history has shown that no organization is resistant to certain types of crises (Coombs, 1999; Roux-Dufort, 2007). Therefore, effective crisis management is crucial to every organization (Coombs, 1999).

Glaesser (2006) claims that crisis management refers to responding to an upcoming problem as quickly as possible to overcome the threat and mitigate the consequences. It is crucial to take control over the progress and the outcome of the crisis. Human and financial resources are made available to fight the threatening situation (Glaesser, 2006). Coombs (1999) defines crisis management as "a set of factors designed to combat crises and to lessen the actual damage inflicted" (p. 21). Another definition suggests, "Organizational crisis management is a systematic attempt by organizational members with external stakeholders to avert crises or to effectively manage those that do occur." (Pearson & Clair, 1998, p. 61). It can be concluded that effective crisis management relies on immediate corrective actions to keep potential damages on a minimum level and overcome the situation.

Effective crisis management requires several factors and limitations to factors, which need to be taken into consideration to combat a crisis successfully. Therefore, Burnett (1998) invented a model of strategic considerations in crisis management (Figure 1). The inner circle of the model consists of the following six tasks, which are crucial for successful crisis management: "Goal formulation, environmental analysis, strategy formulations, strategy evaluation, strategy implementation, and strategic control" (Burnett, 1998, p. 480). Those six tasks can be put into the three categories of identification, confrontation, and reconfiguration. The step of identification consists



of the formulation of goals and analysis of the environment. This stage serves as preparation for the crisis (Burnett, 1998). The next stage, confrontation, contains strategy formulation and strategy evaluation. At this stage, the organisation is in the middle of the crisis (Burnett, 1998). The last stage, reconfiguration, involves strategy implementation and strategic control. At this stage, the effectiveness of the corrective measures is assessed (Burnett, 1998). Unfortunately, as a crisis is an extraordinary, exceptional situation, there are certain limitations to the tasks, which are represented on the outer circle of the model. An upcoming crisis normally needs an immediate, direct response. Therefore all corrective actions are taken under extreme time pressure. This pressure might limit the process of finding proper measures to combat the situation (Burnett, 1998). Furthermore, another factor of limitation is the level of control. If no preventive measures were taken, the organization might suffer from a loss of control over the situation (Burnett, 1998). Also, concerns about the level of the threat can influence the crisis management process. As all strategies have to be adapted to the current level of threat, constantly varying severity of crises lead to huge challenges in crisis management (Burnett, 1998). Lastly, response option constraints can influence the process of combating a crisis (Burnett, 1998).

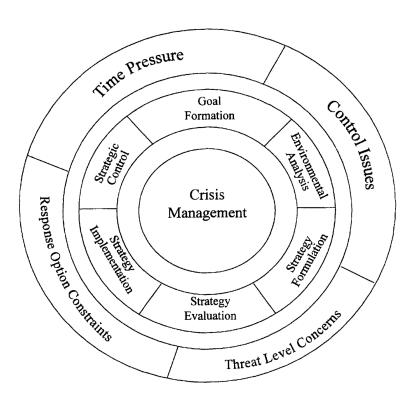


Figure 1 Strategic considerations when managing crises (Source: Burnett, 1998, p. 481)



In order to take proper corrective actions at the right time, it is crucial to understand the life cycle of each crisis. Herrero and Pratt (2009) suggest setting the lifetime of any crisis into the context of a biological model. Similar to any individual, all crises surpass the stages of birth, growth, maturity, and decline or death (Figure 2). This model was invented in order to react before the crisis reaches the next level of its life- cycle. Furthermore, it can be helpful to anticipate potential further outcomes (Herrero & Pratt, 2009). It can be avoided that a crisis reaches the next stage or is even born by taking corrective actions. Additionally, timely interventive measures can influence the intensity of a certain issue and slow down the crisis's pace until it might reach the next stage (Herrero & Pratt, 2009).

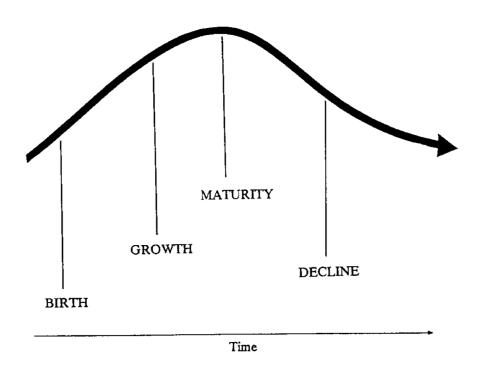


Figure 2 Crisis life- cycle (Source: Herrero & Pratt, 2009, p. 87)

Additionally, another model which characterizes the life- cycle of crises, including measures to combat the situation, was analyzed by Coombs (1999) and is called the three- stage approach. According to Coombs (1999) it consists of the following three phases: Precrisis, crisis event, and postcrisis.

Precrisis

The precrisis phase contains three substages: "Signal detection, prevention and crisis preparation" (Coombs, 1999, p. 27). Referring to signal detection, it can be said,



identifying warning signals and reacting quickly is crucial for keeping damages at a low level (Coombs, 1999). Once a warning sign appears, preventive measures have to be introduced instantly to bring the situation under control. The idea of crisis preparations refers to the desire of being ready for crises every time. Hereby, vulnerabilities are identified, and solutions to potential problems are prepared (Coombs, 1999). Also, Glaesser (2006) argues that various strategic actions make it possible to facilitate the process of preventive crisis management. Herby, the aim is to limit the pace at which negative events are occurring and its effects. According to Glaesser (2006), the following steps are available in preventive crisis management:

- Diversification: A company should distribute and balance its activities and sources of profit in order to keep threats and potential consequences of negative events at a low level. Assuming that one domain of business is affected by a crisis, there are still other sources to create revenue for a company.
- Transfer: Herby, risks of a potential negative event are already passed on to another economic subject in advance. Threats can either be transferred internally or externally to another independent institution.
- Cooperation: Forming a cooperation can be beneficial in order to balance the degree of risk equally among members and help each other.
- Insurance: Herby, the insurer will compensate the policyholder for the effects
 of certain threats. A regular fee has to be paid to the insurer to receive those
 benefits. This process is considered as a special type of transferring threats.
- Self- bearing: In order to be independent, a company can create additional security by available liquid reserves.

(Glaesser, 2006)

Additionally, Ritchie (2009) argues that in terms of preparing for potential crises, it is crucial to screen the internal and external environment to be able to forecast certain threats. Hereby, it is important to identify potential signs which could turn into crises. Moreover, risks should be properly examined in order to be aware of consequences and impacts. Contingency plans have to be elaborated in advance to react quickly to certain issues (Ritchie, 2009).



Faulkner (2001) states that effective crisis and disaster management plans include the following parts:

• Coordinated team approach:

A preexisting team should be able to work and communicate with other partners and stakeholders. The team's goal is to coordinate information from other emergency teams to get the difficult situation under control as soon as possible.

Consultation:

Communication and consultation are crucial factors in combating a crisis. Therefore, passing information on to all participants is very important. The entire community should be integrated into the decision- making process.

Commitment:

A successful plan is based on the commitment of all parties. Everyone should be actively involved.

(Faulkner, 2001)

Furthermore, the following components should also be included in a well-elaborated crisis and disaster management plan: "Risk assessment, protocols, prioritization, community capabilities audit, media and monitoring activities, disaster management command center, flexibility, warning systems, and involvement, education and review" (Faulkner, 2001, pp. 145-146). Concludingly, Faulkner (2001) developed a framework for tourism crisis and disaster strategies which present the results of his research and can be applied to all kinds of crises. Faulkner (2001) states, that good work pays off and well elaborated emergency plans can potentially avoid and mitigate the effects of crises.

Crisis event

The next stage, crisis event, is considered to start when the actual crisis begins and ends when the situation is finally over. It involves the following substages: Crisis recognition and crisis containment. Hereby, every crisis starts with a particular trigger event (Coombs, 1999). Glaesser (2006) defines the trigger, also called negative event, as "all incidents pertaining to the organization's environment, which can cause lasting



damage from the perspective of the concerned organization" (p. 16). A negative event is a particular circumstance, which leads from a safe situation to a critical and uncertain situation. So, one certain incident can negatively impact the competitive advantage or objectives of the enterprise (Glaesser, 2006). Glaesser (2006) claims that that there are following types of negative events which can lead to a crisis:

- "Environment
- Wars, Riots
- Political, economic
- Transport
- Terrorism, Delinquency
- Diseases, Epidemics"

(p. 16)

Firstly, in order to combat the crisis, it is vital to recognize and identify the trigger of the crisis to find a proper way to respond. Once a trigger is detected and the threat is made visible, crisis managers will create a crisis frame for top level-managers, which should help to recognize the existence of an impending crisis (Coombs, 1999). The following factors are crucial for the development of such a frame: "Crisis dimension, the expertise of the dominant coalition, and the persuasiveness of the presentation" (Coombs, 1999, p. 137).

Essential factors in determining the crisis dimension are the perceived salience, immediacy, and uncertainty. Perceived salience refers to the evaluation of the impact of the crisis on the organization, potential damages, and the likelihood for the threat to take place (Coombs, 1999). Furthermore, immediacy is related to the urgency of taking corrective measures. It is based on how fast the crisis is approaching and the degree of pressure coming from stakeholders to respond to the situation (Coombs, 1999). Lastly, uncertainty is referred to the degree of ambivalence related to the issue. Uncertainty needs to be limited to a minimum level. Concerns with low uncertainty usually don't necessarily become a crisis, while high uncertainty problems have the potential to turn out as serious problems (Coombs, 1999).

When developing a crisis frame, it is imperative to tailor this frame based on the expertise of the dominant coalition. Different types of managers have different areas of expertise, areas where they can handle critical situations successfully. Therefore,



managers will be more likely to find proper solutions to a problem if the issue is suited to their area of interest (Coombs, 1999).

Lastly, the persuasiveness of the presentation of the problem to the top-level management is of high importance for any further steps. Crisis managers want to convince the coalition by using three factors: Credibility, emotions, and reasons (Coombs, 1999). Credibility consists of a high degree of expertise in a specific area and trustworthiness. Furthermore, when presenting the issue to the dominant coalition, emotions play an important role. Therefore, the issue should be highlighted in a dramatic way to catch the attention of the audience. Last but not least, the dominant coalition can be convinced by simple reasons why a problem might turn into a crisis. Facts and evidence pointing out the danger of an issue can be the key to success (Coombs, 1999).

After the crisis frame was developed and successfully presented to the dominant coalition, corrective actions need to be taken as soon as possible. The goal of crisis containment is to keep the affected area as tiny as possible and maintain the crisis's duration on the smallest possible level (Coombs, 1999). Information and knowledge about the extraordinary situation need to be gathered as fast as possible. Furthermore, Coombs (1999) claims that communication in the first hour after the crisis has hit the organization is of really high importance. Internal and external stakeholders need to be informed about the current circumstances in a transparent and clear way. In the middle of the crisis, it is crucial to keep the public updated about the recovery process (Coombs, 1999).

Postcrisis

At the stage of postcrisis, further steps have to be elaborated in order to leave the crisis situation behind. Firstly, it is crucial to make sure whether the crisis is actually over or there is still more to come (Coombs, 1999). Afterwards, it is important to evaluate the effectivity of certain measures taken to combat the crisis, to be prepared for upcoming issues. Hereby, all corrective action taken have to be analyzed. Such an evaluation might be time- consuming and might focus on weak areas of the overall performance, but in the end, it pays off. Crisis management actions should be assessed towards the impression of all stakeholders as well in order to see the big



picture (Coombs, 1999). Also, it is crucial to keep everyone involved in an organization updated about the current circumstances (Coombs, 1999).

2.1.3 Crises in tourism and hospitality

Crises are definitely not something new in the world of tourism and hospitality (Pforr & Hosie, 2010). However, Glaesser (2006) claims, there has been a significant increase in the appearance of crises in this industry in recent years. All around the world, many negative events are occurring, which are threatening the striving tourism and hospitality industry and can trigger a crisis (Glaesser, 2006). Blake and Sinclair (2003) state that the demand for tourism is especially sensitive to issues concerning security and health. Also, Cavlek (2002) argues that the attributes of security, peace, and safety are the most important factors influencing the growth of the tourism industry.

Cavlek (2002) claims that crises in tourism can have either a negative or a positive spillover effect to other regions. So, some areas might be positively influenced by another region, which is suffering from a crisis. For example, after the terrorist attack of 9/11, global air travel declined. Some states in the US, which are not reliant on air travel, experienced an increase in the number of tourists due to travelers being afraid of going on vacation by plane (Ritchie, Crotts, Zehrer, & Volsky, 2014). Contrary, the war in Kosovo negatively influenced international tourism in large parts of Europe and the Adriatic coast. During and after the war, there was a decline in tourists arriving in Vienna, Budapest, and Prague, and in general in Eastern and Southeastern Europe (Cavlek, 2002).

In order to provide a guiding hand for effectively combating a crisis, Faulkner (2001) developed a specific framework for tourism disaster/crisis management, which is presented in Table 2. The model consists of six different stages: "Pre- event, prodromal, emergency, intermediate, long- term recovery, and resolution" (Faulkner, 2001, p. 144). The pre- event phase is the stage where particular corrective measures can be taken to avoid the crisis or at least lessen its effects. Prodromal is referred to the moment, where the upcoming crisis is recognized and not preventable anymore. In the emergency phase, the crisis is noticeable and hits its environment full force. Responsive actions have to be taken immediately. The intermediate stage is where the crisis is slowly diminishing. Life goes back to normality. The long-term recovery



stage is similar to the previous phase but focuses on a longer duration. Finally, the last stage, resolution, is where the crisis is totally left behind, and the routine is reestablished (Faulkner, 2001). Corresponding to each stage, there are ways to respond provided: "Precursors, mobilisation, action, recovery, reconstruction and reassessment, and review" (Faulkner, 2001, p. 144). As precursors, Faulkner (2001) suggests establishing a disaster management team and communication strategies and informing all stakeholders. Moreover, mobilization refers to creating a crisis command base and protecting whatever is possible. As action, Faulkner (2001) proposes to provide rescue and evacuation services and constantly monitor the situation. Communication can play a crucial role. Recovery is related to analyzing the damages, rebuilding, and developing a media communication strategy. Reconstruction and reassessment activities are similar to what should be done as recovery but focus on an extended timeframe. Finally, review refers to analyzing and evaluating the crisis (Faulkner, 2001). Afterward, abovementioned response options are then categorized into risk assessment or disaster contingency plans, based on their principal elements.

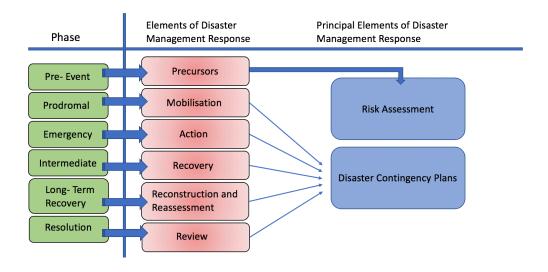


Table 2 Faulkner's disaster management framework (Faulkner, 2001)

As this thesis focuses on a crisis which was caused by an infectious disease, the SARS-crisis in East Asia in the early 2000s can be easily compared to the situation regarding Covid-19. Kim, Chun, & Lee (2005) revealed in their case study the effects of the SARS-virus on six five- star hotels in Korea. Although Korea was not directly affected by the health crisis, the number of tourists declined by a large amount. Moreover, the researchers highlighted certain measures taken to combat the crisis (Kim et al., 2005). Speaking about containment of the crisis, the hotels tried to cut down their operating



costs to a minimum. In order not to fire employees, workers were asked to take unpaid leave. One out of six hotels introduced measures to reduce the risk of an infection with the virus (Kim et al., 2005). Furthermore, concerning marketing, discount packages were offered to customers, and strong marketing campaigns involving airlines and travel agencies were introduced. Hereby, the hotels focused mainly on the domestic market (Kim et al., 2005). When the WHO announced the crisis would be over, many hotels provided discount packages. Consequently, the occupancy rate of the hotels increased to a similar level as before the crisis. After evaluating the crisis, all hotels claimed that they will definitely be better prepared for potential future crises (Kim et al., 2005).

Additionally, in their research, where nine hotels were analyzed how they were dealing with the virus, Henderson and Ng (2004) highlighted the consequences of SARS for hotels in Singapore in their research. The researchers developed a guideline for fighting and surviving the virus in the hotel industry based on Faulkner's framework (Table 3) (Henderson & Ng, 2004). Henderson and Ng (2004) revealed that there was almost no time for preparations and the pre- event and prodromal phase was very short due to the really sudden outbreak of the crisis. Although some hotels were in possession of an emergency plan, managers were forced to react instinctively to the impending crisis (Henderson & Ng, 2004). Regarding staff, no hotel reduced permanent workers, most hotels resigned their employees working on contract base, and all hotels sent their workers to unpaid vacation. In order to benefit from the crisis somehow, one hotel closed temporarily for renovation work and six hotels sent their employees to trainings and courses, in order to upgrade their skills (Henderson & Ng, 2004). When almost no foreign tourists were coming to Singapore during the crisis, the hotels mainly focused on the domestic market, encouraging local people to spend their holidays in Singapore. Moreover, several measures in order to guarantee high health- and hygiene- standards were taken (Henderson & Ng, 2004). In the phase of recovery, all hotels maintained their anti- SARS proceedings. In terms of marketing, most hotels increased their marketing activities to attract more customers. Therefore, some hotels collaborated with travel agencies or airlines. However, just two out of nine hotels continued focusing on the domestic market. When the crisis was faded, most hotels felt more confident in dealing with potential future crises (Henderson & Ng, 2004).



Stage of crisis	Actions			
Pre-event	Appointment of a crisis team manager who will be in charge of environmental scanning, identifying and assessing the risk of potential disasters or threats Establishment of a crisis management team and allocation of specific responsibilities and duties to relevant individuals Brainstorming on possible scenarios and preparation of contingency crisis management plans Assessment of capability to cope with the impacts of crisis Development and documentation of crisis management strategies, which are aligned to overall mission and objectives Identification of relevant external agencies and ascertainment of desired and likely level of cooperation in times of crisis Determination of procedures for the procurement and allocation of necessary resources Communication of the crisis management plans to all levels of employees, making sure that individuals are certain of their roles in the event of a crisis Development of a corporate culture of crisis awareness and preparedness			
	Establishment of media communication strategies and management policies to be used at all times			
Prodromal	Establishment of crisis management command centre Activation of selected procedures Raising of level of preparedness across the organisation Determination of primary objectives in the management of the crisis so as to focus the direction of all actions to be taken Review and revision of marketing			
Emergency	Assurance of the safety and well-being of guests and staff Protection of property Commencement of evacuation procedures if necessary Activation of emergency services Introduction of health screening of staff and guests Intensification of existing routines of cleaning and disinfecting Contacting of partners and implementation of systems of cooperation Adherence to official directives Maintenance of open communication channels to reassure guests and employees Employment of media communications strategy Monitoring of marketing activity Application for official aid if appropriate			
Intermediate	** *			
Recovery	Full restoration of normal business operations Improvement of facilities and customer service Conducting of extensive advertising and promotional campaigns Entering into cooperative and collaborative initiatives			
Resolution Closure of crisis management command centre and debriefing of all parties involonmanaging the crisis Collation of feedback from all parties Review and enhancement of crisis management strategy, gathering knowledge free lessons learnt and applying it				

Table 3 Guideline for hotels fighting the consequences of a crisis of infection disease (Source: Henderson & Ng, 2004, p. 417)



2.2 Covid-19

End of 2019, a novel coronavirus was detected, which raised much attention worldwide (Wang, Horby, Hayden, & Gao, 2020). For the third time in recent decades, a zoonotic coronavirus jumped from animals to infect the human population, the virus crossed species (Perlman, 2020). The novel disease had never been discovered before in relation to humans and was temporarily named "2019-nCoV" (WHO, 2020). Some weeks later, the WHO renamed the illness to Coronavirus Disease 2019, common abbreviation Covid-19 (Center for Disease Control and Prevention [CDC], 2020).

In total, there have been discovered six types of coronaviruses that are linked to causing human diseases (Zhu et al., 2020). Four of those six viruses can lead to symptoms of a usual cold for immunodeficient people. The two remaining types of coronaviruses, SARS- CoV, and MERS- CoV, are both zoonotic and can cause more severe illnesses. SARS- CoV stands for "Severe Acute Respiratory Syndrome Coronavirus" and caused disease outbreaks in Guangdong Province, in China, back in 2002 and 2003. MERS- CoV is an abbreviation and means "Middle East Respiratory Syndrome Coronavirus", which lead to many infections in the Middle East in 2012 (Zhu et al., 2020). The novel Covid-19 is very closely related to the abovementioned pathogenic human respiratory coronaviruses. After the novel virus was inspected, the results showed that it is around 75% to 80% equivalent to SARS- CoV and is even more similar to various bat coronaviruses (Perlman, 2020). The virus can also lead to serious respiratory diseases, and especially older adults, and people with poor medical conditions or pre- existing- illnesses are in danger of suffering from serious illnesses (CDC, 2020; Perlman, 2020; Guan et al., 2020). The most common symptoms after the outbreak of the disease are fatigue, cough, fever, and dyspnoea. Less frequent symptoms are headaches, diarrhea, and sputum haemoptysis (Huang et al., 2020).

It is highly relevant to figure out the extent of transmissions between humans and the possibility of experiencing severe symptoms when being infected (Perlman, 2020). Researchers claimed that superspreading events were mainly responsible for the transmission of SARS- CoV and MERS- CoV. The relevance of superspreading events for the transmission of Covid-19 has not been discovered yet (Perlman, 2020). Both former viruses had in common that they infected the lower airways, intrapulmonary epithelial cells, more heavily than the upper airways. Concludingly it can be said,



infected people with recognizable symptoms were more likely to transmit the virus than people without any signs. As the novel Covid-19 and SARS- CoV are very similar to each other, it is expected that the way of transmission is also rather identical (Perlman, 2020). Furthermore, Perlman (2020) states that during the SARS- CoV epidemic from 2002 to 2004 the virus mutated and adapted to the human body. Due to the identical structure, it is also expected for Covid-19 to accept the human host. Consequently, it is highly important to determine the level of mutation of the virus to find a proper way to deal with it. Moreover, Perlman (2020) argues, the precise zoonotic origin of the virus has to be determined too. As Covid-19 is rather similar to other bat coronaviruses, bats are expected to be the origin of the virus. The transmission of SARS- CoV to humans took place via exotic animals. In the case of MERS- CoV, camels passed the virus on to infect the human population. It is expected, in both cases, bats were the origin of the diseases (Perlman, 2020).

Due to the high frequency and the broad distribution of coronaviruses, the big genetic variance the continual recombination of genomes and growing human-animal connectiveness, it is likely, that novel coronaviruses will cross species more often and infect the human population (Zhu et al., 2020).

2.2.1 Background of the Covid-19 pandemic

On the 31st of December 2019, a cluster of cases of pneumonia with an unknown background in Wuhan, China, was reported to the WHO (WHO, 2020). A prompt investigation was carried out by Chinese health authorities in order to identify the virus and get it under control. Infected people were isolated and monitored. Epidemiological data and clinical information were collected, the development of the diagnostic and the procedure of the treatment was identified (Wang et al., 2020). Although the exact origin of the outbreak of the virus is still not clear, strong evidence shows that the Huanan Seafood Wholesale Market in Wuhan could be the starting point of the pandemic (Li et al., 2020). Moreover, on January 7th, the virus was finally identified and temporarily called "2019-nCoV" (WHO, 2020). On January 9th, Chinese authorities reported the first death from diseases caused by 2019-nCoV. It was a 61-year- old man, who went shopping at the abovementioned wet market (Burki, 2020). As of January 20th, the first cases from outside of China were reported (Taylor, 2020). The virus was spread very fast, and in China, another cluster of health care worker



caring for people suffering from 2019-nCoV appeared. This proved the rapid transmission of the virus among humans (Taylor, 2020). By January 23rd, Wuhan, where the virus originated from, was cut off by Chinese authorities. A total lockdown in Wuhan was the consequence of rising numbers of cases of the virus. The name of 2019-nCoV was replaced by Covid-19 by the WHO on February 11th (Taylor, 2020).

Lescure et al. (2020) highlighted the first five cases of people infected with Covid-19 in Europe. Patient 1 was tested positive for Covid-19 on January 24th. It was a 31-yearold man domiciled in Wuhan who came to France as a tourist. The man went to a hospital in Wuhan on January 16th and firstly experienced symptoms of a cold on January 19th. Due to severe symptoms, the patient was transferred to an intensive care unit. The man was finally declared healthy on February 12th (Lescure et al., 2020). Patient 2 traveled back from China to France on January 22nd. The 48- year- old Chinese man, who was living in France, came back from a business trip to Shanghai, where he went for three days to Wuhan as well. The patient was diagnosed on January 24th, and since the man suffered from high fever, he was moved to intensive care unit. On February 24th, the Chinese man was recovered entirely and discharged (Lescure et al., 2020). Patient 3 was a Chinese tourist from the province Hubei. He was 80 years old, and his state of health was considered critical when he was diagnosed on January 28th. He was transferred to intensive care unit where he could not recover from the virus for more than three weeks until die patient died on February 14th (Lescure et al., 2020). Patient 4, the wife of patient 1, a 30- year- old woman from China, was also tested positive for Covid-19 on January 24th. The woman solely experienced mild symptoms and was discharged on February 11th. Patient 5, the daughter of Patient 3, a 46- year- old woman from China, was diagnosed on January 29th and had no severe symptoms. The woman was already asymptomatic eight days after being tested positive for Covid-19 (Lescure et al., 2020).

A little later, on February 23rd, Covid-19 arrived in Italy and caused the first major outbreak of the virus in Europe (Taylor, 2020). Many clusters of cases were reported from near Milan. As a consequence, schools shut down and public events were canceled (Taylor, 2020). On March 11th the WHO declared the outbreak of the virus as a pandemic (WHO, 2020). Italy became the epicenter of the pandemic in Europe,



as on March 20th domestic authorities reported the second largest number of people infected with Covid-19 after China (Saglietto, D'Ascenzo, Zoccai, & De Ferrari, 2020).

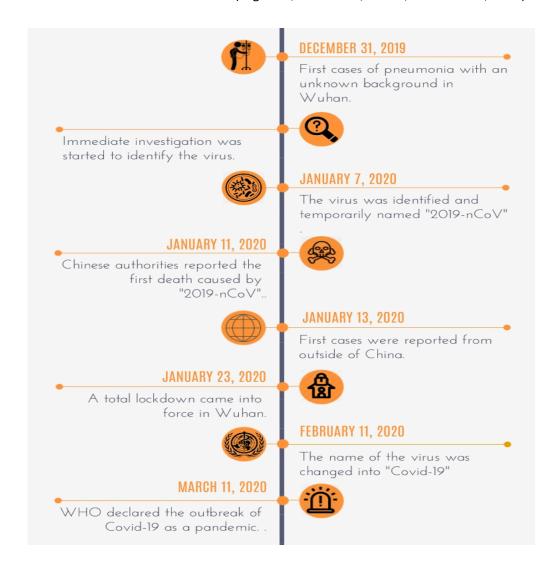


Figure 3 Outbreak of Covid-19 pandemic (Source: WHO, 2020; Taylor, 2020)

2.2.2 Covid-19 in Austria- The early beginning

The very first case of Covid-19 on Austrian soil was a 33- years- old woman from Germany, who stayed at a Hotel at Kühtai in Tyrol from 24th to January 26th, 2020 (Kreidl et al., 2020). She firstly experienced acute respiratory symptoms on January 24th and returned for medical treatments to Germany, where the diagnosis of Covid-19 was proven by a PCR test on January 28th (Böhmer et al., 2020; Kreidl et al., 2020). According to the European Center for Disease Prevention and Control this case belonged to Germany (Kreidl et al., 2020).



As of February 25th, two new cases, an Italian couple working in Innsbruck, infected with Covid-19 were firstly reported from Austria (Pollak et al., 2020a; Kreidl et al., 2020). Public health authorities decided to keep calm, avoid scaremongering and promote the message of standing together (Pollak et al., 2020a). Two days later, February 27th, three Austrian residents were firstly tested positive for Covid-19 in Vienna (Kreidl et al., 2020).

In the following days, the virus was mainly spread in the western area of the country (Pollak et al., 2020a). Due to the fact that travelers from Iceland returned infected by the virus, health authorities from Iceland declared Austria as an area of high risk regarding Covid-19 on February 29th (Kreidl et al., 2020). The day after, health checks were introduced on the Austrian-Italian border (Pollak et al., 2020a). Ischgl in Tyrol turned out the be the hotspot of Covid-19 infection, as there were 145 cases between March 7th and March 17th reported from that place (Kreidl et al., 2020).

From March 10th on, the Austrian government announced day by day new regulations in order to minimize the spread of the virus (Pollak et al., 2020a). Public events were canceled, and social distancing came into effect. Also, universities and schools were forced to close down by the government (Pollak et al., 2020a). On March 12th, Austria reported the first death caused by Covid-19. It was a 69- years- old man, who returned from a cruise ship vacation in Italy. He firstly experienced symptoms on March 1st and was tested positive for Covid-19 on March 3rd by the Institute for Medical Microbiology Vienna of the Austrian Agency for Health and Food Safety (Kreidl et al., 2020).

As Austrians Minister of Health Rudolf Anschober and Chancellor Sebastian Kurz announced further regulation on March 13th, hoarding and panic buying were the consequence (Pollak et al., 2020a). Also, some areas in western Austria were put under quarantine for 14 days in order to slow down the spread of the virus. On the March 14th, the government announced financial support to support firms and mitigate the financial impact of the crisis. As of March 16th, a total lockdown in Austria came into effect. All businesses, despite the basic supply were forced to close down. Public parks and swimming pools were prohibited from remaining open as well. Air traffic was set down to an absolute minimum level of operations. The government established strict restrictions on minimizing social contact and leaving the house. On



the following day, restaurants, bars, and cafés were not allowed to serve customers anymore (Pollak et al., 2020a). Public life had been deadlocked. As of March 18th, the total area of Tyrol was put under quarantine, and people were highly recommended to stay at home. Furthermore, sports facilities and cultural institutions were not allowed to stay open anymore. The Austrian government announced on March 30th, that people are obliged to wear face- covering masks in supermarkets (Pollak et al., 2020a).

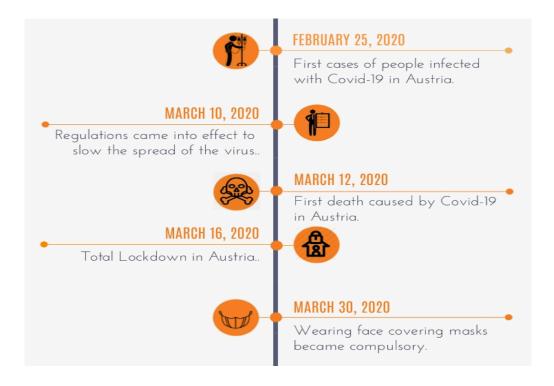


Figure 4 Spread of Covid-19 in Austria (Source: Pollak et al., 2020a)

2.2.3 Covid-19 in Austria- Easing regulations in Austria

As numbers of new infections were declining by the end of March 2020, the spread of the virus could successfully be stemmed. Therefore, the Austrian government announced to ease the regulations (Pollak, Kowarz, & Partheymüller, 2020b).

As of April 14th, smaller businesses and building- and garden centers were allowed to reopen their doors (Pollak et al., 2020b). Furthermore, the Austrian government changed its strategy to minimize the spread of the virus. From now on, wearing face coving masks was compulsory in all stores and public transports, while it was not required to minimize social contact anymore. On April 23rd, 2020 quarantine ended in



all parts of Tyrol, which has been the trouble spot of Covid-19 infections in Austria so far (Pollak et al., 2020b).

As of May 1st, all stores and hairdressers were finally allowed to reopen their businesses ("Österreich will ab 14. April die Anti-Corona-Maßnahmen lockern", 2020). Furthermore, minister of education Heinz Fassmann announced first steps of reopening schools. Courses at schools started on May 4th explicitly for graduating classes. Easing the regulations more and more resulted in restaurants, bars and cafés opening on May 15th (Pollak et al., 2020b). As of May 18th, all classes were finally back at school, distancing regulations came into effect, and pupils were obliged to wear face- covering masks. The government announced to ease the regulations more and more in June. Therefore, it was not anymore obliged to wear mouth-nose protection in public (Pollak et al., 2020b). Finally, all kinds of hotels and camping sites were allowed to welcome their guests ("Lockdown in Österreich: Eine Chronologie", 2020). Furthermore, the event ban fell, and celebrations with up to a hundred guests were allowed. As of the June 16th, Austrian authorities stopped border checks (Pollak et al., 2020b).



Figure 5 Easing the regulation in Austria (Source: Pollak et al., 2020b)

2.2.4 Covid-19 in Austria- The second wave of infections after a calm summer

May 31st was the day with the smallest number of new infections. Just five new cases were reported (Pollak, Kowarz, & Partheymüller, 2020c). From this day on, the



number of daily infections increased slightly. Some clusters involving people coming home from vacation appeared, and a rather high number of new infections was reported from a slaughterhouse in upper Austria (Pollak et al., 2020c).

As of July 1st, almost all restrictions regarding Covid-19 were canceled by the government. On the same day, more than 100 new infections were reported. As there were some cases of clusters in early July in Upper Austria, compulsory wearing of face masks at restaurants and bars and other stores was reinvented on July 9th (Pollak et al., 2020c). On July 22nd, the constitutional court declared several Covid-19 regulations as unconstitutional. The general exit restriction set up by the government during the lockdown in March, and associated fines were illegal, according to the court. One day after, on July 23rd, due to rising numbers of infections, the government made face masks mandatory throughout Austria ("Lockdown in Österreich: Eine Chronologie", 2020). Due to a massive cluster at Wolfgangsee and people returning from vacation, there was a massive rise in infection in early August (Pollak et al., 2020c).

Furthermore, the structure of age of people infected by the virus has changed remarkably. Contrary to infections in March or April, in Summer there were mainly people of the younger generation affected (Pollak et al., 2020c). As younger people usually experience milder symptoms, the mortality of the disease has been significantly reduced. As there appeared many clusters around people returning from Croatia, Sebastian Kurz set up travel restrictions on August 17th (Pollak et al., 2020c). From now on, it became mandatory to either go into quarantine when returning to Austria or to have a Covid-19 test ("Lockdown in Österreich: Eine Chronologie", 2020). Consequently, massive traffic jams occurred, and Vienna introduced a drive-through testing area for people returning from Croatia. In the second half of August, the number of infected people increased to 400 people per day (Pollak et al., 2020c).

Due to the rising numbers of cases, travel restrictions came into effect once again (Pollak et al., 2020c). Hungary closed its borders, and Switzerland and Germany declared Vienna and Tyrol as areas of high risk. As of September 4th, the "Corona Traffic Light" went into operation. It displayed regional risk assessments based on assumptions of the Corona Commission (Pollak et al., 2020c). The Corona Traffic Light intends to provide people with information about the current risk of becoming infected at different regions. In early September, 600 to 800 daily infections were



reported, numbers have risen drastically (Pollak et al., 2020c). The government reacted quickly and introduced new regulations for all kinds of events and extended the mask requirements. Meetings with more than ten people were banned. Furthermore, as of September 28th, it was obligatory to collect personal details and register customers of bars and restaurants in Vienna (Pollak et al., 2020c).

Nevertheless, on October 8th, there were 1 235 daily infections reported by the government (Pollak et al., 2020c). Some weeks later, cases were continuously rising. On October 28th, Austrian officials reported 3.394 new Covid-19 infections within the last 24 hours ("3.394 Neuinfektionen in Österreich", 2020). Therefore, chancellor Sebastian Kurz announced to take measures to avoid a collapse of the health system ("Ein November mit 'Besuchsverbot': Die Maßnahmen des zweiten Lockdowns", 2020).

From the beginning of November on, restrictions not to leave home between 20:00 and 6:00 were introduced. All kinds of restaurants, bars, coffees, and hotels were forced to shut down, older pupils switched to distance learning, and public events were canceled. Shops and hairdressers, as well as beauty salons were allowed to remain open ("Teil-Lockdown in Österreich mit abendlichem 'Besuchsverbot'", 2020). On November 12th, the government reported 9.262 new infections with the virus within the last 24 hours ("9262 Fälle: Neuer Rekord und Kritik an Datenlage in Österreich", 2020). Due to constant high numbers of new cases, the Austrian officials announced to introduce more drastic regulations. From mid of November on, all shops beside supermarkets and grocery stores were forced to close, distance learning was invented for all pupils, regardless their age. Home-office was recommended wherever it is possible ("Österreich geht in 2. Corona-Lockdown", 2020).

At the beginning of December, the government announced to ease the regulations once again. In order to avoid further damages to the economy, shops reopened, and people were given a chance to spend their money on Christmas presents. Younger pupils were sent back to schools, hairdressers and beauty salons went back to operations. While museums could open their doors again, restaurants and hotels, gyms, cinemas, and theaters were still not allowed to welcome guests. Regarding Christmas, the government announced further easing the regulations to let people



have family gatherings and small Christmas parties ("Lockerungen ab Montag: Die neuen Corona- Maßnahmen im Details", 2020).

To avoid a new wave of infections, the Austrian government announced the next lockdown straight after Christmas, on December 26th. The same regulations and restrictions as in November were introduced ("Lockdown ab 26. December fix", 2020). Furthermore, Austria started its vaccination campaign, on December 27th, where the first woman received the vaccine ("Erste Impfung in Österreich verabreicht", 2020). Austria's third lockdown, which was announced on December 26th, was planned to last until the beginning of February ("Die Regeln bis 7. Februar", 2021).



2.3 Hospitality industry

2.3.1 Definition hospitality industry

The term hospitality originates from the Latin word hospitalitas, which stands for "friendliness to guests", and from the word hospes, which translates "guest or host". (Hospitality meaning, 2020). Another definition states that the meaning of hospitality is "The friendly and generous reception and entertainment of guests, visitors, or strangers." (Hospitality, 2020). Furthermore, the hospitality industry can be characterized as "businesses such as hotels, bars, and restaurants that offer people food, drink, or a place to sleep" (Hospitality industry, n.d.). Most people would probably just think of restaurants and hotels in context with hospitality industry. Nevertheless, the hospitality industry can be linked to a far wider range of different sectors (Barrows et al., 2012).

According to Barrows et al. (2012), hospitality includes all kinds of businesses providing shelter or food to strangers. This definition can also be enlarged and can include all kinds of services offered to foreigners. Hereby, casinos, private clubs, attractions, events, and resorts are also included in the definition (Barrows et al., 2012). The hospitality industry is considered as unique, as businesses are open on 365 days a year for 24 hours per day. Also, evenings and weekends are part of the work schedule (Walker, 2009).

The big goal of the hospitality industry is to achieve maximum customer satisfaction, which results in loyal customers and, therefore, profit (Walker, 2009). Most of the services offered are intangible, which means that they cannot be tested before acquiring. Additionally, in the sector of hospitality, employees require customer's inputs to set up a particular service or product. This phenomenon is considered as the inseparability of the final product and the consumer. Different customers have various expectations about their requests (Walker, 2009). Furthermore, perishability is also a unique characteristic for this industry, meaning that a hotel has 200 rooms available but can only sell 150 rooms. Consequently, the revenue of 50 rooms is lost (Walker, 2009).



As already mentioned in the Introduction, the hospitality industry is really important for the world's economy. It is one of the most dynamic industries worldwide (Walker, 2009). Also, local economies and infrastructure can be improved by a thriving hospitality industry (Eton College, 2019). Tourists spending money on restaurants and hotels directly boost the local economy. Furthermore, the hospitality industry indirectly affects the economy as travelers are also buying regional souvenirs and retailer goods (Kendall College, 2018b). The fundamental of the hospitality industry consists of customer's leisure time and their disposable income (Novak, 2017). Professions in the hospitality industry are counted among the oldest professions in history (Barrows et al., 2012). The hospitality industry is very appealing to its employees because the opportunity is given to move to various different positions within one industry (Walker, 2009).

2.3.2 History of lodging

The history of lodging reaches back to 1800 B.C., when the term "tavern keeping" was frequently used for innkeeping (Barrows et al., 2012). In times of ancient Greece and Rome, sleeping facilities were solely provided by spas and bathhouses for purposes of relaxation (Kendall College, 2018a). Furthermore, traffic infrastructure was already well developed, inns alongside paved roads were established for travelers. During Middle Ages, the primary purpose of traveling were religious pilgrimages. Spiritual institutions provided facilities for travelers (Barrows et al., 2012). In Japan the first two Hotels opened their doors along silk street (Kendall College, 2018a).

The fifteenth century was the time when people first recognized that providing accommodation to travelers can lead to profits. People got a sense of commerce, and at the same time, European cities experienced a cultural boost. Good infrastructure was set up across Europe, stagecoach routes with lodging establishments and inns at regular distances were built in order to connect the big cities (Barrows et al., 2012). The industrial revolution around 1760 sped up the hospitality industry's development in America and Europe. In Boston, the Tremont House, which was built in 1829, was the first hotel that provided lockable doors, bellboys, and inside toilets (Kendall College, 2018a).



In the time following, especially in Europe, many luxury establishments opened their doors for customers, for example, the Paris Ritz, the Savoy of London, or the Grand Hotel in Rome. Also, the famous Waldorf Hotel in New York, which provided services based on European amenities, was found and built back in 1893 (Barrows et al., 2012). The hotel- business was booming, and in the early twentieth century, the foundation of many hotels, which are still very well known, was laid. Conrad Hilton settled down in the hotel market and opened his first hotel back in 1919 in Cisco, Texas. Also, Ernest Henderson, founder of Sheraton hotels, took advantage of the Great Depression and acquired four Hotels, one of them was already named Sheraton Boston Hotel. Sr. J. William Marriot, could also gain a foothold in the hotel industry by opening a modest root beer stand in 1927 (Barrows et al., 2012). In those times the Hilton and Marriot families started to accumulate their wealth through ingenious real estate strategies, M&A and financing (Hollander, 2019).

When war and the great depression were finally over, the hospitality industry experienced another massive upward trend back in the 1950s. During that time, various categories of hotels were developed, and Holiday Inn and Howard Johnson's Motor Lodges built 35 000 motels between 1939 and 1960 in the United States. Due to multiple social and economic factors, especially middle- class people had more money available and decided to spend it on travel (Kendall College, 2018a). Also, in that time, the wealth of the richest 10% of Americans increased significantly, and therefore the demand for luxury goods and hotels rose as well (Hollander, 2019). The next boom of the hospitality industry took place in the 1980s when big American hotel companies decided to expand to Asia, Europe, and the Middle East (Kendall College, 2018a). The next opportunity for the hospitality industry was the digitalization. Back in 1996, the online travel agency Expedia was found. Expedia collects bookings for hotels and charges a nominal fee for providing their services (Hollander, 2019).

The next step in the history of hospitality was a big wave of mergers and acquisitions in the early 21st century. Intercontinental Hotel Group acquired Holiday Inn and Crowne Plaza, Marriot took over Renaissance, and AccorHotels bought Raffles, Novotel, and Sofitel. Back in 2009, the global hotel industry was challenged by Airbnb entering the markets and gaining market share (Hollander, 2019).



2.3.3 Luxury hotels

According to Barrows et al. (2012), when classifying hotel properties by price, luxury hotels are definitely at the top of the scale. Usually, luxury hotels consist of 150 to 500 units, where the rooms are typically equipped with unique furniture, decorations, and a full range of amenities. Walker (2009) states that luxury hotels are defined by outstanding architectural features, a spacious lobby with comfort above average, rooms providing luxury standards, and perfect service executed by highly experienced staff. Five Star Alliance (2020) declares that luxury hotels offer a wide range of personalized services, high- end accommodation, and high availability of amenities. Many hotel brands aim to be considered luxury establishments (Bernstein, 1999). Therefore, hotel chains were trying to improve their market position by providing as many amenities as possible, which resulted in the "amenities creep" of the 80s (Bernstein, 1999). Due to the big competition among luxury hotels, high customer satisfaction is considered a key factor in this industry (Mattila, 1999). According to Han and Back (2007), customer satisfaction can be maximized when guests are emotionally touched. Therefore, a deep understanding of client's feelings is required. Walls, Okumus, Wang, & Kwun (2011) declare that human interaction significantly influence customer satisfaction in the luxury hotel industry. When interacting with guests, employees of luxury hotels stand out by their professional attitude and behavior, appearance, and attentive service (Walls et al., 2011). Also, Baum (2006) argues that front line employees in the luxury hotel industry should have the ability to have conversions with customers about recent topics of sport, politics, and music. It is required for staff to have a certain educational background and to remain up to date (Baum, 2006).

Five Star Alliance (2020) states a number of services which are matching the high standards of a five- star hotel:

- Concierge- service
- High ratio of staff to rooms (above 2,5)
- International staff, enabling communication in different languages
- 24-hour reception service
- Turndown- service at night
- Daily housekeeping available on call



- Laundry service
- Separate elevators for guests and staff
- High- end restaurants and bars
- Transfers service and availability of a car rental
- Babysitting

(Five Star Alliance, 2020)

According to Five Star Allianz (2020) following amenities are meeting the standards of a five- star hotel:

- Lockable Safe
- Bag for laundry
- Big mirrors equipped with lights
- International TV program and a modern TV set
- Minibar with a wide range of high- quality drinks
- Big variety of daily newspapers
- High- Speed Wifi
- Various spa treatments

(Five Star Alliance, 2020)

Furthermore, Five Star Allianz (2020) defined the following comfort- related requirements for five- star hotels:

- Guestrooms must be posh and savory
- Range of different pillows
- Room darkening shades
- Wide variety of high- quality towels, bathrobe, and luxury toiletry

(Five Star Alliance, 2020)



2.3.4 Viennese hotel market

In 2019, Mercer awarded Vienna to be the most livable city already for the 10th time in a row (Mercer, 2019). Furthermore, the capital of Austria is ranked at the top of the Smart City Strategy Index of 2019, where the degree of technological advancements is measured. Herein, Vienna is ranked before London and St. Albert (Henzelmann, 2019). Also, Vienna was placed at the top of the annual index by the Economist Intelligence Unit, where the capital of Austria reached total points for being the most livable city in the world ("Vienna remains the world's most liveable city", 2019). Moreover, the historic city center and the palace and gardens of Schönbrunn are considered UNESCO World Heritage Sites (UNESCO World Heritage Convention, 2020).

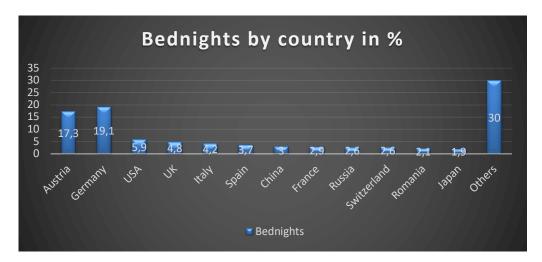


Figure 6 Bednights by country in % (Vienna Tourist Board, 2019)

According to Vienna Tourist Board (2019), tourists in Vienna in 2019 were mainly from Austria, Germany, USA, UK, Italy, Spain, China, France, Russia, Switzerland, Romania, and Japan. All in all, the total number of bed nights in Vienna in 2019 was 17.604.573, whereof Germany accounts for the largest part, 19,1% (Vienna Tourist Board, 2019).

Particularly focusing on the Viennese five- star hotel market, guests from the USA, China and Japan are particularly important. 27% US overnights, 18% of Japan overnights, and 14% Chinese overnights were spent in five- star establishments (Vienna Tourist Board, 2019).



The average room occupancy in 2019 was 80,2%. One- and two- star hotels reported the highest numbers, 87,2%, and five- star establishments had the lowest level of occupancy, 70,9%. Moreover, 7 009 530 arrivals were reported in 2019 (Vienna Tourist Board, 2019).

Category	Establishments	Rooms	Beds
Five- Star	22	4 332	8 702
Four- Star	170	17 022	33 510
Three- Star	157	10 441	20 158
One- & Two- Star	62	2 645	6 134
Total	411	34 495	68 504

Table 4 Establishments, rooms and beds in Vienna in 2020 (Vienna Tourist Board, 2021)

In total, there were 411 accommodation establishments in Vienna in 2020 (Vienna Tourist Board, 2021). 22 are five- star hotels, 170 belong to the category of four- star establishments, 157 were three- star and 62 were one- & two- star hotels. In total, there were 34 495 hotel rooms available in Vienna. 4 332 of them belonged to the category of five- star hotels, 17 022 to the four- star hotels, 10 441 to the three- star hotels, and 2 645 rooms are available at Viennese five- star hotels (Vienna Tourist Board, 2021). Furthermore, the Vienna Tourist Board (2021) published that the number of beds available accounted 68 504. 8 702 beds could be found in five- star establishments, the highest number of beds, 33 510, was available at four- star hotels, 20 158 belonged to four- star hotels, and 6 134 beds fit into the category of five- star hotels.



2.3.5 The impact of Covid-19 on the Viennese hotel industry

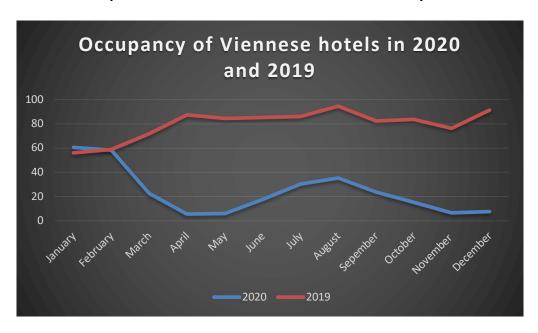


Figure 7 Occupancy of Viennese hotels in 2020 and 2019 (Source: Vienna Tourist Board, 2021)

Figure 6 aims to compare the room occupancy of hotels in Vienna in the percentage of the year 2019 and 2020. Although business was really good in the beginning of 2020, the Viennese hotel industry was very strong affected by the Covid-19 pandemic. The threat of the virus was becoming bigger and bigger. In January the room occupancy accounted 60,6%, which was around 4% higher than in the previous year (Vienna Tourist Board, 2021). While the rate of occupancy in 2019 was continuously increasing until it reached 87,4% in April, in 2020, the occupancy level already started to decrease in February. The rate went down from 58,4% in February to 22,6% in March and to 5,6% in April (Vienna Tourist Board, 2021). This was the period where the first wave of infections hit Austria. In 2019 the rate of occupancy slightly decreased in May to 84,4%. From then on, the occupancy level was rising until it reached the highest value, 94,6%, in August. After the first wave of infections in spring 2020, the occupancy rate of the hotels slowly improved until the highest value, 35,3%, was archived in August. Back in 2019, the room occupancy went down to 82,5% in September (Vienna Tourist Board, 2021). In October 2019, the rate almost stagnated at the same value as in the previous month, until it further decreased in November to 76,3%. In December 2019, the level of occupancy of Viennese Hotels shot up to 91,4%. In 2020, room occupancy decreased from August to November, where it accounted 6,6% (Vienna Tourist Board, 2021). In December 2020, the rate slightly increased to



the value of 7,5%. While average occupancy in 2019 was 61,9%, it was 22,3% in the pandemic year 2020 (Vienna Tourist Board, 2021).

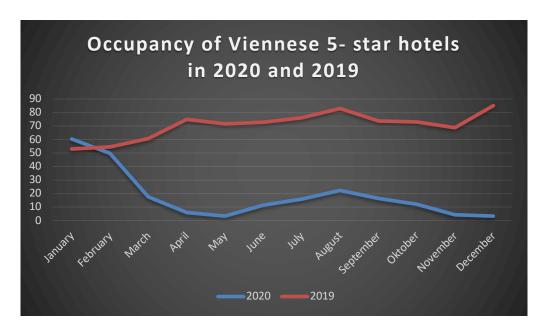


Figure 8 Occupancy of Viennese 5- star hotel in 2020 and 2019 (Source: Vienna Tourist Board, 2020; Vienna Tourist Board, 2021)

Figure 7 focuses on the occupancy of Viennese five- star hotels in 2019 and 2020. In January and February 2020, the level of occupation was 60,4% respectively 49,8%. There was already a downward trend in February (Vienna Tourist Board, 2020; Vienna Tourist Board, 2021). In March, the occupation rate dropped significantly to 17,6%. Numbers further decreased in April to 5,9% and in May to 3,4%. The level of occupancy slightly increased in July to 16% and in August to 22,3%. From summer on, numbers were declining until they reached 3,3% in December 2020 (Vienna Tourist Board, 2020; Vienna Tourist Board 2021). In January 2019, the rate of occupancy was 53,0%, from then on, it increased until April, where it hit 75,0%. In the following months, the rate slightly decreased in May and increased in June, July, and August, where the occupancy of Viennese five- star hotels was 82,9% (Vienna Tourist Board, 2020; Vienna Tourist Board 2021). From August, occupancy dumped down to 68,9% in November. In December 2019, there was a remarkable increase in the level of occupancy, which accounted for 91,4% (Vienna Tourist Board, 2020; Vienna Tourist Board 2021).



3 Methodology

In this section of the thesis, the author provides a general overview of the way primary research is conducted. As a method of collecting data, the qualitative research approach and interviews will be explained. Furthermore, the development of the interview- questions, and the process of collecting and analyzing data will be shown.

3.1 Introduction to interviews

According to Creswell (2014), to conduct proper research, there are following three research designs available: qualitative, quantitative, and mixed methods. Qualitative research is defined by discovering and understanding problems within the social environment. Hereby, data is generally expressed in words rather than numbers. (McCusker & Gunaydin, 2014). Quantitative research aims to test relationships of different variables. Using this approach, numbers are examined instead of words (Creswell, 2014). Lastly, mixed methods research is an approach which involves both, qualitative and quantitative methods, in order to conduct research (Creswell, 2014).

Historically seen, the qualitative research approach was mainly used in social sciences, for example, political science, anthropology, or history. However, recently, more and more researchers of various fields are shifting towards qualitative research methods, and this research approach increasingly gained popularity (Miles & Hubermann, 1994; Creswell, 2014). Qualitative data are "a source of well- grounded, rich descriptions and explanations of processes in identifiable local contexts. With qualitative data one can preserve chronological flow, see precisely which events lead to which consequences, and derive fruitful explanations" (Miles & Hubermann, 1994, p. 1).

However, as interviews serve as a method of qualitative research design, unique characteristics of this approach will be provided in the following:

- Natural setting: In qualitative research, data is collected in the natural environment of the participants of the study. The researcher avoids creating an artificial situation to gather information from respondents (Creswell, 2014).
- Researcher as a key instrument: The researcher is a vital component of the data collection process. As no questionnaires or other instruments are used



in order to find information, data is solely gathered by researchers themselves (Creswell, 2014).

- Multiple sources of data: In qualitative research, data can be collected using various methods. Afterward, information from different sources is summarized, recognized, and interpreted (Creswell, 2014).
- Inductive and deductive data analysis: In qualitative research, data is first
 inductively and afterward deductively examined. When analyzing information
 inductively, researchers are carefully examining their data collection in order
 to establish different pools of themes. In the process of analyzing data
 deductively, researchers further examine the themes in order to determine
 whether more evidence is needed or not (Creswell, 2014).
- Participants' meaning: The researcher concentrates on the personal meaning of the people participating in the study instead of what literature suggests (Creswell, 2014).
- Emergent design: The process of research in qualitative research cannot be arranged in detail in advance. Based on the latest circumstances, methods to gather information, questions, and participants might change (Creswell, 2014).
- Reflexivity: Information gathered from participants needs to be carefully reflected with respondents' culture, background, and previous experiences (Creswell, 2014).
- Holistic account: In order to create a comprehensive big picture of the research, the researcher has to view the problem from many different angles and provide several aspects influencing the issue. "A visual model of many facets of a process of a central phenomenon aids in establishing a holistic picture" (Creswell, 2014, p. 186).

Apart from abovementioned fundamental characteristics, it is essential to find the proper qualitative design. Those specific designs differ in data collection and analysis of information and writing (Creswell, 2014). In total, there are many different qualitative approaches. However, Creswell (2014) suggests using the following designs: case study, ethnography, grounded theory, narrative, and phenomenology. Depending on the chosen qualitative research approach, the researcher might



examine individuals, various processes and events, or behavioral aspects of different cultures (Creswell, 2014).

Furthermore, as already mentioned, researchers are important components of the actual data collection process, as they gather desired information by themselves. The inquirer and the participants of the study normally have intense contact, which can lead to several personal troubles, strategic issues, and ethical problems. Therefore, inquirers have to carefully determine their biases, cultural backgrounds, and values (Creswell, 2014).

According to Creswell (2014), there are following four methods for the data collection process in qualitative research available: observation, interviews, documents, and audio and visual materials. In this thesis, the author chose a qualitative research design, where he uses interviews in order to gather information. Therefore, in the following section, interviews will be explained.

According to De la Croix, Barrett and Stenfors (2018), conducting interviews to collect data is one of the most popular ways to gather information in qualitative research. The process where the inquirer asks the interviewee can be described as the "systematic way of talking and listening to people" (De la Croix et al., 2018, p. 452). The interview questions provide data to properly answer the research questions (Maxwell, 2012). Creswell (2014) and Bolderston (2012) claim that interviews can be conducted in four different ways. First of all, an interview can be constructed as an inperson interview. Hereby, the researcher and the interviewee are having a talk taceto-face. Furthermore, an interview can also be conducted via phone. The third option researchers have when conducting interviews is called focus group. Hereby, the interview takes place in a group, and respondents are asked the questions altogether. Last but not least, researchers can also be done via e-mail or the internet (Creswell, 2014; Bolderston, 2012). However, as qualitative research becomes more popular, multiple innovative ways to conduct interviews appear (De la Croix et al., 2018). When conducting a stimulated recall interview, additionally to interview questions, a video recording is used in order to analyze how the participants are reacting to certain situations and questions. Moreover, visual methods, like rich pictures, are emerging trends when conducting an interview. Hereby, the interviewees are asked to draw pictures of different situations, elaborate, and explain them afterward. Using this



model, the researcher hopes to find complex information, which might be hard to articulate (De la Croix et al., 2018). Furthermore, walking interviews are gaining more and more popularity as richer data is gathered. Another trend is called appreciative inquiry. Hereby, respondents are solely asked to talk about positive experiences. This approach is mainly used in the context of organizational changes (De la Croix et al., 2018). Lastly, interviewing with nominal group technique (NGT) is another new trend. This approach tries to make sense of a complex problem and consists of four steps. Fistly, every participant writes down his ideas about a certain issue. Secondly, all ideas are read out by the participants. Thirdly, all inputs are summarized and categorized. In the last step, all ideas are classified and ranked (De la Croix et al., 2018).

Choosing interviews to collect data in qualitative research can bring advantages and limitations. To start with, as there are multiple options available to conduct an interview, this approach of collecting data is very flexible. An interview can be done in person, as well as via telephone, email, or the internet (Creswell, 2014). Moreover, the interviewees can potentially add useful historical information to their answers. Another advantage of this particular method is, the researcher can guide the conversation. The questions can be controlled and directed by the inquirer (Creswell, 2014). However, as already mentioned, conducting interviews can also be associated with certain limitations. For example, data is based on the answers of the interviewees. Therefore information might be indirect through the angle of the respondents. Furthermore, the author claims, an interview might "provide information in a designated place, rather than the natural field setting" (Creswell, 2014, p. 191). Additionally, Creswell (2014) points out that not all people can articulate their experiences, and some might have different perceptions. Lastly, an interview might be influenced by the inquirer's presence, and participant's answers might be biased (Creswell, 2014).

Moreover, it is also possible to put interviews into categories based on their structure. There are following three different types of interviews: structured interviews, unstructured interviews, and semi-structured interviews (Rowley, 2012; Wethington & McDarby, 2015).

In a structured interview, every interviewee answeres the exact same questions in the same order (Wethington & McDarby, 2015). Rowley (2012) argues that structured



interviews can be very similar to questionnaires. The big benefit of structured interviews is that they are not as time-consuming as unstructured ones. The inquirer does not need to have a high degree of detailed knowledge about the topic, moreover, the analysis of the interview is pretty straightforward.

Furthermore, there are unstructured interviews. Hereby, the interview is based on a certain topic. The wording and the order of questions differ from participant to participant (Wethington & McDarby, 2015). The situation is very engaging, and the interviewee is asked to talk about a certain issue. The questions might be adapted depending on the answers of the respondent (Rowley, 2012). Hereby, the interviewer is in charge of encouraging the interviewee in order to get a maximum of detailed information. This type of interview can easily be compared with a normal conversation. Unstructured interviews are mainly used in unexplored areas of research (Wethington & McDarby, 2015). This method requires a high level of skills and experience as data, which has been collected might be hard to analyze and compare (Rowley, 2012).

Last but not least, the most popular type of interview is the semi-structured interview. In general, this type of interview consists of several fixed questions for every interviewee, however, it is very common to pose additional questions based on the situation (Wethington & McDarby, 2015). Rowley (2012) argues that a semi-structured interview normally consists of six to twelve questions, which contain two to four subquestions, to guide the conversation in the desired direction. The semi-structured interview can differ in terms of the number of questions, degree of adaption of questions, and order of question from interviewee to interviewee (Rowley, 2012).

In order to determine what information to collect and to ensure a standardized process of gathering information, Creswell (2014) suggests using an interview protocol and audiotaping or recording the interview. This protocol aids to highlight important aspects of the interview and typically consists of the following main components:

 Guideline for the researcher, in order to guarantee the same procedures for every interviewee.



- The questions, inlcuding an ice- breaker- question at the beginning to start into a relaxed interview. In order to make notes regarding the questions, there should be empty spaces provided between every section.
- Thank you- statement to show appreciation for the interviewee.

(Creswell, 2014)

3.2 Development of the interview questions

The interview aims to find out how different hotels are affected by the Covid-19 pandemic, how they are dealing with the difficult circumstances, and what they have learned from the situation so far. The interview questions are derived from the research questions, which were developed at the beginning of this research, and out into context with the literature.

RQ1: How has the Covid-19 pandemic impacted Viennese luxury hotel industry?

RQ2: What are the recovery strategies used by hotels in order to overcome the impacts of the Covid-19 pandemic?

RQ3: What are the lessons learned from the current crisis which may be applicable in managing potential future crises?

Based on the research questions, the interview questions can be put into three sets of questions. The different sets consist of several questions, and every set aims to find proper information about a certain aspect. The three question sets are:

- Impact of the Covid-19 pandemic
- Recovery strategies in order to overcome the crisis
- Lessons learned

The first set of questions, "Impact of the Covid-19 pandemic", is further broken down into chronological categories "Spring 2020", "Summer/Reopening 2020", "Winter 2020/2021" and "2021 and onward". Questions 1,2 and 3 are particularly focusing on the situation in March 2020, when Covid-19 hit the industry. Those questions aim to gain insights about the severity of the crisis at the beginning, how the circumstances in spring 2020 were evaluated and whether some of the hotels were prepared for the



pandemic or not. Henderson and Ng (2004) revealed in their research about the consequences of SARS for hotels in Singapore that no hotel was able to prepare for the crisis as the outbreak came really unexpectedly. Questions 4 and 5 are dealing with the situation in summer 2020. Referring to those questions, Cavlek (2002) highlighted that tourism crises can either have a positive or a negative spillover effect on certain regions. The questions highlight how business changed after the reopening in June 2020. Furthermore, question 6 refers to the second lockdown in autumn 2020 and how the hotels were affected by the regulations. Lastly, questions 7 and 8 focus on the future. Managers are asked what they think how long the crisis will last and what the consequences will be for their hotels in the case it will last longer than expected.

Question Set 1: Impact of the Covid-19 pandemic

Spring 2020:

- To what extent was your hotel affected by the Covid-19 pandemic in spring 2020 when the situation became serious? Both in terms of the overall business and HR (employees)?
- 2. How was the situation evaluated in March regarding its anticipated duration and severity?
- 3. Did you have some kind of premonition and was there any contingency plan available at the time?

Summer/Reopening 2020:

- 4. To what extent did the situation change concerning the bookings and HR planning in summer?
- 5. Compared to spring, how satisfied could you be with your overall business in summer 2020?

Winter 2020/2021:

6. The hotel industry was open from June until November 2020 when another lockdown came into place and hotels were forced to close again. How was your hotel affected by the second lockdown, both in terms of bookings and HR planning?

2021 onward:

- 7. In your opinion, how long will this crisis last?
- 8. What will be the consequences for your hotel in case that it lasts longer than you anticipate?

Table 5 Question set 1



The second set of questions, "Recovery strategies in order to overcome the crisis", can be further divided into two sections focusing on internal operation and another section focusing on guests. Questions 9, 10, and 11 will show what measures were taken in order to keep costs at a minimum during the crisis, what strategies were used to boost business, and if it has been possible to use the time sensibly during lockdown. Kim et al. (2005) conducted a research about the effects of SARS on five- star hotels in Korea. They found out that strong marketing campaigns were introduced to boost business and improve occupancy (Kim et al., 2005). Questions number 12 will be asked to find out what measures were taken to protect guests and guarantee their safety in the hotel. The next question, question number 13, will highlight how customers are informed about the measurements.

Question Set 2: Recovery strategies in order to overcome the crisis

Internal operations:

- 9. What has been your main strategy when it came to cutting costs and the overall recovery of business, both short-term and long-term?
- 10. What marketing and sales measures have you been working on during the lockdowns in order to improve business after the reopening?
- 11. Has it been possible to use the time sensibly for any renovation work, employee training courses or similar?

Guests:

- 12. What measures have been taken in the past or will be taken in the future to ensure the safety of your guests?
- 13. How are you going to communicate those to your prospective guests?

Table 6 Question set 2

Last but not least, the third set of interview questions focuses on lessons learned from the Covid-19 pandemic. In question 14, managers will be asked what they have learned from this uniquely difficult situation so far. Furthermore, questions 15 and 16 are dealing with preparations for potential future crises and if it is even possible to prepare for negative events that may trigger a crisis.



Question Set 3: Lessons learned

Preparation for potential crises:

- 14. What lessons have been learned from the onset of the crisis in March 2020 so far?
- 15. Based on your experiences from the current crisis, do you think that your hotel will be better prepared for potential future crises? Please elaborate.
- 16. In your opinion, is that even possible? Please elaborate.

Table 7 Question set 3

In order to get the maximum of information out of the interview, all questions are open- ended. Furthermore, as a semi- structured interview is used, the inquirer has the possibility to guide the conversation in the desired direction to receive targeted information.

3.3 Data collection process and analysis

Primary data of this research was collected through interviews with general managers of various luxury hotels in Vienna. The author chose the following hotels:

- Palais Hansen Kempinski Vienna
- DO&CO Hotel Vienna
- Park Hyatt Vienna
- Hotel Sacher Vienna
- "Luxury Hotel Chain" (Interviewee wanted to stay anonymous)

The hotels were chosen based on the author's interest and his personal network. The author intended to involve various types of luxury hotels. Therefore two smaller hotels, one even familiy- led, one European- owned hotel chain, and two American-owned hotel chains were chosen for data collection. In order to find general managers participating in the interview, the author aproached his potential interviewees via his network and via LinkedIn. All but one inquiry were sent to the potential interviewees on 3rd of March 2021 via LinkedIn. The message was written in German and is provided in Appendix 1. All of the general managers replied within 24 hours and agreed to participate in the interview. The interview with the Park Hyatt Vienna was conducted with the enterprise asset manager, as the hotel's general manager could not find time



to participate. One interviewee wanted to stay anonymous. Therefore, the hotel he is working for is named "Luxury Hotel Chain". All meetings took place between 10th and 23rd of March 2021. Furthermore, all but one interviewee did not receive the questions prior to the meeting. Four out of five interviews were designed and conducted in English. The remaining one was done in German. All but the interview with the manager of "Luxury Hotel Chain" were conducted in person, at their hotels, the other one was done via telephone. In general, the interviews were semi-structured. However, sometimes the interviewer asked additional questions to guide the conversation in the desired direction. Regarding the duration of the interviews, the longest one lasted for 41 minutes and the shortest one for 27 minutes. One interview took on average 33 minutes. All interviews were voice- recorded, with the consent of the interviewees, in order to transcript the interviews. Notes were taken only for some of the interviews to organize data properly. The questions for the interviews in English and German are provided in Appendix 2 respectively Appendix 3. Additionally, the transcripts of each interview can be found in Appendix 4.

After all interviews were conducted, the author transcribed the interviews for the purpose of data analysis. Hereby, all answers were compared, notes were analyzed, and similarities and differences were pointed out. After all, the findings of the interviews were summarized and can be found in the chapter "Findings".



4 Findings and Discussion

In the following chapter, the findings of five interviews with general managers of Viennese luxury hotels are be analyzed, summarized, and discussed. Similarities, differences, and the main patterns are highlighted, put into context with literature and presented in a clear way. Therefore, the author established different categories, where information is presented in order to receive a comprehensive overview of the research.

4.1 Impact of the Covid-19 pandemic

Spring 2020

The first question was asked to receive information about the actual impact of the Covid-19 pandemic on the hotels in March 2020. How were the companies affected regarding business and human resources? Herein, all interviewees stated that business dropped in a dramatic way. Within a very short period of time, the rate of occupancy went down to a really low level. Three interviewees even mentioned that the previous months, before the outbreak of the pandemic, were really strong. When the virus started to spread globally, business collapsed totally. Referring to human resources, four out of five interviewees applied for "Kurzarbeit" for all their fixed employees. However, one manager stated that it was decided to close down the hotel as the situation was really uncertain. Consequently, most employees left the organization. Another interviewee declared that "Kurzarbeit" was applied for all employees, but some team members who did not have full contracts, internships, and people who recently started, left the hotel in April 2020. Lastly, three out of five managers stated that processes regarding "Kurzarbeit" were very complex and uncertain.

The next question, regarding the anticipated duration and severity of the crisis, was answered in different ways. Three managers stated, they already knew at the onset of the pandemic that this crisis will last for a long time. One of them explained that the hotel chain which he is working for is strongly represented in Asia, therefore, they had already shared their experiences about the crisis internally. The two remaining managers had different opinions regarding the expected duration and severity. One



interviewee expected the crisis to last for three to four months, and he was hoping to get back to normality in Q4 2020. He compared the coronacrisis with the situation regarding SARS or MERS some years ago, where business already improved after five to six months. Furthermore, as markets in China showed signs of recovery relatively early after the onset of the crisis, the other manager also anticipated the crisis to last for three to six months. Aggressive measures were taken to minimize the spread of the virus in China. Therefore, the industry managed to get back on track fast.

Moreover, the author wanted to know if the hotel managers had some kind of premonition and any contingency plan available in March 2020. All interviewees agreed that they already knew the virus will probably spread around the world, and the crisis will turn into a global issue. Due to many reports in media and internal communication of the hotel brands, managers were aware of the situation in Asia. One interviewee explicitly mentioned that he noticed a decline in international arrivals already weeks prior to the actual lockdown in Austria. Referring to contingency plans specifically for epidemics or pandemics, none of the hotels had such a plan in place. One manager pointed out that his company regularly organizes a so called "Special Situation Training". So, employees have at least a rough idea how to manage any kind of special situation. Another interviewee mentioned that his company is normally quite comfortable in dealing with business interruptions, but as this situation was so uniquely different, there was no plan available. Additionally, four out of five interviewees pointed out that they think nobody could have had a detailed plan for this specific situation.

Summer/Reopening 2020

As the first wave of infections with the virus and the first lockdown was overcome, hotels were allowed to reopen for leisure guests in May 2020. Therefore, the author asked how the situation changed businesswise as well as regarding human resource planning in summer. Two out of five managers said that business was quite ok, not even comparable to the situation before Covid, but it was alright. Business gained at least some momentum. The remaining three hotel managers could not report signs of recovery. Especially hotels with many international guests, from overseas, were facing huge problems regarding the occupancy. In general, due to global travel restrictions, the main markets the hotels were serving changed completely. Two interviewees



claimed that they were usually serving a high percentage of international guests; however, in summer 2020, most of their customers were from Austria, Germany, and Switzerland. Referring to HR, one hotel completely closed its doors during the first lockdown. Therefore, the majority of its employees left the organization. At the reopening in early summer 2020, the headcount was reduced by roughly 70%. Staff was kept at an absolute minimum level in order to run the hotel. The other hotels still kept their employees over the summer and did not fire anyone. After "Kurzarbeit 2" was over in autumn, all hotels, besides the one which already reduced the headcount, had to lay off some employees. One manager stated that he already had people leaving in summer on their own decision. From the management side, it was decided to reduce the number of employees by around 7%. Another interviewee pointed out that he reduced the headcount by 7- 8% as well. One of the interviewees additionally clarified that the decision about whom to lay off was made based on the flexibility of workers whether they were able to work in multiple positions or not.

The next question was asked in order to see how satisfied the hotel managers were with business in summer 2020 compared to the situation in spring 2020. Herein, only one out of five managers considered business as alright in summer 2020. He mentioned that occupancy was definitely better than expected. Additionally, this hotel has decided to drop their rates in summer, and therefore, attracted different guests than usually. Another interviewee mentioned that he was lucky to have Germans and Austrians as main markets already before the pandemic, so he was not only relying on international travel, and business was not a complete disaster. The other three hotel managers could not be satisfied with the occupancy.

Winter 2020/21

Chronologically jumping to winter, the next lockdown was announced for November. Since this time, hotels were not allowed to welcome any other customers besides business guests. The interviewer asked the hotel managers how they were affected by the second lockdown in November, referring to business and HR planning as well. The hotel, which already closed down for the first lockdown in March 2020, had closed down again for the second lockdown. One manager stated that he definitely did not expect the second lockdown as he thought it would not be possible to afford that. Two managers mentioned that they definitely expected to partly close the hotel due



to a second lockdown. Two of the four hotel managers, who remained their hotel open, stated that they focused on particular niche markets of business travelers in that period of time. Moreover, two of them mentioned that business during the second lockdown was better than during the first one in March 2020. Another two interviewees pointed out that the second lockdown was a disaster as bookings for popular dates as Christmas or New Year would not have been too bad, and people were not straight canceling their reservation as they were still hoping for a quick reopening. Referring to HR, as already mentioned, besides the hotel which had already reduced the number of employees in spring, all other hotels decreased their headcount in autumn after "Kurzarbeit 2". For the period of the second lockdown, in November 2020, all hotels applied for "Kurzarbeit 3" for all their employees. There were no additional layoffs at that time.

2021 and onward

Referring to the next questions, interviewees were asked to give a prediction about the duration of the crisis. One of the interviewees anticipates the crisis to be over in 2023. Three managers stated that they expect signs of recovery around Q4 2021. They hope that business will gain some momentum at that point in time slowly. Additionally, three managers declared that it would take much time, one to four years, until international guests can be welcomed, and the level of tourism of 2019 can be reached.

The next question was asked to find out about the consequences in the case the crisis will last for longer than expected. Three of the five hotel managers stated that consequences are depending on governmental support available in the future. At the moment, there were many financial aids to support companies, and this is absolutely necessary to keep the businesses alive for the moment. Another interviewee mentioned that he could not exclude any further layoffs if the situation would not improve. The manager of a big global hotel chain stated that he does not fear any consequences, as the level of occupancy is not too bad. Furthermore, he declared that keeping staff is definitely seen as an investment for the future as the employee market is becoming tougher and tougher.



Previous questions of the interview were mainly asked to answer the first research question, how the Covid-19 pandemic impacted the Viennese luxury hotel industry. In general, it can be said that the first lockdown strongly impacted hotels in March 2020 at the onset of the crisis. Occupancy fell off to a really low level within a very short period of time. As regulations were eased in summer 2020, hotels were still heavily affected by the crisis as international tourism was simply not possible. The majority of the managers could not report any signs of recovery. Also, the second lockdown in November 2020 was a disaster as hotels already had bookings for future months, which had to be canceled. Business travel slightly increased at that period, but occupancy was still at a very low level. Referring to the future, signs of recovery were expected by Q4 2020, however international tourism definitely need some more time. Generally, if the crisis will last longer than expected, consequences are really depending on governmental financial support. Concludingly it can be said, due to travel restrictions and other limitations set by the government, it was not possible at all to keep operating in the way as before the pandemic.

For this section, comparing primary and secondary research, many similarities can be found. Literature suggests that tourism is sensitive to issues concerning safety and health (e.g., Blake & Sinclair, 2003). Therefore, a global health crisis can really affect tourism. All interviewees have agreed that the Covid-19 pandemic has impacted business in a dramatic way. Furthermore, literature highlights, there are certain types of crisis, for example a global health crisis, where there is almost no time to prepare (e.g., Parson, 1996). Due to the really sudden outbreak, the phase of crisis preparation is really short, and corrective actions need to be taken instinctively (e.g., Henderson & Ng, 2004) Hereby, all managers shared the same opinion. Although they had some kind of premonition, the outbreak of the crisis came really suddenly and unexpectedly. Moreover, no one of the interviewees had a contingency plan available.

4.2 Recovery strategies in order to overcome the crisis

<u>Internal operations</u>

In this section of the interview, interviewees were asked to find out about certain strategies to overcome the crisis. The first question focuses on various actions and plans to keep costs at a minimum during the crisis. Two managers argued that variable



costs naturally go down because of the low level of occupancy. Two further interviewees stated that cutting costs relates to the process of checking all costs and determine whether advancements can be made or not and whether it makes sense to continue paying or not. One hotel received discounts from service providers as their brand managed to negotiate cost reductions with some of their stakeholders. Another manager claimed that cutting costs referred to rethinking all processes and optimizing them in order to save money. Furthermore, one hotel took aggressive actions in terms of saving money and decided to close the hotel completely. However, all managers mentioned that they have applied for all kinds of governmental subsidies.

The next question was asked to gain insight into certain marketing and sales measures to boost business after the reopening. All interviewees agreed they want to keep contact with their agents, corporate partners, big accounts, and OTAs. Furthermore, all of them argued that it is crucial to be present on the market to stay in touch with their clients. Three hotel managers explained that they participated in many virtual events and fairs and even hosted them themselves in order to be visible on the market. Moreover, two hotels decided to focus on particular niche markets, which they have not been serving in the past. Hereby, one hotel targeted airline crews and the other one football teams. Especially during lockdown those two areas were the only ones where business travel in groups took place. Furthermore, two other hotels, which were mainly reliant on international travelers in the past, will particularly focus on the domestic and European markets in the future, as intercontinental travel will still take some time. One interviewee declared that he especially wants to stay in contact with his US clients and VIPs. Therefore, newsletters with personalized items are sent out. Another interviewee stated that a lot of new concepts in the area of F&B were introduced in order to gain some additional revenue. For example, hotel rooms were modified to serve as mini restaurants for breakfast, lunch, and dinner. Hereby, especially local customers could take the opportunity to have a closer look at the rooms. Lastly, only one hotel actively decided to drop the room rate by a large amount of 40%.

Asking the last question of this section, the author wanted to find out if it was possible to use time wisely for renovation work or employee trainings. Two hotel managers reported that they have completed renovation, and additionally, another manager



added that renovation was done at another hotel of the same group. Hereby, mainly rooms and F&B outlets were modernized and redesigned. Two of those interviewees also mentioned that some investments in other areas were made. For example, IT investments were made and equipment for event locations was purchased. Furthermore, one of the managers stated that all annual services, such as pool service, were made during the lockdown to be ready for the reopening. Referring to trainings, the interviewees responded really differently. Four of five managers stated that they already have or will provide various trainings in the future. Hereby, one hotel organized many workshops around all departments of the hotel. Another hotel managed to do the trainings, which are required by law to operate as a hotel, and the other hotels are providing trainings for the F&B outlets. However, since the model of "Kurzarbeit" just allows to let employees work for a certain period of time, trainings were very limited for some of the hotels and not even possible for one company.

Guests

Questions in this section are relating to hotel guests. So, the author asked what actions were taken or will be taken in the future in order to guarantee safety for clients. In terms of hygiene and regulations, all hotels fulfilled the obligations which were set by law. Moreover, all managers have increased the standards of housekeeping. There is a particular focus on disinfection, cleanliness, and hygiene. Additionally, two managers argued they do not occupy rooms 24 hours after the last guest left, in order to get enough fresh air into the rooms and to disinfect everything properly. Two managers claimed they had to provide a different set up in the rooms and removed certain things, just small details, but luxury experience of the guests might be minimized. One manager stated that communication to the guests in the guest rooms is done via TV. Another manager declared that they have invented a so called "I don't need any service" - card, for guests who do not want to have anybody entering their rooms. Furthermore, referring to rooms, one interviewee claimed that they have disinfected the guest rooms twice a day, in the morning and at the turndown service. Moreover, one hotel developed a tool which allowed guests to lock their rooms via App, as ordinary roomcards might be contaminated with germs. Additionally to all those measures taken, three interviewees have introduced their own test station at the hotel, where various options of Covid testing are provided.



Four out of five hotels are regularly screening their employees for Covid-19. Furthermore, two managers explained that they provided a breakfast buffet in Covid-style. Hereby, everything was portioned and covered in order to meet the high hygiene standards set by government. Speaking about the development of all those measures, one hotel has invented a 50 to 60 pages long manual for employees and guests, where they defined all their regulations.

As it is crucial to inform guests about the measures taken, the author asked the interviewees how all regulations were communicated towards customers. All interviewees stated that they are providing information about the Covid- 19 regulations on their websites. Two of them even added that they created an own section on their homepages. Furthermore, two managers are informing their guests in the email of the booking confirmation as well, and two further managers added information about the Covid- regulation to their pre- arrival letters. Moreover, two of the interviewees mentioned that they placed indicators at public areas at their hotels. Hereby, one of the managers declared that he tried to design those indicators as subtle as possible as he noticed that guests are annoyed of being bothered with all those regulations all the time. The other manager claimed that people are really interested in the regulations and therefore, there was a high demand in publicly displaying all regulations at the hotel. Additionally, one manager claimed, in his hotel, all guests are also informed about Covid- regulations at the check- in, and there are information letters provided in each room as well.

Interviewees were asked the previous five questions of the interview in order to find information to answer the second research question about recovery strategies used to overcome the crisis and mitigate the impacts. Referring to variable costs, they are naturally declining due to the low level of occupancy and closed F&B outlets. Concerning fixed costs, managers tried to reduce it to the minimum and hoped for discounts from service providers. Regarding sales and marketing, in general, it is crucial to be visible and keep contact with all regular and big accounts, corporate partners, and OTAs. Moreover, hotels that are reliant on international tourism decided to mainly focus on domestic and nearby markets in the future. Referring to trainings and modernization processes of the hotels, two hotels completed renovations and made big investments during the lockdown. However, the



opportunity of having trainings was limited for some of the hotels due to regulations of "Kurzarbeit". In order to return back to business, regulations to guarantee the safety of guests are part of the process. In general, hygiene-, disinfection- and cleanliness- standards were put on a very high level and contact with guests was minimized.

In this section, connections between primary and secondary research can be detected. Authors of existing literature and interviewees agree that corrective measures have to be taken to minimize the impacts of the crisis (e.g., Kim et al., 2005; Henderson & Ng, 2004; Coombs, 1999). To dig a bit deeper, in some sense, all interviewees have tried to benefit somehow from the crisis. For some hotels, renovation work was done, and trainings were organized. Also, in literature, it is argued that time can be used wisely during the crisis (e.g., Henderson & Ng, 2004). Moreover, interviewees agreed with literature that preventive measures have to be in place, in order to minimize the risk of an infection with the virus (e.g., Kim et al., 2005; Henderson & Ng, 2004). Lastly, in primary research as well as in secondary research, it is stated that during a crisis in tourism, the targeted markets which hotels are serving can change, and sometimes managers are forced to approach different opportunities than usually (e.g., Kim et al., 2005; Henderson & Ng, 2004).

4.3 Lessons learned

The last section of the interview focuses on lessons learned. So, what lessons have been learned so far? Four out of five managers answered that is particularly important to stay positive and optimistic and never give up, especially in those tough times. Furthermore, all but one interviewee said that it is crucial to keep the team together and to be approachable and visible for your employees. Due to the constantly changing situation, two managers mentioned that a high level of flexibility is really important to continue operating. Being flexible and agile is also an advantage in the future. Additionally, one interviewee argued that good communication is important to keep everyone involved and not lose touch with team members. The hotel manager of the hotel for which was decided to close down argued that he would definitely not close down the hotel for the next time. Also, for the restaurant, pick- up- services should have been introduced from day one on. The manager added that the



employees lost their routines due to the closure, and it might be very hard to orientate for the next opening.

The next question was asked to find out if the hotel managers think they will be better prepared for the next crises. All of the interviewees agreed that they will definitely be better prepared for potential future crises. However, they had different reasons for their answers. Two interviewees mentioned that there will not be the same situation again. Therefore a crisis is still a scenario where there is no detailed plan available. Still, one of them said that he has at least learned to be flexible. Two further managers claimed that they will be prepared for future crises by analyzing the current crisis and developing a proper crisis protocol. Another interviewee argued that due to experiences in terms of crisis management, he will be more confident to lead through the next crisis.

The last question of the interview was asked to find out if interviewees even think it can be possible to prepare for a crisis like the current one. All interviewees agreed that it is somehow possible to prepare for a crisis. However, one manager mentioned that it is really hard to prepare for a pandemic. Another interviewee thinks that it really depends on the type of crisis and how fast it develops. He mentioned that the situation regarding Covid was definitely underestimated, and all of us should have paid more attention to this threat. Moreover, one manager said that it is possible to prepare for a crisis, but this plan would just consist out of headings. So, details in crisis management can not be planned at all.

The questions of the last section "Lesson learned" were asked in order to answer the last research question about what lessons have been learned from the current crisis which may be applicable in managing potential future crises. Most managers argued that staying optimistic and positive is something they have learned from the coronacrisis. Furthermore, most managers claimed they will definitely benefit in the future from their crisis management experiences gained in the last months. Moreover, all interviewees agreed that it is somehow possible to prepare for crises and that they will be better prepared for difficult times in the future. However, as all crises are different, it might not be possible to make clear preparation for each situation.



The last section of research can also be put into context with existing literature. Hereby, interviewees and authors of existing literature agree that good communication within an organization is crucial to survive a crisis (e.g., Coombs, 1999). Moreover, in literature it is mentioned that previous crises have to be analyzed deeply, and a crisis protocol should be elaborated straight after the crisis (e.g., Coombs, 1999; Faulkner, 2001). Hereby, interviewees also share the opinion that all aspects of crises have to be evaluated afterward. Lastly, in literature it is suggested that organizations will be better prepared for future crises after they went through tough times (e.g., Kim et al., 2005; Henderson & Ng, 2004). Also, interviewees totally agreed on that.



5 Conclusion and Recommendations

In the last chapter of the thesis, and a summary of the answers to the three research questions is provided. Furthermore, practical implications and limitations are shown. Moreover, advices for potential future investigations are given. Lastly, the author provides recommendations to hotel managers who are suffering from crises.

To start with, the main objective of the research was to find out how the Viennese luxury hotel industry was affected by the Covid-19 pandemic. However, it was found out that all hotels included in the research were strongly impacted by the pandemic, they were heavily suffering from the crisis and had to face many unexpected challenges. Since the onset of the pandemic in March 2020, governmental restrictions all around the globe made international travel almost impossible, therefore hotels were facing a huge lack of customers and were not able to continue operating in the usual way. Secondly, the author wanted to find out about recovery strategies, which were used to overcome the crisis and mitigate the impact. In general, costs are reevaluated and put to an absolute minimum level. In order to stay competitive, being present on the market is crucial. Moreover, due to travel restrictions and uncertain travel conditions, hotels were serving completely different markets than usually. Regarding future sales and marketing strategies, target markets need to be adapted based on what countries are allowed to travel. High hygiene standards were implemented in order to guarantee safety and to avoid any contamination with the virus. Lastly, the author aimed to find out what lessons were learned from the Covid-19 pandemic, which might be beneficial for upcoming future crises. Staying positive and optimistic became crucial in those tough times. Moreover, all managers will be prepared for potential future crises at least in some way. However, all crises are different, as a consequence, preparation might be limited.

Comparing primary and secondary research with each other, similarities can be found. Literature highlights that global tourism is really sensitive to problems regarding health and safety (e.g., Blake & Sinclair, 2003). As Covid-19 caused a global health crisis, tourism was heavily affected and demand diminished. Also, certain attributes of crises in literature are matching with characteristics of the current situation regarding Covid-19. To point out, the outbreak of the Covid-19 pandemic happened



all of a sudden and very unexpectedly. Almost no preparation was possible, and all actions were taken instinctively. In literature, some types of crises are characterized as unexpected events which require immediate corrective actions (e.g., Parson, 1996; Henderson & Ng, 2004). Furthermore, referring to how hotels are treating a health crisis, literature aligns with results from research in some areas: In a health crisis, preventive actions have to be taken to reduce the risk of becoming infected with the virus. Furthermore, sales and marketing actions need to be adopted to current demand of the markets. Due to several restrictions, markets can change (e.g., Kim et al., 2005; Henderson & Ng, 2004). Lastly, it is suggested in literature, through detailed analysis of previous crises, it is possible to prepare for future shocks (e.g., Coombs, 1999; Faulkner, 2001). Hereby, primary research showed identical results.

This research is intended to provide an analysis of how Covid-19 impacted the Viennese luxury hotel industry. The results of the research can be useful information for hotel managers, who are in charge of handling a severe crisis. Although there is existing literature on how hotels were affected by health crises available, there is no academic research on the impact of the Covid-19 pandemic on the Viennese luxury hotel industry. However, there are some limitations of the research, which should be taken into account. In this thesis, only five interviews with general managers of luxury hotesl in Vienna were conducted. In order to receive a more comprehensive overview of the situation, managers from more hotels should have been contacted and interviewed. Furthermore, only hotels which are considered as luxury establishments were chosen for the research. A study including hotels with different star ratings would have presented a more detailed overview of the situation of the whole industry. Moreover, the thesis just focuses on Vienna. In Austria, all Covid regulations were really severe. In other areas around the world, measures to stop the spread of the virus were not that strong, and tourism might not have been affected in the same way as in Austria.

For future research, the author advices to include more various luxury hotels into the research. Furthermore, the issue regarding how Covid-19 affected luxury hotels would be really interesting on a European scale as well. Therefore, the author advices to conduct a study on the impact of the pandemic on luxury hotels from different cities



across Europe. Also, the author suggests for future research to analyze how Viennese hotels across all star ratings were affected by the crisis.

Lastly, the author recommends to managers of luxury hotels, which are heavily affected by crises, to properly analyze the situation afterward. All actions taken need to be evaluated. After having done that, managers can confidently start to make preparation for potential future crises. Referring to the specific situation about Covid-19 in Vienna, as international travel will remain limited for the next months, it will be crucial to focus on the domestic and nearby markets.



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Appendices

Appendix 1: Inquiry for interview (German)

Sehr geehrte/r Frau/Herr XY,

ich bin derzeit Student auf der Modul University Vienna und möchte Sie gerne fragen, ob ich im Rahmen meiner Bachelorarbeit ein Experteninterview mit Ihnen führen darf. Meine Arbeit trägt den Namen "The Impact of the Covid-19 Pandemic on the Viennese Luxury Hotel Industry" und ich möchte herausfinden, wie sehr die Wiener Luxushotellerie durch die Coronakrise betroffen ist, und wie sie damit umgeht.

Die Interviewfragen thematisieren den Einfluss des Virus auf Ihr Geschäft, die in Ihrem Haus angewendeten Recovery Strategien, sowie was Sie als General Manager aus dem Hereinbrechen der Krise gelernt haben. Das Interview dient lediglich dazu, einen Überblick über die Situation zu bekommen, ich werde nicht nach konkreten Daten Ihres Hotels fragen.

Ich würde es sehr begrüßen, Sie persönlich interviewen zu dürfen. Hierfür bin ich selbstverständlich bereit einen negativen Coronatest mitzubringen. Da die Modul University eine Internationale Universität ist, und ich meine Arbeit deshalb vollständig auf Englisch verfasse, würde ich gerne vorschlagen, das Interview mit Ihnen in Englischer Sprache zu führen. Insgesamt wird das Interview maximal 30 Minuten dauern. Ich würde mich freuen, mit Ihrem Input und Ihrer Expertise, meine Bachelorarbeit fertigstellen zu können.

Sollten Sie einverstanden sein, würde ich das Interview gerne ab 10. März mit Ihnen führen. Ich ersuche höflichst um Ihre Rückmeldung, ob bzw. wann Sie Zeit finden. Ich wäre Ihnen überaus dankbar für Ihre Hilfe und Zusage zu meinem Interview.

Mit freundlichen Grüßen,

Maximilian Strobl



Appendix 2: Interview questionnaire (English)

Question Set 1: Impact of the Covid-19 pandemic

Spring 2020:

- 1. To what extent was your hotel affected by the Covid-19 pandemic in spring 2020 when the situation became serious? Both in terms of the overall business and HR (employees)?
- 2. How was the situation evaluated in March regarding its anticipated duration and severity?
- 3. Did you have some kind of premonition and was there any contingency plan available at the time?

Summer/Reopening 2020:

- 4. To what extent did the situation change concerning the bookings and HR planning in summer?
- 5. Compared to spring, how satisfied could you be with your overall business in summer 2020?

Winter 2020/2021:

6. The hotel industry was open from June until November 2020 when another lockdown came into place and hotels were forced to close again. How was your hotel affected by the second lockdown, both in terms of bookings and HR planning?

2021 onward:

- 7. In your opinion, how long will this crisis last?
- 8. What will be the consequences for your hotel in case that it lasts longer than you anticipate?

Question Set 2: Recovery strategies in order to overcome the crisis

Overall, chronologically speaking, hotels were closed from mid-March to June 2020; they were open in summer until November 2020; since then, they have been closed and are currently waiting for the reopening.



Internal operations:

- 9. What has been your main strategy when it came to cutting costs and the overall recovery of business, both short-term and long-term?
- 10. What marketing and sales measures have you been working on during the lockdowns in order to improve business after the reopening?
- 11. Has it been possible to use the time sensibly for any renovation work, employee training courses or similar?

Guests:

- 12. What measures have been taken in the past or will be taken in the future to ensure the safety of your guests?
- 13. How are you going to communicate those to your prospective guests?

Question Set 3: Lessons learned

Preparation for potential crises:

- 14. What lessons have been learned from the onset of the crisis in March 2020 so far?
- 15. Based on your experiences from the current crisis, do you think that your hotel will be better prepared for potential future crises? Please elaborate.
- 16. In your opinion, is that even possible? Please elaborate.

Appendix 3: Interview questionnaire (German)

Fragen Set 1: Der Einfluss der Covid-19- Pandemie auf die Wiener Luxushotellerie

Frühling 2020:

- 1. Wie stark trafen die Folgen des Corona Virus ihr Hotel im März 2020, als die Krise hereinbrach? Wie sehr waren das tägliche Geschäft und HR (Mitarbeiter) davon betroffen?
- 2. Wie hat man damals die Situation bewertet in Hinsicht auf die Dauer und auf das Ausmaß der Krise?
- 3. Hatte man damals eine Vorahnung bzw. einen Notfallplan parat?

Sommer/ Wiedereröffnung 2020:

- 4. Wie sehr hat das Geschäft im Sommer 2020 wieder angezogen hinsichtlich Buchungslage und HR?
- 5. Bezüglich der Einschätzung der Krise im März, wie zufrieden konnte man mit dem Sommer 2020 sein?



Winter 2020/2021:

6. Von Juni bis November 2020 war die Hotellerie geöffnet, wie sehr hat der erneute Lockdown im Herbst 2020 das Unternehmen getroffen, wie hätte die Buchslage ausgesehen bzw. wie plante man mit den Mitarbeitern?

2021 und Zukunft:

- 7. Wie lange wird die Krise Ihrer Meinung nach anhalten?
- 8. Was sind die Konsequenzen für Ihr Hotel, sollte die Krise länger als gedacht andauern?

Fragen Set 2: Strategien, um die Krise zu überstehen

Insgesamt, chronologisch betrachtet, hatten die Hotel von Mitte März bis Juni 2020 geschlossen, von diesem Zeitpunkt bis November 2020 hatten sie geöffnet, seither sind sie wieder geschlossen und warten auf die Wiedereröffnung.

<u>Intern</u>

- 9. Welche Strategien hat man verfolgt, um kurzfristig die laufenden Kosten zu minimieren und langfristig überleben zu können?
- 10. An welchen Maßnahmen hinsichtlich Marketing und Sales hat man im Lockdown gearbeitet, um dem Geschäft nach der Wiedereröffnung mehr Schwung zu verleihen?
- 11. 11. Hat man die Zeit im Lockdown sinnvoll für etwaige Umbauarbeiten, Schulungen oder sonstiges nutzen können?

Gäste:

- 12. Welche Maßnahmen sind zur Bekämpfung der Pandemie und zur Sicherheit der Kunden gesetzt worden, bzw. werden in Zukunft eingesetzt?
- 13. Wie werden sie die Maßnahmen zur Eindämmung der Pandemie an Ihre zukünftigen Kunden kommunizieren?

Fragen Set 3: Gewonnene Erkenntnisse

Gewonnene Erkenntnisse:

- 14. Welche Lehren hat man aus dem Hereinbrechen der Krise im März 2020 bis jetzt ziehen können?
- 15. Anhand Ihrer Erfahrungen der momentanen Krise, wird man für zukünftige Krisen besser vorbereitet sein?



16. Ist es Ihrer Meinung nach überhaupt möglich, sich auf derartige Krisen vorzubereiten?

Appendix 4: Transcripts of interviews

Transcript of interview: Interview 1

Interviewer: To what extent was your hotel affected by the Covid-19 pandemic in spring 2020 when the situation became serious? Both in terms of the overall business and HR (employees)?

Interviewee 1: In terms of business, we had the best December since opening of the hotel, we had the best January since opening, we had the best February since opening and then in March, within two weeks, the year was destroyed. At that point we were ahead of signed business on the books compared to the previous year with more than a million euro. So, it was said to be a record year, not only for us, but also for Vienna. All biannual congresses were taking place in that year, and many other big conferences etc. It was supposed to be a record year. So, to what extent was our hotel affected? We dropped from 90% occupancy to 0 within two weeks. So, in terms of HR, you mean if we had people leaving?

Interviewer: Yes, did you have to terminate some people at that point of time?

Interviewee 1: Okay, no, we kept everybody, and we went straight into "Kurzarbeit". Yeah, that was what we deployed. You know, when you look back, it's always easy, but at that point in time in March, nobody knew how long it is going to take. Is it going to be six months, maybe a little less, maybe a little more? Three to six months "Kurzarbeit" would be no issue, but a year is a challenge. It's a challenge for you and for your employees, because in the end you get 80/90 percent of your salary, which means you give up two monthly salaries in the year. That's very difficult for people to afford. But on the other side, at least we have it. That's a good thing because compared to Hungary or other countries there is nothing, they don't have it. It was very critical to keep the team. We did lose colleagues at the later stage, but at that time we kept everybody.

Interviewer: How was the situation evaluated in March regarding its anticipated duration and severity?



Interviewee 1: We have a lot of hotels in China, so we knew how drastic it can be. In Austria, we thought three to six months and then we're done. Colleagues from China said it is more severe and it will take longer but they showed signs of recovery relatively early and came back relatively quickly. The lockdowns in China were drastic, really drastic; three months in your apartment. Nothing, no movement, but recovery was fast. I mean, the hotels are having a level of occupancy of 80-90%. They have weddings with 2 000 people - they're back. So, generally speaking, we anticipated the crisis to last three to six months, we have to get over it, and in the end, it is going to be okay.

Interviewer: Did you have some kind of premonition and was there any contingency plan available at the time?

Interviewee 1: Okay, there was no contingency plan per se available, because things happened very fast and in a very severe matter. What we did is we never gave up. So, for example in April 2020, we signed a deal with the Middle Eastern embassy. They took the whole hotel exclusively for 20 days. They brought all their people from Europe, whoever they could reach at the time because it wasn't easy to bring them here, put them two weeks into quarantine and get all of them back. So, we had at the very early stage a full- hygienic concept implemented, even more drastic than it is now. We had two doctors on site for 24 hours available, we had temperature checks of every guest every day. Our guests had certain time slots, where they could go for lunch, breakfast, dinner or to the ballroom. They could not move outside of their rooms freely, it was very, very strict. It was a super experience because no other hotel had that experience in April last year. Additionally, we had the whole hotel exclusively sold. The hotel was fully booked even though it was not 100% fully booked, but every room was sold. So, April was ok for us.

Interviewer: So, you had some kind of premonition from your colleagues' experiences in China, but there was no contingency plan available in March 2020?

Interviewee 1: There was no pandemic policy in place or any epidemic policy. I know Hilton had such a plan in the early 2000, but I don't know if they still have it. However, we didn't have a big plan, but developed one extremely fast. This plan came out in the summer and is called "White Glove Service". It is a hygene concept for all the hotels.



Interviewer: To what extent did the situation change concerning the bookings and HR planning in summer?

Interviewee 1: Business in summer 2020 gained a certain momentum at some point in time. We knew that Vienna is not summer destination number one. We were slowly getting back to 20-30% occupancy levels. We had a good feeling, a good vibe, the lobby was busy, the restaurants were busy, and the brunch was fully booked. So, those things worked super nice. We had a feeling like we are over it. Referring to HR, no real changes, we kept everyone and "Kurzarbeit" continued.

Interviewer: Compared to spring, how satisfied could you be with your overall business in summer 2020

Interviewee 1: In March we expected the crisis to last for six months or even less, in summer we slowly started again. We mainly focused on the domestic market. In that sense we were really lucky, because already before the pandemic, Austria and Germany are the countries were our guest are mainly from. It was a big advantage in that period because Austrians and Germans were the only people, who were able to travel. So, if you are relying on Asian or Americans, it really hurts badly. Business travel was very limited, leisure travel was very limited and there were no bigger groups. Austrians and Germans were the only people traveling.

Interviewer: The hotel industry was open from June until November 2020 when another lockdown came into place and hotels were forced to close again. How was your hotel affected by the second lockdown, both in terms of bookings and HR planning?

Interviewee 1: Speaking about HR, after "Kurzarbeit 2", which was in October, we went into full employment. This was also seen as kind of "Behaltefrist", which allowed us to terminate people. So, we had to let people go in that period and then returned into "Kurzarbeit" in November. Lockdown 2 was definitely not expected. Everybody said we cannot afford this, and everybody said this is impossible. Another important detail here is, we were never forced to close down. This has one painful effect, which is the insurance. Usually, we have a business interruption insurance, but the business interruption insurance would only work on the pandemic law. The pandemic law was



overwritten with the "Covidmaßnahmen", consequently the insurance doesn't pay anything. Summarizing, the second lockdown came really unexpectedly. I mean, you have your regular business- people coming, they are still here, but there are hardly any groups. What we did at that time, we focused on football and soccer teams, because they were business travelers, and they were still traveling in groups. We had Arsenal here and two other teams, two nights/three nights - 50 people - full board - perfect. So, that was the only business, which was allowed, the rest was minimal.

Interviewer: In your opinion, how long will this crisis last?

Interviewee 1: To be honest, for some the crisis might be over soon because they are not going to survive. It's existential for a lot of hotels and without state subsidies - no chance. Originally, I thought the opening is going to be at Easter but now I think it's going to be later in April. It's dragging so long, and you still have your fixed costs. You are trying to reduce wherever you can but there's certain fixed cost like insurance, which cannot be reduced. The risk of the hotel burning down is still the same, and this kind of costs are killing you. I believe with the vaccinations in place, we will have a chance to return to some kind of normality, and I hope at the fourth quarter, we will return to some kind of normality, but I don't expect too much. I was always too optimistic, I got careful on that. I think Christmas 2021 might be some kind of return to normal business. But again America, Asia - this is going to take so much time, maybe next year. It also depends on the airlines, if you have no connections, no one will come. Referring to average rate, what people are prepared to spend during their holidays, you need people from UK and Asia coming to pay for suites and increasing the average rate, but that will take some time. In October there is a congress scheduled with 500 travel agents from the US, that seems to be still holding. We will see. I think there are still 10 congresses in the second half of the year with over 5 000 delegates, they are still on. So, let's hope.

Interviewer: What will be the consequences for your hotel in case that it lasts longer than you anticipate?

Interviewee 1: To be honest, I could not exclude further terminations. My team from the spa hasn't been here since November. So, it's extremely challenging to keep people engaged, to give them the feeling to belong to this hotel. We even do weekly



newsletters and hybrid- conferences, we do whatever we can to give them the feeling to be part of the game.

Interviewer: What has been your main strategy when it came to cutting costs and the overall recovery of business, both short-term and long-term?

Interviewee 1: Well, the variable costs go down anyway, so that's given by nature, but obviously you have to tackle your fixed costs, and this depends on your relationships to your suppliers and to subcontractors. When you have a good relationship to them, then you have a far stronger negotiation point, so we were very fortunate with all our partners. Some of them are in even more difficult situations because they are companies delivering to hotels, but not hotels themselves, so they even don't get subsidies at the moment. It's extremely difficult. Overall, cash flow is key and the number one challenge because you still have your fixed costs going out and nothing coming in. Referring to governmental subsidies, it's almost a full-time job. It is extremely complex and a lot of paperwork. "Kurzarbeit" was really good, we got it today from January. Then you have "Fixkostenzuschuss 1", "Fixkostenzuschuss 2", "Verlustersatz", "Ausfallsbonus", there are so many different things you can apply for. For example, there is a "Anschubfinanzierung" from the city of Vienna, where you can get 50 000€ for sales, promotion and marketing. It is extremely complex to apply for it, and you need a tax advisor to do so, which costs 7 000€. So, you pay 7 000€ to apply for the 50 000€. You get your 50 000€ and then you come to "Fixkostenzuschuss 2" and they tell you, if you got 50 000€, you have to reduce it from the "Fixkostenzuschuss". So, it's super complex and doesn't really make sense. It's also a bit difficult because you have limitations, there is a cap of 800 000€, which was set by the EU. It helps if you have a small restaurant or if you have a small bed & breakfast, but as it is limited to 800 000€, it doesn't play a huge role. For us 80% of November would have been 1,6 million. It's really complex - super complex - but nevertheless, it's super important. So, we applied for everything which makes sense for us.

Interviewer: Have you already received all payments you applied for?

Interviewee 1: Nope. "Fixkostenzuschuss" not yet, but that's hopefully in the final stages right now. Last night they came back with another question, which no one has heard before. For "Verlustersatz" the application is in progress, and even applying for



it takes ages. We didn't apply for "Anschubfinanzierung" but are currently applying for "Ausfallsbonus". It's work in progress, but today they announced further subsidies, let's see.

Interviewer: What marketing and sales measures have you been working on during the lockdowns in order to improve business after the reopening?

Interviewee 1: Number one, we keep contact with our clients. So, we keep the relationship with our regular accounts and our big accounts. We organized coffee mornings with our US agents, for example, so we had an online meeting with 50 agents, where we did a "How to do Apfelstrudel in 15 minutes", afterwards we showed them the hotel and did a virtual tour in the hotel. We just try to keep them engaged. Again, we focused on the niches, which we found like football. Honestly, it's not bad. We have another big group in March, 600 room nights - perfect. Okay, it's not nothing. The rest, especially in marketing, is very content driven. Nobody wants to buy anything right now. We just sell content. Some people want to know about the history of the hotel, about the history of the building, about the architect, about the features of the hotel, about the facilities or about the Michelin- star restaurant and any recipes. Content, content, content.

Interviewer: What about any discounted rates?

Interviewee 1: No, no, no, no. You could give it to people for free, still nobody would come. There's no point. If you take down the rate, you will suffer for years. I've been working in Budapest during the financial crisis and they started dropping the rate. It took them 6-7 years to get back, because people will not accept it. They will come next year and suddenly the rate is 30% higher than the year before. Never touch the rate. There are some situations where, let's say a three- star hotel is closed, but the five-star hotel of the same group is open. People will book the three- star hotel and will get a room in the five-star hotel. So, the occupancy of the five- star hotel looks a bit higher, but the rate obviously goes down because they charge the rate of the three- star hotel. The second thing is, all the US business is missing, all the high- rate business is missing. So, the average rate didn't drop because they said they give discounts and promotions, it dropped because the market mix changed. Further, we



are still doing usual promotions, like "Erlebe deine Hauptstadt", which is for domestic people.

Interviewer: Has it been possible to use the time sensibly for any renovation work, employee training courses or similar?

Interviewee 1: No, nothing at all. This is not possible for really simple reasons. Because of the non-existent cash flow, there is no chance for any renovation. Also, due to "Kurzarbeit" it would not make sense to send people to trainings, as you will lose "Kurzarbeit" and you will have to pay them yourself.

Interviewer: What measures have been taken in the past or will be taken in the future to ensure the safety of your guests?

Interviewee 1: Well, as I said, we had really high standards in April 2020, when we had people from middle eastern countries here. Overall, we still want to be a hotel, rather than a hospital. We have disinfection dispensers all over the place. There is a screen at the reception, so they don't have to wear masks behind the screen. Nevertheless, wearing masks is required in all public areas. Furthermore, we are screening our employees every week for Covid-19 - PCR tests for everybody. In general, measures always change with the legal requirements. When the masks were not required, some people were super happy because it became livelier, and you could see the faces, other people were unsure and a bit afraid. Moreover, all distance regulations are in place. When we have some meetings, two meters distance to everybody are required. Furthermore, we have the option to do fever screening, but it is not standard. Moreover, people can test before they come in and hereby, they can either do an "Antigentest" or a PCR test. We found a hospital in Vienna they can do a PCR test within 30 minutes. It's not a standard, but if you want it, you can have it. We used to have little disinfection flasks and masks in all the rooms, but the specification of the masks changed from normal masks to FFP2 masks, so we had to take them out. If someone needs a mask, masks are freely available at the reception for everybody. Furthermore, another option, we have a card for people staying longer than two nights, and they don't want anybody to go into their room. It's not a "Do not disturb", but it's a "Don't service my Room", "I don't need any Service". Additionally, breakfast buffet is a very interesting point. Can you do it? How do you do it? We did



quite well. I think we were the only five-star hotel in Vienna, serving breakfast in buffet style last summer. Even people from the health ministry were here and said: "Respect, this is faultless." Everything was portioned, everything was covered, it lost a bit of its charm, but it was really good. A lot of hotels try to serve breakfast á la card, but it's not the same. People have their own way of their sandwich over there, they want a certain ham and a certain cheese. In the end, it worked perfectly, and people were extremely happy and very pleased with it. Furthermore, our brunch was also really good. We reduced the number of guests and it was almost like a flying buffet everything was brought to the table. That's pretty much it.

Interviewer: How are you going to communicate those measures to your prospective guests?

Interviewee 1: On our website, we have a special section called "White Gloves Service". That specifies the Kempinski standards in terms of dealing with Covid-19. But in many points, we even went over and above. Sometimes we were even stricter than regulations by law. So, government basically gives you a basic framework about what should be done and what has to be in place. Everything over and above is always possible on your own accord or on legal requirement.

Interviewer: What lessons have been learned from the onset of the crisis in March 2020 so far?

Interviewee 1: Anything is possible. Never give up. Yeah. No, seriously, never lose your positivity. Right now, we have 10- 20 rooms occupied, only room service is possible and everybody else is at home. You have to stay positive because if you're not positive you turn down all the rest. Stay optimistic, be present, be visible, be approachable. Everyone can call me or can text me. Additionally, I have my key times at the office, when I am at the hotel. Sometimes I am also outside of my office hours at the hotel. When I am here, I go around and meet everybody who's here for a quick talk. Remaining positive is key, and that's why we got this middle eastern conference in April. This is also why we got the football teams. It's a small world, you know, once you're in that soccer community, they recommend you to others. So, we stayed positive and went for what has been there.



Interviewer: Based on your experiences from the current crisis, do you think that your hotel will be better prepared for potential future crises? Please elaborate.

Interviewee 1: Yeah, definitely. Because again, we have learned to deal with situations, we thought this would not be possible. I was in London on 9/11, I opened a hotel in Bahrain in the middle of Arab Spring, when the Saudi army was clearing the place next to our hotel, where we were opening. So, I've seen some things so far. Trust me, you've never seen everything. There's always something new. However, this time is different. On, September 11th tourism collapsed within one night, but it recovered extremely fast. Same happened referring to Arab Spring and financial crisis 2008. It was always a relatively quick recovery time, people forget, and people want to travel, but this time, it will last for a very long time. This time, we will suffer longer, also in terms of employees and the team. We always found issues to find talented people, trained people, good educated people, who are also eager to travel and not stuck in their homes. That will be more difficult this time. However, we will be better prepared because there were certain crisis protocols in place, not in terms of hygiene, but in terms of financials. Business collapsed and we had to start a protocol about what are we doing now. Also, because of the length and the intensity of the crisis, we have finetuned a lot, even deeper to the bone. So, if something happens next time, we will probably be able to take more drastic decisions at an earlier stage.

Interviewer: In your opinion, it is possible to be prepared for a crisis like this? Please elaborate.

Interviewee 1: In some kind it is possible but preparing for a pandemic is really hard. 20 years ago, there was the SARS crisis in Asia, and that's why they were better prepared this time. I mean there is a huge cultural difference. They were better prepared, because they wear masks all the time. I think Asia is also culturally different, because everybody sticks to the rules. Here in Vienna, no one really cares. It's hard to say...

Transcript of interview: Interview 2

Interviewer: To what extent was your hotel affected by the Covid-19 pandemic in spring 2020 when the situation became serious? Both in terms of the overall business and HR (employees)?



Interviewee 2: We have never closed the hotel completely. We always remained open, as some of our clients are staying with us as their home, so we are their home address. Some of our clients are still with us since that time and other clients stayed with us for medical reasons. They had several treatments and didn't go back home between the treatments. They actually wanted to go home between the treatments, but the situation was very unsure whether they will be allowed to enter Austria again for the second or third treatment or not? So, a couple of them stayed with us until mid of May. Of course, all restaurants were closed, spa was closed, all outlets were closed, and we just served room service for those clients staying with us. So, we had a really strong January and February last year, which were even better than in 2019. We finally stared into the crisis in March 2020. The financial impact was dramatically, occupancy rate dropped form 75-80% to 6%. We had no revenue from F&B, from spa or anything else. In terms of HR, at the beginning, everybody was us was planned for "Kurzarbeit". At that time, nobody knew exactly how that works - how that should work. So, we kept all of our employees. At that time, we had five of our team members, who recently started - I think it was five of them, for example, one internship. Those positions didn't have full contracts, so they left in April. In the hotel, stuffing went down to two people doing front office, one responsible for room service, one is in the kitchen, early- and late- shift and one engineer. Furthermore, most of the shifts at the beginning were handled by the leadership committee to have some strong parts in the hotel all the time as well. That was the idea behind it.

Interviewer: How was the situation evaluated in March regarding its anticipated duration and severity?

Interviewee 2: As we have many properties in Asia, of course, we could learn from the situation over there, which already started two or three months before. So, we had some kind of experience, of course, no plan or anything like that, but we knew already that this is something, which will take longer. It was also quite clear that business will not come back as before, even if we are allowed to stay open. In general, bookings and national travel went down. Regarding the overall expectations for full 2020, it was already quite clear by end of March or mid-April that businesses will not be the same as before. Everybody was looking for dates for the reopening at that time. Our International clients, who stayed here always asked:" Did they have a press



conference today?" They already knew the time of the press- conferences, I think It was always 11 o'clock or something like that. So, they already knew when to ask for updates or anything like that. Of course, same for our employees and team- members, everybody was looking for any updates.

Interviewer: Ok, you already mentioned you had some kind of premonitions because of your hotels in China. Was there any contingency plan available at that time?

Interviewee 2: What we always used to train is called "Special Situation Training", which gives you an idea about how to handle any kind of special situations. It's strange to compare, but the same training was also used for the active shooter in November. It was the same kind of special situation, which was definitely different to daily-business. So, in March or April, there was a daily update with the leadership team. In the case of the active shooter, it was a 15 minutes update, which was completely different, but it helped to think about the actual situation, about where I am and who is there to help- head office or outside of your hotel. So, it was quite clear as there was at least kind of a plan. In general, I think, for this situation, there was no plan, for nobody.

Interviewer: So, there was no epidemic policy or any pandemic guidelines?

Interviewee 2: No, not really. There is just a guide how to close down the hotel.

Interviewer: To what extent did the situation change concerning the bookings and HR planning in summer?

Interviewee 2: So, I think it was the 15th of May, when we were allowed to open restaurants, bars and everything. Although we are an international brand, we always had a focus for F&B and Spa on local clients. We never focused only on hotel- guests, we always focused on local clients. Consequently, that was the reason why our main restaurant "The Bank" as well as our outside area and the terrasse had a strong comeback. Compared to a lot of hotel restaurants, we had a really strong comeback. At this time, we decided to keep some areas closed and focus and concentrate on others instead of opening everything up. This decision was also taken due to the fact, that we still had limited stuff available, as there was still the chance to have some people on "Kurzarbeit", in order to get some money back, or at least some



compensation from AMS. Referring to the rooms, yes, we opened up. As long as borders were kind of closed and as long as travel was restricted, due to quarantine and all that stuff, there was only local demand. As I have already mentioned, we have never focused on only one of the markets. So, we always had a brought variety of markets, where we focused on quite a few. We had a lot of guests from Germany, Austria and Switzerland, the majority of our guests in summer were from those countries. We also stopped spending money on sales and marketing activities for the US- or Asian- markets, which was a part of our contingency plan. We moved away from our regular markets, where we normally do a lot, and completely focused on the domestic market and on Europe. Moreover, Russian and Ukrainian markets are important for Vienna, and especially valuable for us. They still have money to travel, at least those citizens, who travel have money to travel. Additionally, they are willing to travel and are willing to accept regulations like quarantine or anything like that. Referring to HR, we decided to minimize our team to what we call a core team. So, from 220 employees in total we went down to 170 employees. A lot of our team members left on their own because they decided to go, for example, we had some Hungarians, who decided to go back home to support their families instead of staying here. From our side, we decided to let around 30 people go after "Kurzarbeit 2". As far as I know, we were the first hotel, who informed some team-members, who might be the ones leaving. So, we informed them already three months in advance to give them the chance to find a new job and to think about what to do. So, it was guite tough for them to come to work and to proceed in their normal life, but we think it was more than fair to let them know as soon as possible. We took those decisions based on what positions do we need in a core team and who is flexible, too do more than one job. For example, we had a guest experience team member who used to serve as a concierge before and used to work at front offices. So, we decided to keep her, as she's flexible to do three jobs.

Interviewer: Compared to spring, how satisfied could you be with your overall business in summer 2020?

Interviewee 2: The experience and the behavior of guests changed. Of course, we had less table and less seat capacity that time, but we noticed that people, who went out for lunch or who went out for dinner were willing to spend more money because they



enjoyed their time with us more than before. For example, in the outside areas, we had less seats and less customers, but even more revenue. That was definitely not the case for all other areas, but it was due to the change of our offer. Usually, we have three kitchens in our hotel, at this time in summer, we only operated from one. As we had less team- members and only one kitchen in operation, we were serving the same food in the restaurant as well as on the terrasse. That's why the average check went up, we always used to serve different kind of foods, snacks on the terrasse and full dishes in the restaurant. This time, we served the full restaurant menu on the terrasse as well. The major issue for us was losing seats at the bar and the fact that we had to close earlier. Anyways, referring to rooms, it was a disaster and the major disaster in terms of food and beverage were restrictions for events. Hosting events at hotels is a food and beverage money machine compared to restaurants and everything else.

Interviewer: The hotel industry was open from June until November 2020 when another lockdown came into place and hotels were forced to close again. How was your hotel affected by the second lockdown, both in terms of bookings and HR planning?

Interviewee 2: We always expected the pandemic going in waves, so there will be tougher times and better times. Furthermore, we always expected to partly close our hotel, depending on the situation. At that time, we also realized people are not any longer willing to accept all the regulations. So, we decided to keep some public areas open for hotel guests only. We didn't only serve room service, we also served dinner and breakfast in the lounge area. Of course, all the regulations regarding distance, masks and hygiene were in place. Moreover, we didn't have any buffets, just à la carte. As we still had business travel, we definitely had more occupancy in the lockdown in November and December than in March, but the hotel was still heavily affected. Also, we saw that our core team was working quite well. In October, we went into full employment again. So, we were able to pay everybody the full salary. And then in November, of course, we went to "Kurzarbeit 3" and we kept the same team. We saw that this is the amount of people we need to run the hotel and as soon as we are allowed to open, we will need everybody again. At this time, we were really hoping from week to week to get advancement and to get the allowance to open again. Currently it is really different, everyone says: "Let's keep fingers crossed for first of



May." Referring to HR, so we still have people, who left on their own decision, and those positions were not refilled. In the meantime, we hired one guy. Furthermore, we had people in study absence or in maturity leave, who came back and rejoined the team.

Interviewer: In your opinion, how long will this crisis last?

Interviewee 2: As I mentioned before, the situation is really different referring to rooms and F&B. For rooms, we definitely need the restrictions to be eased. In the case the government announces we are allowed to open our doors tomorrow, it will be a nice announcement, but no one will travel. In general, it will just be Austrians who are traveling. As soon as the spring season starts, it will be Viennese people traveling to lakeside's instead of people from western parts traveling to Vienna. So that's why it will definitely last a long, long time until the business comes back, as it was 2019. The most important thing is still keeping fingers crossed for Q3 or Q4 for business coming back. It will not come back in usual way, but at least in a normal way. Referring to F&B, I'm sure, as soon as we are allowed to open, business will be ok.

Interviewer: What will be the consequences for your hotel in case that it lasts longer than you anticipate?

Interviewee 2: We are a management company. So, we manage this company for an owner, and we have a really good partnership with the owning company. As we still have a lot of guests and as we still have around 20% occupancy, which is quite high at the moment for this city, we are able to keep the hotel open without having anything like a closure in mind. This was never something we thought about or our owner thought about. For sure, as I mentioned, the core team will still last and everybody who will be leaving, will probably not be replaced as soon as possible. I think for us, there won't be any other consequences. It really wouldn't make any sense to fire people because of period of notice. We have people in the rooms department, their period of notice is around six to eight weeks. Even if we decide to fire someone right now, the person will probably leave in two months. which is the time, where we are hoping to get back to business. Also, as the employee market is getting tougher and tougher and as it has already been difficult to find people before, and now we have so many people leaving the industry, I think it's an investment in the future to keep



those people. New people require so much training and it takes so much time until they know our guests and our hotel.

Interviewer: What has been your main strategy when it came to cutting costs and the overall recovery of business, both short-term and long-term?

Interviewee 2: In short-term it was quite easy. You really run through all your costs and check whether it makes sense to pay it any longer or not. Is it a monthly fee for something you really need or not? Luckily, as we are part of a hotel chain, our brand did a lot in making sure to get some advancements regarding those fees. For example, we are dealing with an IT company, and our brand managed to have three months without paying. Furthermore, we turned off the music in public areas of our hotel, in order to save costs. When it comes to engineering, there are still other costs, which have to be paid on a monthly basis. Speaking about engineering and so on, we also used the time to finish our renovation. Okay, we started last year, where we did the first half of our rooms, and this year we continued with renovations for the long-term. Generally, I would say, it's not cost-cutting, it's rather evaluating whether it is worth to pay or not for now or the future.

Interviewer: I guess you also did apply for all kind of governmental subsidies?

Interviewee 2: Of course. Yeah, we applied for every financial help.

Interviewer: What marketing and sales measures have you been working on during the lockdowns in order to improve business after the reopening?

Interviewee 2: We had some sales fair with our agents which took place on in hybrid mode or via Zoom. What we found out is that most of our clients are not interested in that, they prefer to postpone the meetings, but have them in person. Normally, we have a lot of meetings with 10 or 15 people, which hopefully will be allowed soon. So, we are not talking about meetings with 50, 100 or 200 people. Concerning marketing, as I mentioned we are still focusing on European markets, close to Austria to make sure we invest our money in the right things. On long term, we are still in touch with our clients from the US markets, to make sure they know we are still there. We also keep contact with our VIPs and regular guests via email. They get some kind of newsletters, but not automatic ones. Those ones are written by one of us. Those



newsletters always include something where you can see it's personal. It's either their favorite room or anything else like that. We have the standard words and then we just added something like "your room 310 is waiting for you", to make sure, the client notices, this is a personalized email. We know, those regular customers, who are still traveling, will definitely be coming in the future.

Interviewer: Next question has already been partly answered. So, has it been possible to use the time sensibly for any renovation work employee training courses or similar?

Interviewee 2: So, speaking about rooms renovation, we will complete it soon, we are now at floor number five out of six, one is still missing. Furthermore, we have some kind of IT Investments as well, where you get some financial help across the government. At the same time, you need to do things like yearly pool service for example. This service usually takes the pool out of order for our clients for 10 days. Of course, we did that right away, to be able to have everything available as soon as we are open. This is what we did in other areas as well, we checked if there's something we always wanted to do but couldn't do because of the business.

Interviewer: Was it possible to have any kind of employee trainings?

Interviewee 2: We used this time as well to make sure we have all of those kind of employee trainings you need to be able to operate as a hotel. So, there are many courses you need to do on a yearly basis which need to be renewed. For example, one of those courses we normally do in October, but this year we have already done it in advance to use time sensibly. Furthermore, we could do some trainings for our F&B's and also in terms of product knowledge.

Interviewer: What measures have been taken in the past or will be taken in the future to ensure the safety of your guests?

Interviewee 2: Of course, we have taken all measures which are required by the government. Furthermore, we have our own test station in our hotel since July. So, everybody's able to do an antigen or PCR test on a daily basis. Moreover, our team members, are tested on Covid once a week. Of course, the biggest change is the breakfast, which is completely new. It's not any longer a self-service buffet. So, we try to do it à la carte, but the guests don't accept it. They still want to have a breakfast



buffets and they still want to see the variety of food. Consequently, we decided to introduce a served buffet. Referring to housekeeping and when it comes to luxury, there are things in the rooms, which are not any longer there, everything out of papers is taken out of the room. Salt and pepper are not any longer available as they were before. Yeah, so a lot of small details, which you would probably not recognize at the first moment, but it is something, which minimize the experience of a high-level luxury hotel.

Interviewer: How are you going to communicate those to your prospective guests?

Interviewee 2: We did a lot through Hyatt at all. For example, we started wearing masks already one week before it was required by law in Austria. That was probably the toughest week for all of our employees. "Could you please put your mask on? I don't have a mask with me. I don't need to wear it, do I? Yes, you need the mask, is a Hyatt policy, we want to keep everything safe for you and for our team." Anyways, one week later the government announced wearing masks is compulsory. So, we do a lot of communication through Hyatt at all, through the Hyatt website and through our own website. Furthermore, all of our hotel guests are receiving an email in advance with all kind of standards regarding Covid attached. Most of our clients, are looking up the Austrian standards before traveling to Australia, but some of them are still surprised what lockdown means in Austria at that time and at that day of the week. Of course, requirements are changing every time and you cannot check it on a daily base.

Interviewer: What lessons have been learned from the onset of the crisis in March 2020 so far?

Interviewee 2: I think we have learned something personal-wise as well as hotel structure- wise. Sometimes you have to deal with a situation where there is no plan. It's something different, of course, there is always a kind of plan, but you never know what happens next week. You need to be so flexible, which is great in a lot of ways, but of course, it is challenging as well. You have to keep your team activated and to keep your team with you. Don't lose the connection, because some of them have not been here since beginning of November. So, make sure they still know where they work and what their job is. It sounds funny, but if you haven't been to work for 5



months, it's difficult. We think the biggest challenge will be the time when we all come back. People are not used to work 5 days a week for 8 to 10 hours a day. People haven't been doing that for weeks or months. So, lesson learned is definitely to be brave enough to take decisions. I think all those tests and also the processes failing and trying is something which we probably have never done that often or that strong as at the moment. At the end, if you are failing, it was probably because you tried something new. So, it is still an experience for you, and you might take the wrong decisions, anyway, you can change it, just do it right now and don't wait and wait and wait. Furthermore, I learned how strong and important teamwork is. You should always be reminded that you are not alone in that situation, you always have people around you to support you and to keep everybody motivated.

Interviewer: Based on your experiences from the current crisis, do you think that your hotel will be better prepared for potential future crises? Please elaborate.

Interviewee 2: At the beginning I mentioned the special situation training. So, in the case there is any special situation, we are at least a little bit prepared for it. I think if the next pandemic will be that huge as the current pandemic and not only affecting parts of the world, but impacting the whole world, it still will be something where there is no plan B - to be honest, no plan A as well. Still, what we learned is to be so flexible to say: "I don't need a plan A, I can create my own plan A as soon as possible and let's do it this way here."

Interviewer: This question was also already kind of partly answered. In your opinion, is it possible to be prepared for a crisis like the current one?

Interviewee 2: I would say kind of yes, because you have that strategy, and you have that thinking about how to handle situations. But this plan is still just a guideline, because it won't have any details in it. To have a detailed plan would not be possible at all, but you can have a plan how to react regarding sales and marketing and how would you react over here in different departments. This is something you can prepare for, but still, it's an empty plan with just headlines.



Transcript of interview: Interview 3

Interviewer: To what extent was your hotel affected by the Covid-19 pandemic in spring 2020 when the situation became serious? Both in terms of the overall business and HR (employees)?

Interviewee 3: Well, we started our budget in January and then we heard about the situation regarding Covid in China. We already had thoughts, or we talked about what the influence could be of this situation or what could be if this Covid is spreading. Three months later, we heard about the first lockdown and the deadly virus was spreading worldwide. The situation was so uncertain; what is going to happen and how deadly is this virus? Consequently, aggressive measurements were taken. It was decided that we close the hotel immediately. Even though the government said we could keep our employees and we should start "Kurzarbeit", we closed the hotel and many of our employees left.

Interviewer: Okay, but how was your hotel affected?

Interviewee 3: We were facing a huge drop in business. We received like 60% cancellations within the first two weeks. Referring to HR, everything was so uncertain; what is going to happen? When we heard it is going ahead and the pandemic is coming, it was such a big uncertainty. Due to this high uncertainty, we decided to close the hotel. When the pandemic was approaching, we received a lot of cancellations, but actually, we closed the hotel, so that's it.

Interviewer: How was the situation evaluated in March regarding its anticipated duration and severity?

Interviewee 3: We definitely thought it will last for a longer time. I think as there was so little information, you actually couldn't do anything. In March everything happened so fast, the first measurements were taken in April. The hotel was closed in May and in June, we opened up around end of June. About the severity, I mean government also made this situation very serious. Just remember when people said that everybody will know somebody who will die on Corona. Then after the first lockdown we had maybe 700 people that died in Vienna or in Austria. So, I think there was a lot of



information, conception, harm, and plans about what will happen and what will be done.

Interviewer: Did you have some kind of premonition and was there any contingency plan available at the time?

Interviewee 3: Referring to contingency plans, we just wanted to keep the spirit high for the guests. We kept the money, we didn't pay it back. We informed them, that they can come back whenever it is possible. As the waves of infections got bigger and bigger contingency plans or measurements were not working. Coming from an 85% tourist hotel for international tourists, which is filled with tourists from the UK, from the US, from Italy and from France, it was a very hard situation, as no one of them was able to enter Austria at that time. We just had Austrians and Germans, which completely changed the market mix.

Interviewer: Okay, so, you had some kind of premonition because you already knew about the serious situation in Asia?

Interviewee 3: Yeah, we know it will be coming. I mean it was coming from Asia and then it reached Brazil, then the US, Canada, Australia, so it got global really fast.

Interviewer: So, there was no pandemic guideline or any kind of epidemic policy in place?

Interviewee 3. No, there was just a guideline how to close the hotel and how to keep everything clean. But I mean, I think everybody had to learn about this special situation. There were some guidelines from the Wirtschaftskammer, where they asked us to wipe off all surfaces. So, they had the idea that the virus will survive on all that kind of surfaces, nowadays everything changed again, it's just wash yourself and be hygienic. Currently, we have guidelines what to do in the case someone has fever, but we haven't had this in March 2020, it just developed.

Interviewer: To what extent did the situation change concerning the bookings and HR planning in summer?

Interviewee 3: At the reopening, the majority of the old team was gone. So, as we closed the hotel completely, 75% of our employees were gone. If you look back we



were 22 and now we are seven people. So, we kept a minimum level of stuff to keep the hotel running and then during the summer we actually had no new hires. We just kept minimum staff to keep costs at a minimum and keep the hotel running, keep the service running and keep the service at a level, which is defendable, as I would say. There were some new hires at the restaurant, but no new hires at the hotel.

Interviewer: Compared to spring, how satisfied could you be with your overall business in summer 2020?

Interviewee 3: Business became better than it was expected. We really assumed that there will be less business than it actually was. Furthermore, there was definitely a change in travelers. It was interesting that a lot of restaurant guests booked anniversaries weekends and some of them booked a weekend away from home to get into a new environment. You could already see their pleasure and especially the need for travel. And another important fact, we dropped our rates. That was a big step down, I think we attracted a different kind of people and compared to other hotels, we had a great occupancy. We had a good average rate and we had actually good occupancies. It was kind of okay. We didn't lose our ranking in the STR. We were in a good middle field. But I actually think it was the city of Vienna in general. There was a hype, people wanted to go out and to stay somewhere.

Interviewer: The hotel industry was open from June until November 2020 when another lockdown came into place and hotels were forced to close again. How was your hotel affected by the second lockdown, both in terms of bookings and HR planning?

Interviewee 3: What we have seen in summer, from June to November, bookings came in very short term and people were not planning ahead. So, it was more or less really spontaneous travel. So, when the hotel had to close for the second lockdown, we saw many cancellations for the next time period, for the next six weeks more or less, but people were still hesitating to cancel for Christmas or for New Year. People were really stuck. It was so unsure; are we gonna open up again, what is going to happen for New Year's? In the second lockdown, there were press conferences all two weeks, but actually no one knew what will happen. So, that was the biggest mistake. The government was actually very hesitated to make a decision. I think that



was the biggest mistake they could have done, and that affected especially the hotel industry. People were not allowed to travel, but they expected to travel sooner or later. So, the hotels were not opening, the restaurant were not opening and there was absolutely no plan at that time. So, speaking about HR planning, there were no changes. We put the reaming team into "Kurzarbeit"

Interviewer: In your opinion, how long will this crisis last?

Interviewee 3: 2023

Interviewer: What will be the consequences for your hotel in case that it lasts longer than you anticipate?

Interviewee 3: I think you would need to ask that question to our owner. In the case the crisis lasts longer than expected, it depends on different factors. It is definitely depending on the payments from the government, whether people can still be in "Kurzarbeit" or not and whether money will be given for the fallout of the business or not. Generally, I think bigger companies will survive because they will be on the market again really fast. They will be present on the market really soon. I think for the smaller businesses, it will be impossible. I think small businesses in any sector will die. They will just simply die. They will not be able to afford it. I mean you might have money for a year maybe, for six months or a year. But that's it- that's the end.

Interviewer: What has been your main strategy when it came to cutting costs and the overall recovery of business, both short-term and long-term?

Interviewee 3: So, cutting costs for us can be referred to closing the hotel. We were maintaining the staff, which we had to keep the hotel running. On long term, we applied for all governmental subsidies and everything has been paid as we requested it. The procedures were done by the head office, but what I understood, all money has been received very quickly.

Interviewer: What marketing and sales measures have you been working on during the lockdowns in order to improve business after the reopening?

Interviewee 3: So, currently there's no marketing because the marketing is more or less gone. There's no marketing strategy. Owner-wise there is marketing, but we don't



have any marketing department in house. In order to boost business, I think it is most important to be visible. So, we have to be ready to work with all kind of OTAs and travel agents. We have to work on new opportunities with companies, where we will also offer better rates. The rates for the OTAs will still be kept up. So, that's our strategy for next year. We will be trying to approach new business opportunities with companies and offer better rates, but we will definitely keep the the rates up for OTAs. So, I think that will be the strategy for the next year.

Interviewer: So, you mentioned you dropped the rate, was this the only solution for you?

Interviewee 3: A drop of the rate took place not only at our hotel, but also at other hotels in Vienna. In fact, the drop at other hotels was not as significant as at our hotel. So, I think the rates naturally dropped by about 20 percent in Vienna. At our hotel the rates dropped by 40%, which is very, very difficult and this will also have a big impact on business. In the future, I will not sell rooms to OTAs by 40% less. In the case this is an approach we would like to pursue, we will need to do it, but it will only be available on our website, it will not be offered publicly, under no circumstances.

Interviewer: Has it been possible to use the time sensibly for any renovation work, employee training courses or similar?

Interviewee 3: I wish. I can't say anything more because I think renovation work should have been done, but for renovation, we would have needed money from our owner. Employee trainings could also have been done, but it is particularly important for new employees. As we had no new hires, it was not necessary. We just had our key- team, they are really well trained, they have their masters and took university. So, what I know about the restaurant, they will have a big training as soon as the government announces we are allowed to open. I think that will be a 10- day training. The menus have changed, the wines have changed, so many things have changed, and people will need to be trained on that.

Interviewer: What measures have been taken in the past or will be taken in the future to ensure the safety of your guests?



Interviewee 3: So, there are two parts, one part refers to the rooms, and the other part is about public areas. Speaking about the rooms, there was a particular focus on cleanliness, disinfection and fresh air. The housekeeping team was cleaning with masks and gloves. We disinfected the rooms twice a day, during the normal cleaning as well as during the turn down service. Additionally, we changed the pillow sheets daily and the blankets all two days. Furthermore, we had disinfection sprays in every room. In public areas, the national Covid regulations were in place, and we had disinfection dispensers all over. Also, we encouraged our guests to stay in the room by letter.

Interviewer: How are you going to communicate those to your prospective guests?

Interviewee 3: Well, we already inform our guests on our website about the measurements prior to their stay with us. Additionally, guests receive an introduction about our measures during the check-in. Moreover, there are information letters about the guidelines of our hotel and also the national about the national Covid requirements in German and in English in each room provided.

Interviewer: What lessons have been learned from the onset of the crisis in March 2020 so far?

Interviewee 3: That's a good question. I would say it is really important to stay calm and to stay positive, as things can't be changed. The government is leading through a pandemic and you will have lots of difficulties to work against it. Furthermore, it's also important to grab the remaining opportunities. Personally, I would have kept the Hotel open, just for business travelers. I would not have closed the hotel, even tough, we would have an occupancy of 5 - 10%. You have to show face, keep the hotel running and the team together. I think the biggest challenge we are facing right now, there is simply no routine in our employee's life's and people might forget how to work. Also, referring to the restaurant, we should have invented pick up service from day one on. I think it will be very difficult for us to go on again in the future. So, for me personally, it would have been better to keep the hotel open, but that was not my decision.



Interviewer: Based on your experiences from the current crisis, do you think that your hotel will be better prepared for potential future crises? Please elaborate.

Interviewee 3: I think we will be prepared. Again, since this is a global pandemic, which is led by governments, they are deciding on what to do. So, the only thing you can hope for, that the leading team has learned from this situation. So, we had this pandemic, and it might be coming again. We really need to know what to do for the future. What renovation do I need to do? What did I miss the last time, when we had a pandemic? What opportunities did I miss the last time? That's something you need to have in your shelf to have it ready at any time.

Interviewer: Do you already have this kind of protocol in your shelf?

Interviewee 3: No, you need to prepare that at the end of the crisis. The crisis is still going on and for now you need to evaluate.

Interviewer: In your opinion, it possible to be prepared for crisis? Please elaborate.

Interviewee 3: Yes, definitely.

Transcript of interview: Interview 4

Interviewer: To what extent was your hotel affected by the Covid-19 pandemic in spring 2020 when the situation became serious? Both in terms of the overall business and HR (employees)?

Interviewee 4: As I just joined the hotel in July last year, I need to give you part of the information on a second- hand basis. So, I was obviously not at the hotel in March 2020, but I can tell you what I heard from the team about the situation. The pandemic has affected our business like it has affected the rest of Austria; the lockdown was a big threat. We already had a drop in the level of occupancy some weeks prior to the actual lockdown, as international travel was already decreasing. I guess at our hotel it was pretty similar to the situation at other hotels. We accepted all governmental subsidies, and we sent all our employees to "Kurzarbeit". That was the kickoff of the pandemic at our hotel.



Interviewer: How was the situation evaluated in March regarding its anticipated duration and severity?

Interviewee 4: Actually, I don't know how the previous leadership team evaluated the situation. I guess it was the same across the world in many areas, all of us were hoping it will last for 3- 4 month and then everything will be better. We haven't had a situation like that before. Comparing the situation to SARS or MERS, it took 5-6 months, and the situation became better. Everybody was hoping the worst will be over in 3-4 month and things will get much better at the latest at Q4 2020.

Interviewer: Did you have some kind of premonition and was there any contingency plan available at the time?

Interviewee 4: There was some kind of premonition, because there was a drop in international arrivals already prior to the lockdown in Austria and we knew about the situation in Asia. Regarding any contingency plans, in general, our company is really good at handling business interruptions and at developing contingency plans, but there was nothing specific for this situation available. No one can tell me he got a contingency plan for a situation which lasts that long. Normally, you don't even have a plan for a situation which lasts for 3 months. I think no one was prepared, and had a checklist in their shelf, which tells you what to do. Of course, we had a guideline how to close the hotel and so on, but actually, the government really quickly set the guidelines about what is allowed and what is forbidden.

Interviewer: To what extent did the situation change concerning the bookings and HR planning in summer?

Interviewee 4: So, at that time, we already had a good plan in place how to deal with this situation. Already in summer we saw that infections are going up again, therefore recovery was not happening quickly. It became clear that without the vaccination, travel will not be the same as prior to the pandemic. At this time, it was easier to make decisions as we had more time to think about further steps and potential challenges. Regarding HR, in Summer everybody was still in "Kurzarbeit". We had recruitment stop and just a very few people left the hotel on their own decision, they would have left anyways. Moreover, in September, we had to reduce our headcount by 7 - 8%.



We just took very minor adjustments; we had no major layoff phases with 50 people leaving or something like that.

Interviewer: Compared to spring, how satisfied could you be with your overall business in summer 2020?

Interviewee 4: It depends. If you compare the situation with spring 2020, it was slightly better. In general, we could not be satisfied, because the summer recovery didn't take place in Vienna, and it certainly didn't take place in luxury hotel in Vienna. The recovery of tourism took place in the western areas and in the southern areas of Austria and particularly at the lakes, but definitely not in the cities.

Interviewer: The hotel industry was open from June until November 2020 when another lockdown came into place and hotels were forced to close again. How was your hotel affected by the second lockdown, both in terms of bookings and HR planning?

Interviewee 4: Referring to HR planning, we used "Kurzarbeit" again and didn't lay off any employees after September. We still had a recruitment stop, but in the meantime, we have already listed some key positions and started recruiting again. In the second lockdown, we applied the same procedures as in March. We didn't close the hotel as we maintained the opinion that there will still be some guests. We focused on a market segment, which we normally don't serve, airline crews. So, we had a lot of airline crews, and they are still with us at the moment. So, we just said: "Let's make the best out of it." We have a level of occupancy which allows us to run the hotel. Of course, our F&B offers are quite limited at the moment. In general, it can be said, business was better during second lockdown than it was in spring during the first lockdown.

Interviewer: In your opinion, how long will this crisis last?

Interviewee 4: Well, sadly I can't look into a crystal ball. I can only give a guess from a realistic and optimistic perspective therefore, I would say Q4 this year. We hope to see a recovery starting at that point of time.



Interviewer: What will be the consequences for your hotel in case that it lasts longer than you anticipate?

Interviewee 4: Consequences will depend on governmental support, which will be available. That's impossible to answer as the key component is what the government will do in the case there are further extensions of the lockdown.

Interviewer: Ok, so let's say governmental subsidies (Fixkostenzuschuss, Kurzarbeit, ...) will be reduced, what are the consequences?

Interviewee 4: So, in that case I would say for hotels there is no other option than reviewing their costs. So, it will mainly be the payroll, as all other costs are already put on a very low level. Let's say there is no sign of recovery in September, we need to review our costs and make a valuation as well. Anyways, really hard to say at the moment.

Interviewer: What has been your main strategy when it came to cutting costs and the overall recovery of business, both short-term and long-term?

Interviewee 4: Cutting costs is easy as you just have a few areas. We reviewed our contracts with all our stakeholders and determined whether we need it or not. Furthermore, the drop of occupancy has already decreased costs to a very big amount. Of course, "Kurzarbeit" was a toll where you could save costs. From the recovery perspective, we identified a core team, which mainly consists of senior leaders. Additionally, we had people ensuring all our services to be delivered. So, the core team is in in charge developing recovery plans and makes adjustments depending on the circumstances in order to have the best possible position when reopening.

Interviewer: What marketing and sales measures have you been working on during the lockdowns in order to improve business after the reopening?

Interviewee 4: Unfortunately, there is no opportunity at this point of time. No matter what you do in marketing, nobody can plan ahead. We have contact with our group bookers and agencies were have been working together already before the pandemic. We also kept in touch with our corporate partners. We have not done any additional marketing, as it would have been a waste of money and time. At the moment people



hardly make plans for the future. We are working with OTAs and hereby we have a basic level of advertising and marketing funds. This was cut down to a minimum, as people are not planning ahead to book rooms at the moment. People want to have a bit more clarity who will be possible to travel in the summer.

Interviewer: Has it been possible to use the time sensibly for any renovation work, employee training courses or similar?

Interviewee 4: Renovation was done, we renovated our bar and our steak house at the hotel, and we are still renovating some of the rooms. This renovation work was very targeted. Furthermore, we changed the audio and visual equipment at our event venues, for example at the ballroom, as this is very important for us. Training for our teams was very limited, because this is not so easy from a legal perspective. However, we have training plan, which is very similar to the plan of opening a new hotel. So, we established a training plan, for the moment when we can bring our team back to the hotel. So, employees will come back one week prior to the opening of our hotel and they will have a detailed training. For example, there is one day where people learn about our values and the values of our company and then training is done within the individual departments, for example wine training and food training. So, we have plans in place, but they cannot be executed at the moment, as people are not allowed to work during the lockdown.

Interviewer: What measures have been taken in the past or will be taken in the future to ensure the safety of your guests?

Interviewee 4: Our company established one of the most comprehensive hygiene concepts out there. Those measurements were rolled out very quickly. We have introduced a whole range of steps we have changed in our service. There are those screens at the front offices and disinfection dispensers are located in all public areas. Furthermore, there is a different set up in the rooms, some things are removed, and we are trying to communicate via the TV. Furthermore, cleaning standards were changed. Normally, we clean a room 24 to 72 hours before a guest checks in, in the case there is a contamination with the virus, so it will not affect future guests. We disinfect the whole room. Hygiene standards are very high and there are many, many measures.



Interviewer: How are you going to communicate those to your prospective guests?

Interviewee 4: We are informing our guests via the website, in the pre- arrival welcome letter and in the booking confirmation as well. Furthermore, we have very, very subtle indicators at our hotel, because particularly in a luxury hotel guest don't want to be bothered to constantly read, hear and see any advices, which are demonstrating what the hotel does in order to stay clean and hygienic. Our guests trust the hotel to be safe. People don't want to be constantly informed how we make sure the place is clean. The longer the crisis lasts, the more people are annoyed by reading any regulations. People considered those measures to be done and they want

Interviewer: What lessons have been learned from the onset of the crisis in March 2020 so far?

the hotels to focus on their services as a hotel.

Interviewee 4: Hope for the best – prepare for the worst. To be a bit more factual, I think good communication is very important, which is also one of the biggest challenges for all of us. It's so important to keep you team engaged and make them feel they are part of the hotel.

Interviewer: Based on your experiences from the current crisis, do you think that your hotel will be better prepared for potential future crises? Please elaborate.

Interviewee 4: Yes. It would be difficult not to learn any lessons from that crisis. There will be no scenario which will be completely similar to the current one, but in terms of individual leadership, everyone learned so much.

Interviewer: In your opinion, is that even possible? Please elaborate.

Interviewee 4: Absolutely.

Transcript of interview: Interview 5

Interviewer: Wie stark trafen die Folgen des Corona Virus ihr Hotel im März 2020, als die Krise hereinbrach? Wie sehr waren das tägliche Geschäft und HR (Mitarbeiter) davon betroffen?



Interviewee 5: Grundsätzlich ist es so, dass im März der erste Lockdown angekündigt wurde. Damit begann quasi zeitgleich auch dieses Kurzarbeit 1 Modell für alle unsere Mitarbeiterinnen und Mitarbeiter. Das war letztendlich doch eine sehr große Herausforderung für das Lohnbüro, für die Abrechnung und für das HR-Team. Allgemein war es einfach eine große Umstellung für uns. Viele Informationen waren nicht vorhanden, es hat alles sehr lange gedauert und es war wirklich eine große Herausforderung für uns alle. Von der unternehmerischen Seite haben wir seit Beginn dieser Pandemie, die ja eine Wirtschafts- als auch eine Gesundheitskrise zur Folge hat, kommuniziert, dass wir quasi versuchen alle unsere Mitarbeiter zu halten und bewusst in diese Kurzarbeit gehen. Wir haben das von Beginn an kommuniziert, um Sicherheit und Transparenz zu gewährleisten. Viele Kollegen, die sonst täglich im Haus waren, waren auf einmal weg. Wir haben auf Homeoffice umgestellt und mussten viele VPN- Zugänge für die Kollegen zu Hause erstellen, da diese sonst keinen Zugriff hatten. Alle Mitarbeiter mit Laptops auszustatten und diese startklar für das Homeoffice zu machen, war natürlich auch eine riesen Herausforderung für unsere IT-Abteilung. Hierbei ist es sehr gut gelungen unsere Daily- Meetings und die Kommunikation anzupassen. Wir hatten natürlich auch Glück, dass wir im Rahmen der Digitalisierung ein internes Kommunikationstool installiert haben. Dort haben wir alle Mitarbeiter von Anbeginn der Zeit klar und transparent über die aktuellen Geschehnisse informiert.

Interviewer: Wie sehr sind die Buchungen eingebrochen?

Interviewee 5: Wir sind von 100 auf 0 runtergefahren und es war ja doch letztendlich dramatisch. Unser letzter Gast war aus Australien, der ist wirklich mit der letzten Maschine nach Hause geflogen. Wenn man sich zurück erinnert hatten wir Ende Februar noch den Opernball, eines der größten Events im Hotel mit über 400 Gästen - das Hotel ist die ganze Nacht geöffnet. Wir waren in diesem Modus und zwei Wochen später war alles weg

Interviewer: Wie hat man damals die Situation bewertet in Hinsicht auf die Dauer und auf das Ausmaß der Krise?

Interviewee 5: Grundsätzlich haben wir relativ früh erkannt was passiert. Man hatte von der Situation in China gehört, und wir hatten von dem Fall in Vorarlberg oder Tirol



gehört, dort wurde ein Hotel zur Sperrzone erklärt nachdem sich eine mit dem Virus infizierte Person dort aufhielt. Dass diese Pandemie nicht von heute auf morgen verschwinden wird, war uns schon von vornherein klar. Als wir natürlich gemerkt haben, dass sich alle Länder von selbst abriegeln, waren wir definitiv der Meinung, dass das letztendlich nicht ein paar Monate, sondern eher ein paar Jahre dauern wird. Am Anfang war es schwierig vorauszusehen was passieren wird, dennoch war es uns bewusst, dass das erst der Anfang der Pandemie ist. Nichtdestotrotz waren wir im März 2020 auch sehr optimistisch und haben der Wiedereröffnung mit Freude entgegengearbeitet.

Interviewer: Sie haben schon angesprochen, dass sie eine Vorahnung hatten aufgrund der Geschehnisse in China. Hatte man damals denn auch einen Notfallplan parat?

Interviewee 5: Wie eben schon gesagt standen wir schon vor sehr großen Herausforderungen. Wir haben gleich zu Beginn begonnen zu planen und haben das Projekt "Tag Eins" ins Leben gerufen. Ziel war es die Zeit im Lockdown zu nutzen, um gewisse Projekte oder Themenblöcke, die wir vielleicht in dieser Krise umsetzen möchten, auszuarbeiten. Das war sehr motivierend und letztendlich auch eine sehr, sehr gute Entscheidung, weil wir die Zeit im Lockdown mit den online Meetings und dem Brainstorming genutzt haben, um uns hier auf Tag eins vorzubereiten.

Interviewer: Spezielle Pläne, wie man mit einer derartigen Krise umgeht, gab es jedoch nicht, oder?

Interviewee 5: Nein, sowas gab es nicht. Die Situation war grundsätzlich für uns alle neu, deshalb ist es wichtig sich gegenseitig sehr schnell und agil zu unterstützen. Einen Pandemieplan hatten wir jedenfalls nicht in unsere Schublade. Ich glaube auch, dass eigentlich niemand einen derartigen Plan parat hatte. Damals hatte wir Lockdown 1, danach entspannte sich die Situation wieder. Jetzt ist ein Jahr vorbei und eigentlich wurde die Situation immer dramatischer. Einen Plan hatte man also nicht, ich finde jedoch, dass es hier eher darauf ankommt schnell und agil zu sein, um gute Entscheidungen zu treffen.

Interviewer: Wie sehr hat das Geschäft im Sommer 2020 wieder angezogen hinsichtlich Buchungslage und HR?



Interviewee 5: Grundsätzlich war der Tag eins voller Hoffnung und auch der Traum wieder voll durchzustarten war da. Also, die Hoffnung war wirklich sehr, sehr groß. Mit der Wiedereröffnung hat sich bei uns letztendlich auch sehr viel geändert. Normal lebt das Haus von über 90% internationalen Gästen, dieses Jahr bleibt der internationale Tourismus jedoch aus. Der internationale Tourismus, der ja eigentlich unser Hauptmarkt war, ist vollständig zum Erliegen gekommen. Die Buchungslage war nicht mehr vergleichbar mit den Zeiten vor Covid-19. Nachdem die Österreicherinnen und Österreicher ihren Urlaub im Sommer eher in den Bergen oder an den Seen verbracht haben, war der größte Verlierer letztendlich der Städtetourismus. Wien hat im Sommer massiv gelitten, während unser Partnerhotel oder Schwesterhotel in Salzburg den besten Sommer ever hatte. Wien war letztendlich ein großer Verlierer.

Interviewer: Die Herkunftsländer Ihrer Gäste in Wien haben sich also auch total verändert?

Interviewee 5: Während unsere Gäste vor der Krise eher aus USA, Deutschland oder Japan kamen ist jetzt auf einmal Österreich auf Platz 1, dann Deutschland und die Schweiz. Man hat letzten Endes nicht mehr die Reisenden, die früher da waren.

Interviewer: Bezüglich HR, haben Sie mit all Ihren Mitarbeiter das Hotel wieder "neueröffnet"?

Interviewee 5: Seit Anbeginn der Kurzarbeit sind eigentlich alle Mitarbeiter in Kurzarbeit gewesen und wir haben es durchgezogen. Ursprünglich waren wir ein Haus mit über 400 Mitarbeitern, von einst über 3500 Gästen täglichen im F&B sind wir auf 150 Gäste gestürzt. Früher hatten wir eine Auslastung von über 80% und derzeit bewegen wir uns zwischen 8 und 12%, es ist sehr schwierig. Wir haben letztendlich die meisten Mitarbeiter halten können, hatten aber letztes Jahr natürlich auch Einschnitte hinnehmen müssen, weil es sonst einfach nicht mehr gegangen wäre. Wir haben die Personalsituation allerdings proaktiv und transparent an alle Mitarbeiter kommuniziert.

Interviewer: Bezüglich der Einschätzung der Krise im März, wie zufrieden konnte man mit dem Sommer 2020 sein?



Interviewee 5: Es war uns vor vornherein klar, dass das kein normaler Sommer werden kann. Wie schon angesprochen, nachdem wir normalerweise sehr viele internationale Gäste haben, hat sich unsere Publikum im Sommer total verändert. Dazu kommt, dass es die Leute eher in den Westen von Österreich gezogen hat als in die Städte. Der Tourismus in Wien war letztendlich schwer betroffen.

Interviewer: Von Juni bis November 2020 war die Hotellerie geöffnet, wie sehr hat der erneute Lockdown im Herbst 2020 das Unternehmen getroffen, wie hätte die Buchslage ausgesehen bzw. wie plante man mit den Mitarbeitern?

Interviewee 5: Also letztendlich ist es immer schlimmer geworden, das hatte man ursprünglich nicht gedacht. Der September 2020 war definitiv einer der schwierigsten Monate in der Geschichte des Hotels. Einerseits fehlten die Gäste, andererseits wurde manche Mitarbeiterinnen und Mitarbeiter nicht mehr benötigt. Wir mussten das ganze Team in Kurzarbeit Phase 3 nehmen und mussten uns letztendlich schweren Herzens von Mitarbeiter trennen und diese verabschieden. Die meisten Mitarbeiter waren aber letztendlich im Homeoffice. Wir haben schon mit dem Lockdown 3 im November gerechnet und dieser war nicht besonders überraschend. Überraschend war allerdings schon, dass wir nun seit 2. November geschlossen sind. Seitdem sind wir auch wieder in Kurzarbeit. Derzeit haben wir für Businessgäste geöffnet und bieten "Sacher To- Go" an. Außerdem gibt es auch "Sacher für zu Hause" oder "Sacher- Junge Köche". Hierbei werden die Lehrlinge mehr involviert, da diese leider auch zu den größten Verlieren dieser Krise zählen. Letztendlich hatten wir schon sehr, sehr gute Buchungen im Dezember gehabt, aber von heute auf morgen war es natürlich wieder weg. Man hat auch das Gefühl, dass die Leute reisen wollen und sie versuchen natürlich zu verschieben. Die Reisen verschieben sich allerdings immer ein Quartal weiter.

Interviewer: Wie lange wird die Krise Ihrer Meinung nach anhalten?

Interviewee 5: Es war für uns schon von Anfang an klar, dass die Krise mehrere Jahre dauert. Wir reden schon von 3- 4 Jahren, bis internationalen Gäste kommen werden. So lange wird es definitiv dauern bis wir wieder auf ein Niveau von 2019 kommen. Man muss allerdings auch sagen, dass 2019 das beste Jahr in der Geschichte war. Die oberste Priorität ist jetzt ist gerade Impfen und Testen, dabei müssen wir schneller



werden. Je mehr ältere Menschen geimpft sind, umso besser wird die Situation für uns alle, aber letztendlich auch umso besser für die Hotellerie. International gibt es natürlich schon einige Länder, die sehr viel impfen. Jedoch stellt sich auch die Frage wie diese Länder in Zukunft reisen möchten. Wird es einen grünen Impfpass geben, der es den Europäern wieder ermöglicht untereinander zu reisen? Bezüglich der internationalen Gäste außerhalb von Europa werden wir sicher noch eine Durstrecke von 2-3 Jahren haben. Wenn man sich das aktuelle Jahr anschaut, jetzt haben wir April und man sagt voraus, dass dieses Jahr noch schlechter wird als das letzte.

Interviewer: Was sind die Konsequenzen für Ihr Hotel, sollte die Krise länger als gedacht andauern?

Interviewee 5: Wir sind Optimisten und wir haben natürlich das Glück in Österreich, dass wir sehr viel Unterstützung vom Staat bekommen, was uns natürlich sehr, sehr hilft. Einerseits gibt es die Kurzarbeit, andererseits gibt es jede Menge andere Zuschüsse. Insgesamt steht und fällt alles mit Agilität. Wir haben von vornherein probiert, dass die Mitarbeiter in der Lage sind flexibel zu agieren. Zum Beispiel haben wir einen Kellner, der den Job des Night- Audit macht oder an der Rezeption steht, oder einen Koch, der als Page fungiert. Wir haben versucht alle Mitarbeiter zu halten und diese durch Jobrotation zusätzlich zu beschäftigen. Ebenso haben wir, wie vorher schon angesprochen, sehr viel im Hintergrund gearbeitet und gewisse Projekte ins Leben gerufen, die uns im Moment sehr helfen. Einerseits gibt es "Sacher at home", dabei bekommt man die "Original Sachertorte" sicher und bequem nach Hause in Wien und Salzburg. Andererseits haben wir auch "Sacher zum Mitnehmen" gestartet. Die Torte funktioniert sehr gut, da können wir auch sehr glücklich sein. Intern arbeiten wir allerdings an vielen Projekten, die wir in Zukunft besser nutzen können.

Interviewer: Welche Strategien hat man verfolgt, um kurzfristig die laufenden Kosten zu minimieren und langfristig überleben zu können?

Interviewee 5: Es ist schon sehr wichtig, dass wir letztendlich die Mentalität haben "Jede Krise hat ihre Chancen". Jetzt gibt es quasi einen Neuanfang oder auch letztendlich die Möglichkeit, alte Sachen zu hinterfragen, vielleicht weiterzuentwickeln und letztendlich besser zu machen. Jetzt ist eigentlich die richtige Zeit, um Neues zu probieren, bzw. auch zu entwickeln. Einige einzigartige Projekte



haben wir bereits mit dem Team großartig umgesetzt. Vor allem in dieser Zeit ist es wichtig immer nach vorne zu schauen und quasi nicht in ein Loch zu fallen und dann verbittert und traurig zu sein, man muss die Möglichkeiten nutzen. Das Gute und Einzigartige ist, dass das Sacher seit 1832 ein familiengeführtes Unternehmen ist. Wir werden die Nähe zu den Gästen und die Sache Fans weiter stärken. Die Krise hat uns letztendlich gezeigt, dass wir den Fokus mehr und mehr auf die Mitarbeiter legen müssen. Wir hatten ja vor der Pandemie oder vor der Krise in der Branche schon ein Problem Mitarbeiter zu finden. Die Krise hat uns gezeigt, dass jetzt viele die Branche wechseln, deshalb glaube ich ist es umso wichtiger den Fokus auf die Mitarbeiter zu legen. Die Wertigkeit der Mitarbeiter steht im Mittelpunkt. Wir versuchen jetzt alles richtig zu machen, um auch für die Zukunft alles richtig zu machen. Nur weil wir seit 1832 erfolgreich sind, heißt das noch lange nicht, dass wir auch in Zukunft erfolgreich sein werden.

Interviewer: An welchen Maßnahmen hinsichtlich Marketing und Sales hat man im Lockdown gearbeitet, um dem Geschäft nach der Wiedereröffnung mehr Schwung zu verleihen?

Interviewee 5: Also neben zahlreichen neuen Projekten, wie zum Beispiel "Sacher To-Go", "Sacher Drive- in" und das drive- home, haben wir auch "Sacher Separees" ins Leben gerufen. Hierbei wurden unsere 152 Zimmer zu Mini- Restaurants umfunktioniert. Zielgruppe waren die Wiener bzw. die Salzburger selbst und wir wurden praktisch überrannt. Normal haben wir in Wien schon die Herausforderung, dass sich viele Wiener nicht weiter trauen, als nur in Kaffeehaus, in die Rote Bar oder in die Grüne bar zu gehen. Kein Wiener wird im Hotel schlafen. Durch dieses Projekt war der Kitzel bei den Wienerinnen und Wienern das Hotelzimmer kennenzulernen. Wir hatten 3 Seating-Zeiten, Frühstück, Lunch und Dinner, und haben jede Seating-Zeit über 1000 Mal verkauft. Das ist glaube ich auch eine wahre Erfolgsgeschichte und hat uns glaube ich auch sehr viel positiven Vibe gegeben. Ebenso haben wir das Projekt mit den jungen Köchen, den Lehrlingen, die eigentlich die größten Verlierer dieser Krise sind, ins Leben gerufen. Bei diesem Projekt kreieren die Lehrlinge mit unserem Küchenchef Menüs, die zu Hause finalisiert werden. Zusätzlich arbeiten wir natürlich weiterhin sehr viel und haben sehr viel Austausch mit den internationalen Reiseagenturen. Von denen bekommen wir das Feedback, dass sie natürlich weiterhin



reisen wollen, allerdings ist die Unsicherheit derzeit auch sehr groß. Letztendlich tauschen sich alle sehr intensive untereinander aus. Es finden viele virtuelle Events statt und Teilnahmen an virtuellen Messen oder Veranstaltung. Letztendlich ist es das Ziel am Markt präsent zu sein. Da wir eine super Mitarbeiterin, die sich in eine Suite setzt und diese herzeigt. Auch wenn man sich die Analysen und die Prognosen anschaut sieht man, dass alle reisen wollen, nur wann ist derzeit noch eine offene Frage. In den nächsten 2-3 Jahren werden wir uns eher auf den Nahmarkt fokussieren. Österreich und seine Nachbarländer sind hierbei interessant, da diese Gäste als erstes wiederkommen können. Von USA und Saudi- Arabien haben wir zu den Nahmärkten gewechselt.

Interviewer: Hat man die Zeit im Lockdown sinnvoll für etwaige Umbauarbeiten, Schulungen oder sonstiges nutzen können?

Interviewee 5: Also diese Frage kann man ganz klar mit "Ja" beantworten. Das Hotel Sacher Salzburg, welches neben dem Hotel Sacher Wien auch zur Sacher Gruppe gehört, wurde während des ersten Lockdowns 2020 umgebaut. Es wurden Umbauarbeiten gemacht, die unter laufendem Betrieb so nicht möglich gewesen wären. Das Hotel wurde im Juni letzten Jahres komplett renoviert, dann neueröffnet und es ist wunderschön geworden. Das war definitiv auch ein großes Highlight in dieser Krise. Zusätzlich gab es natürlich selbstverständlich auch Schulungen für Mitarbeiterinnen und Mitarbeiter. Wir haben ein internes Weiterbildungsprogramm, die Sacher School of Excellence. Dort wurden spannende Vorträge oder Online-Seminare organisiert. Wir haben auch verschiedene Quizes über die Geschichte von Sachar erstellt und die Abteilung haben sich vorgestellt, um letztendlich auch am Ball zu bleiben, bzw. ein positives Zeichen zu setzen.

Interviewer: Welche Maßnahmen sind zur Bekämpfung der Pandemie und zur Sicherheit der Kunden gesetzt worden, bzw. werden in Zukunft eingesetzt?

Interviewee 5: Wir haben gleich zu Beginn ein 50-60 seitiges Covid-19 Handbuch an für Mitarbeiterinnen und Mitarbeiter sowie auch für unsere Gäste erstellt. Das Ganze heißt "SMS- Sache mit Sicherheit" und es hat sich das ganze Team, von Rezeptionisten bis Koch und Kellner, aufgeteilt und Poster erstellt und Handhabungen ausgearbeitet, visualisiert und überall intern ausgeteilt. Ich kann gerne ein paar Beispiele nennen:



Alle unsere Mitarbeiterinnen und Mitarbeiter tragen seit dem ersten Lockdown Masken im Hotel. Zeitweise wurde diese Regel aufgehoben, wir sind trotzdem weitergefahren und tragen weiterhin Masken im Hotel. Weiters wird das gesamte Personal wöchentlich getestet. Wir halten die Mindestabstände ein und unsere Gäste bekommen von uns die Möglichkeit sich ebenfalls testen zu lassen. Hier gibt es drei verschiedene Szenarien, in der Luxusversion kommt ein Arzt zu Ihnen ins Zimmer und nimmt den Abstrich. Des Weiteren befinden sich im gesamten Haus Hygienestation und Desinfektionsspender. Alle Zimmerkarten werden vor dem Gast desinfiziert und die Gästezimmer werden nach jeder Abreise 24 Stunden nicht belegt und daher sehr gut gelüftet. Wir legen großen Wert auf die Zimmerreinigungen und desinfizieren bestmöglich jedes Zimmer. Hier gibt es die Herausforderung, dass die Zimmer meist mit teuren Stoffen und Marmorplatten veredelt sind, diese sind nicht so leicht zu putzen. Mit Hilfe der Sacher- App haben unsere Gäste die Möglichkeit die Zimmertür digital zu öffnen, wir bräuchten keine Zimmerkarten mehr. Wir haben auch gleich am Anfang digitale Speisekarten erstellt, hierbei mussten die Gäste nur einen QR- Code einscannen, da wurden sie dann direkt weitergeleitet und haben die Speisekarten gefunden. Zusätzlich hatten wir QR- Codes auf den Tischen, das war quasi eine digitale Gästeregistrierung, um im Falle des Falles letztendlich reagieren zu können. Das sind nur ein paar Maßnahmen, die wir seit Beginn an durchsetzen.

Interviewer: Wie werden sie die Maßnahmen zur Eindämmung der Pandemie an Ihre zukünftigen Kunden kommunizieren?

Interviewee 5: Wir haben alle Maßnahmen auf unseren Webseiten unter dem Namen "Sacher mit Sicherheit" bzw. "Safety at Sacher" kommuniziert. Bei Reservierungsanfragen werden die Sicherheitsmaßnahmen ebenfalls angegeben. Zusätzlich hab Hinweisschilder am Eingang, dort wurden die Gäste ebenfalls informiert. Wir haben alles von Beginn an sehr klar kommuniziert, da die Nachfrage der Gäste diesbezüglich auch vorhanden war.

Interviwer: Welche Lehren hat man aus dem Hereinbrechen der Krise im März 2020 bis jetzt ziehen können?

Interviewee 5: Also ich denke, ich spreche für das gesamte Team, wenn ich sage, dass wir bestimmt alle etwas aus der Krise Situation gelernt haben. Es wurden in so kurzer



Zeit so viele Maßnahmen getroffen und auch umgesetzt und das Ziel ist es selbstverständlich nach wie vor up- to- date zu bleiben und zu versuchen die Maßnahmen der Regierung in Rekordzeit umzusetzen. Vor zwei Wochen hieß es, dass die Schanigärten öffnen dürfen. Da unser Haus sehr, sehr groß ist, kann man normalerweise nicht von heute auf morgen öffnen. Wir haben jedoch mit der Zeit gelernt sehr schnell reagieren zu können. Das wird sicher noch länger so bleiben, aber es bringt letztendlich Geschwindigkeit. Das ist das A und O., Geschwindigkeit, Flexibilität und letztendlich auch Kreativität sind sehr wichtig geworden, nur so schaffen wir das gemeinsam. Ich glaube es ist auch sehr wichtig immer positiv gestimmt zu sein für neue Sachen, denn die Thematik mit den neuen Projekten ist letztendlich auch sehr fordernd. Wenn man die Pandemie die ganze Zeit im Kopf hat, dann können neue Projekte auch ganz gut helfen, dass man wieder etwas positiver gestimmt ist. Darauf bin ich sehr stolz, aber ich glaube auch, dass das ganze Sacher Team stolz ist, dass wir in dieser ungewissen Zeit mit voller Motivation so viel geleistet haben, und vor allem, dass wir auch alle an einem Strang gezogen haben. Das macht mich sehr, sehr stolz.

Interviewer: Anhand Ihrer Erfahrungen der momentanen Krise, wird man für zukünftige Krisen besser vorbereitet sein?

Interviewee 5: Ich bin mir ziemlich sicher, dass wir aufgrund unserer Erfahrung in der Krisenbewältigung und im Krisenmanagement vielleicht um einiges entspannter in die nächste Krise hineingehen werden. Wenn wir das Beispiel nehmen mit der Terrornacht am 2. November, das war für mich auch ein sehr einschneidendes Erlebnis. Es war der letzte Abend wo die F&B Outlets noch geöffnet waren und ich war noch zufällig in der Stadt und habe noch ein paar original Sachertorten an Mitbewerbern übergeben, alle Gute gewünscht und Schokolade gegen Krise verteilt, als ich von unserem Security einen Anruf bekommen habe, dass ein Attentäter in Wien ist. Wir sind zurück zum Hotel gefahren, haben alles zugesperrt und haben die Nacht im Hotel verbracht. Es haben alle Mitarbeiter im Hotel geschlafen und wir haben alle Gäste eingeladen hier zu schlafen. Wir haben quasi alles verriegelt und alles dunkel gemacht und ich war letztendlich die ganze Nacht, also 24 Stunden, vor der Lobby. Die Lage damals war auch sehr unsicher, wie es ja auch in dieser Pandemie ist. Ich persönlich habe dann intern das Thema Sicherheit noch ernster genommen und aus



dieser Krise haben wir dann das Projekt "Sacher mit Sicherheit" ausgearbeitet, um besser agieren zu können. Es gibt ja Notfallpläne in jedem Hotel, aber jetzt war es mal Zeit diese auch zu überarbeiten. Man wird ja aus jeder Krise stärker und deshalb ist es glaube ich wichtig, dass man dann die Zeit hat, alles zu analysieren, weiterzuarbeiten und sich auch weiterzuentwickeln.

Interviewer: Ist es Ihrer Meinung nach überhaupt möglich, sich auf derartige Krisen vorzubereiten?

Interviewee 5: Grundsätzlich kann man sich auf Krisen in den seltensten Fällen speziell vorbereiten. Es kommt immer drauf an, wie schnell sich die Krise entwickelt und um welche Art von Krise es sich handelt. Im Falle von Covid-19, wurde die Gefahr aus China lange im Allgemeinen sehr unterschätzt und durch den internationalen Tourismus waren wir auch sehr schnell davon betroffen. Bei Covid-19 erleben wir zum ersten Mal eine Gesundheits- und eine Wirtschaftskrise gleichzeitig. Ich glaube allerdings, dass wir uns zukünftig an sowas gewöhnen müssen. Hätten wir von Anfang an alle FFP2 Masken getragen, wäre es vielleicht anders ausgegangen, aber ich glaube man lernt draus und man muss damit lernen umzugehen. Das ist glaube ich sehr wichtig.