

COVID-19 CRISIS MANAGEMENT ON THE EXAMPLE OF HOSPITALITY INDUSTRY ENTERPRISE IN LATVIA

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COVID-19 Crisis Management on the Example of Hospitality Industry Enterprise in Latvia

The main problem, facing the whole hospitality industry nowadays, is COVID-19 pandemic and its sequences. During the pandemic many hotels closed their doors and some of them will be no longer reopen. Majority of hospitality industry employees lost their jobs, profits have fallen. This research is conducted to analyze the strategy that one of the well-known Latvian hotels Pullman Riga Old Town has realized in response of COVID-19 crisis towards its stakeholders. The research is aimed at elaborating ways that should assist an enterprise at its efforts to overcome the difficulties caused by the COVID-19 and providing suggestions about coping with the crisis. The authors have analyzed the crisis phenomena as well as conceptual foundations of anti-crisis management, taking into account the current situation in the hospitality industry of Latvia in the context of the crisis caused by COVID-19 in general and Pullman Riga Old Town hotel in particular. The study was conducted from 1st of April 2020 to 17th of October 2020. The authors were using methods of data analysis, such as: analysis of theoretical sources, collection and synthesis of statistical data, interviews with specialists.

Keywords: crisis, COVID-19, crisis management, hospitality industry enterprise.

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Корюгіна К., Шамшина Т., Живітере М., Рященко В., Гришова І. Ю. Кризовий менеджмент в умовах COVID-19 на прикладі підприємства індустрії гостинності в Латвії

У статті визначено, що основною проблемою, з якою сьогодні стикається вся індустрія гостинності, є пандемія COVID-19 та її наслідки. Під час пандемії багато готелів закрили свої двері, і деякі з них більше не працюватимуть. Більшість працівників індустрії гостинності втратили роботу, а прибутки впали. Наведене дослідження проводилося з метою аналізу стратегії, яку один із відомих латвійських готелів Pullman Riga Old Town реалізував у відповідь на кризу COVID-19 щодо своїх зацікавлених сторін. Дослідження спрямоване на розробку шляхів допомоги підприємству у подоланні труднощів, викликаних COVID-19, та надання пропозицій щодо подолання кризи. У статті проаналізовано кризові явища, а також концептуальні основи антикризового управління з урахуванням поточної ситуації в індустрії гостинності Латвії в контексті кризи, спричиненої COVID-19 загалом та готелю Pullman Riga Old Town. Дослідження проводилося з 1 квітня 2020 р. по 17 жовтня 2020 р. В ньому було використано методи аналізу даних, такі як: аналіз теоретичних джерел, збір та узагальнення статистичних даних, інтерв'ю з фахівцями.

Ключові слова: криза, COVID-19, антикризове управління, підприємства індустрії гостинності.

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Introduction. The main problem, facing the whole hospitality industry nowadays, is COVID-19 pandemic and its sequences. During the pandemic many hotels closed their doors and some of them will be no longer reopen. Majority of hospitality industry employees lost their jobs, profits have fallen.

This research is conducted to analyze the strategy that one of the well-known Latvian hotels Pullman Riga Old Town has realized in response of COVID-19 crisis towards its stakeholders. The research is aimed at elaborating ways that should assist an enterprise at its efforts to overcome the difficulties caused by the COVID-19 and providing suggestions about coping with the crisis.

The authors have analyzed the crisis phenomena as well as conceptual foundations of anti-crisis management, taking into account the current situation in the hospitality industry of Latvia in the context of the crisis caused by COVID-19 in general and Pullman Riga Old Town hotel in particular.

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1. Crisis, types of crises and causes of their formation

1.1. Evolution of the concept of “crisis”

The effective functioning of any socioeconomic system requires two basic conditions: functioning and development. Functioning is the preservation of vital activity, the maintenance of functions that determine the integrity, reliability and properties of the system. The development of the system is the acquisition of a new quality that helps strengthen its vitality in a changing environment. Functioning and development are interrelated and reflect the unity of the main trends of the socioeconomic system.

Functioning constitutes both a limiting factor for the development of the system, on the one hand, and the very basis of the system, on the other hand. Development itself, disrupting many functioning processes, creates conditions for a more optimal existence of the system.

As to the concept of crisis, there are many different views, considering the variety of its aspects. Translated from Greek, “crisis” means result, decision, or turning point. For the purpose of better understanding, this concept must be viewed in dynamics. The main stages of evolution of this concept are presented in Table 1.

Table 1

Development of the concept of “crisis”

Period	Definition	Application field	Description
Until 17 th c.	Turning point in an illness period	Medicine	Turning point in illness period that is characterized by all disappearance of symptoms
17 th c. – 19 th c.	An urgent situation requiring an immediate solution	Social science	In the negative sense (military, political conflict Situations, etc.)
End of 19 th c. – first half of 20 th c.	One of the phases of the productive cycle (crisis, depression, revival, recovery)	Macroeconomics	There is a dual meaning: <ul style="list-style-type: none"> ▪ a negative character (life level of population falls down); ▪ the cycle structural phase
Second half of 20 th c.	Economic crisis	Macroeconomics	Severe and sudden upset in any part of the economy
	Systemic crisis	System theory	Complex exchange of the organizational forms
	Business crisis	Microeconomics	Conflict situation, lack of resources, process leading to bankruptcy

Source: [15]

Based on the peculiarities of the evolution of the concept of “crisis”, it can be concluded that until the 17th century it was used in medical sense only, reflecting the peak of the course of human illness and the presence of severe symptoms, such as high fever, continuous cough, severe runny nose, general weakness, etc. [15].

During the 17th-19th centuries the crisis acquires the status of a social concept representing various conflict processes in society, such as interstate conflicts, political tensions in the country, etc. Such social crises led to social explosions, wars, revolutions.

In the late 19th and first half of the 20th centuries, the crisis reflected a certain social phase - the standard of living of the population, that is, financial well-being, thereby gaining its economic sense.

The second half of the twentieth century fully strengthened the concept of “crisis” in terms of the economy, taking it to the macro level, e. g., a crisis at the national economy level, to a systemic crisis, e. g., a crisis reflecting negative changes in the organization of the system, and a crisis at the micro level, that is, a crisis of a legal entity (company) [19].

During this period, the crisis fully incorporated economic meaning, which includes political, legal and social com-

ponents. The political component usually gives an account of the system effective in the country and its position on the world stage, cooperation with other countries in the fields of science, economics, arms, education, medicine, etc. The legal component is defined by the legislation in force in the country as for persons in the field of education, medicine, labor, the tax system, further on for entrepreneurs and legal entities in business development and support programs, in the field of taxation, etc. Finally, the social component is determined by the State policy in order to ensure a decent standard of living for the population.

These components determine the formation and course of the economic crisis at both the macro and micro levels. To one degree or another, the crisis affects all participants in economic relations: an individual, a company, and a country. For instance, in a market economy, individuals, i. e., citizens form the need for certain goods and services, creating demand. On the basis of market research, enterprises produce goods and services to meet demand, thereby meeting their operational needs, the State levies taxes on the population and distributes income to address the substantial socioeconomic problems.

Various interpretations of the term “economic crisis” known to modern science are presented in Table 2.

Table 2

Definitions of the term “economic crisis”

Authors	Definition
A. Borisov [11]	A sharp deterioration in the situation, in the form of a fall in production and the termination of employment relationships, a decline in the living standards and well-being of the population
J. B. Say, D. Ricardo [2]	Breach of proportionality between the various industries, which is being revived by the market economy
J. Keynes, E. Hansen (Arutyunov Yu. A., 2016, p. 12)	Overproduction of goods due to insufficient propensity to consume lags behind income growth
A. Dobrovinsky [16]	A phenomenon whose root cause is the gap between the consumption and production of goods
J. Keynes (Bolshakov A. S., 2016, p. 21)	Sudden changes from an upward trend to a downward trend
S. Fischer, R. Dornbush, R. Schmalenzi [8]	Imbalances of various kinds (emergence of new production methods and products, changes in monetary and fiscal policy, consumer choices, aggregate demand, etc.)
G. Ivanov [1]	The process of uneven economic development caused by fluctuations in production and sales, accompanied by a downturn
J. Korotkov [17])	Critical aggravation of contradictions in the socioeconomic system (organization), endangering its viability in the environment
P. Lagadex [20]	Faced with challenges that go beyond the usual framework and are compounded by destabilization
K. Hermann [22]	An unexpected and unforeseen situation that jeopardizes the organization's priority goals with limited decision-making time

Source: [19]

Authors such as A. Borisov, J. Say and D. Ricardo believe that the concept of “crisis” is a violation of the balance between production and consumption of goods, supplemented by the collapse of economic ties of all participants in this process as

a result of reduced consumption [11]. J. Keynes and E. Hansen hold the same position as the former authors, considering the crisis of overproduction of goods be caused by a decrease in profitability and reflecting the standard of living of the popu-

lation. Yu. A. Arutyunov and A. Dobrovinsky view the crisis as a phenomenon caused by the gap between production and consumption [16].

Buyers form the basis of the State and any market economy, because they define the demand for a particular product. According to economic theory, demand is the amount of money that a consumer is willing to pay for a product. If there is a drop in demand for the product, then the entire economic chain of the direct channel “producer-consumer” or the indirect channel of “producer-intermediary (wholesalers and retailers) - consumer” is violated. This disorder is observed both at the micro level and at the macro level. At the micro level, producers are forced to reduce the output of goods, which in turn reduces their income and the income of suppliers who supply their partners with raw materials, materials and components. The decline in income leads to a reduction in capital to cover current costs and liabilities, creating a deficit and a need to attract borrowed funds in the form of credits and loans. Producers, their representatives, as well as trading partners (intermediaries) are forced to take measures to maintain market positions by minimizing the staff, finding new suppliers with a more favorable price policy, etc. Next, the onset of a crisis can occur not only in a particular company, but also in the entire sector and related businesses, developing at the macro level in the context of crisis-related occurrences in the form of shortfalls in tax revenues and contributions to extra budgetary funds, which work in areas such as education, medicine, etc., which also are consumers of goods and services. Thus, the chain crisis reaction occurs from the micro level, that is, from the enterprise level to the macro level, i. e. at the level of the national economy and the world economy in general. Summarizing the above definitions, the crisis can be understood as an imbalance between the production and consumption of goods, exacerbated by the disruption of the economic ties of all participants in the process as a result of the decline in well-being and living standards. This definition reflects the origins, the crisis processes and the consequences of the crisis as well.

D. Keynes explains the general concept of the crisis as a change in the trend of growth in the form of narrowing, giving it a sharp and sudden character, without focusing on the processes and causes of its formation. This definition of the concept of crisis is considered in detail by S. Fisher, R. Dornbush and R. Schmalenzi, reflecting economic, legal, scientific and technical (innovative) causes in the form of natural imbalances [8].

In sum, the crisis is indeed a shift from an upward trend to a downward trend in macroeconomic terms. At the macro level, a crisis may arise, according to Fischer, Dornbush and Schmalenzi, for three reasons: economic, legal, and scientific-technical.

G. Ivanov and P. Lagadex reflect the concept of the crisis from a purely economic point of view, giving it a macroeconomic connotation, i. e., considering the national or global economic level (Alferov, 2018 & Peryl, 2016). A similar definition was presented by E. Korotkov and K. Hermann, though accentuating their reflection at the systemic level. The first two authors define the concept of economic crisis as a process of destabilization or uneven development, accompanied by significant deviations beyond the usual framework of economic

development, the latter authors virtually take the same position, but define the crisis as an aggravation of contradictions or unforeseen circumstances, which threatens to violate the goals of the company [17; 22]. In general, it can be noted that the company experiences the same situation; only the fulfillment of tasks is carried out in accordance with its areas of activity to ensure its normal operation and development, the similar is happening at the national level, but to a larger extent.

Summarizing the proposed concepts, it can be concluded that the economic crisis is associated with certain changes that disrupt the existing economic balance. At the same time, the authors note in their definitions the emergence of problems caused by the crisis, and some of them draw attention to the opportunities for positive development during this period. In addition, the authors understand the crisis as a limited process or do not comment on its duration.

Thus, based on an analysis of the concepts of the economic crisis, the following definition can be proposed. A crisis is a situation which the subjects most interacting with the object under investigation consider a large deviation from the norm, which endangers their normal life, though a result of significant and quick improvement can also be expected.

A closer definition of the concept of crisis consists in the clarification of the following number of signs:

- lack of practice concerning the specialists in solving the totality of identified problems in case of similarity of external influences;
- the threat of irreversible deterioration concerning the life of most subjects;
- the need to respond quickly to the problem;
- making clear that deviations from the current rule are only unfavorable [23].

The crisis as a period of extreme aggravation of the economy of either a country or an individual company is the sharpest reflection of the intrinsic problems of the system itself. There may be manifestations of a crisis of underproduction, overproduction, sale of goods (services), relations between counterparties as a result of breach of contract and bankruptcy of one of their parties [5].

1.2. The causes of crisis and peculiarities of crisis development

At the macroeconomic level, the crisis is characterized by a decrease in business activity, GDP, living standards, income and inflation. It is also important to allocate the crisis of the financial system, which is a sharp contradiction between the requirements of a new level of economic development and the objectivity of financial structures [10].

A crisis begins due to general cyclical changes, capital movements, imbalances in international trade and overheating of the credit market. The main macroeconomic factors of the economic crisis are:

- armed conflicts (struggle for dominance over natural resources);
- falling oil prices;
- imposition of economic sanctions (prohibition by one country on various types of economic relations, usually involving large private and public companies, banking sector);

- high activity of speculators as a result of the crisis, but with the growth of speculation it becomes an independent factor;
- a decrease in the level of economic relations between the population, business and the State, leading to tax evasion, etc.

There are several reasons for a crisis. The cause of crisis should be understood as a number of specific events that adversely affected the activities and situation of all economic actors at both the macro and micro levels. They are divided into objective ones – related to the cyclical needs of restructuring and modernization, subjective ones – reflecting voluntariness and errors in the management system, and natural ones – related to changes in climatic conditions and force majeure circumstances (earthquakes, hurricanes, floods, etc.) [4].

In addition to objective and subjective reasons, a crisis can be caused by internal as well as external reasons. The former are related to global economic strategy and development trends, the political situation in the country, competition, while the latter are connected to internal conflicts, risky marketing strategy, incomplete management, organization of production, investment and innovation policies [25].

Another feature is the cyclical nature of objective crises. The socioeconomic system is developing in a spiral way, with each crisis being a turning point in its development, accompanied by the inevitable transition to the quality of new quantitative changes, accumulated during previous stages.

The development of a macroeconomic crisis consists of the following main stages:

- Hidden (latent) period. This stage is characterized by the presence of prerequisites that do not have a pronounced external character. At this stage, there

is a boom in production and consumption at the last stage of stable development of the system.

- Extreme aggravation between accumulated exacerbations, manifestation of crisis processes, reduction of socioeconomic indicators.
- Presence of a certain period of stabilization at the lowest point of the trajectory, which can be viewed as the survival period of a significant part of the subjects of the socioeconomic system, whose main task is to survive in the hope of ending the crisis. This stage is characterized by a stratification of actors by type of activity. Along with passive actors in crisis, social assets are emerging, some of which are looking for the most effective ways to survive.
- The stage of showing the possibility of resolving a real crisis situation. The crisis is mitigated by adapting to it through local stabilization of subsystems, as defined in its main prevention programs. At this stage, the main subsystems are being restructured and updated, optimistic and positive mood is growing, indicators of socioeconomic dynamics are improving [6].

1.3. A classification of crises

Crisis can be classified by deviations in the socioeconomic system according to the following types specified in Table 3.

Thus, crisis is an important element of the mechanism of self-regulation of the market economy. With the onset of a new crisis, one period of development ends and another one begins. The economic crisis, carrying out a stimulating function, reveals not only the limit of economic development, but also the impetus. The crisis creates incentives to reduce production

Table 3

A classification of crises

Crisis type	Crisis description
Deviation: the first type	The formation of the first type of deviation is related to the interruption of the development trajectory, but the depth of the economic downturn is insignificant, which is not critical for the system and may return to the equilibrium trajectory. Examples include countries such as the PRC and Singapore, which have been able to radically change a number of internal institutions to reach a higher stage of development. At the micro level, an example of such a deviation is the fall in sales due to price errors. By effectively reorganizing the product and marketing policy, the company can return to previous indicators or achieve a higher level of development
Deviation: the second type	The second type of deviation is a sudden change, accompanied by a qualitative change in the structure of the economy. The main features of the second type of deviation are the instability and uncertainty of the main development vectors of countries and companies. Typically, these vectors can radically change their direction, and the socioeconomic system either retains its potential and integrity or deteriorates in it. Examples of such a shift were the transition from a command-to-market system in Russia, the departure of the US economy from the Great Depression of the 1930s, and the withdrawal of Arab countries from the social divide (Libya, Egypt, Tunisia) between 2011 and 2015
Deviation: the third type	The third type of deviation consists of the transition of the socioeconomic system to a completely uncontrollable process (socioeconomic catastrophe, chaos), resulting in the cessation of its vital activity or transition to a completely new state, quantitatively and qualitatively different from the previous state. An example is the collapse of powerful world empires (Ancient Rome, Ancient Babylon, Austro-Hungarian, and Russian). At the micro level, the third type of deviation is the collapse of industrial and commercial enterprises, banks, which ceased operations as a result of complete loss of control or non-compliance with the law

Source: [18]

costs, increase profits and increase competition through certain measures.

2. Crisis management at the micro level

From the point of economic relations, the main functions of management in a crisis situation at the micro level include ensuring the continuity of the production process and sales of products, the formation of highly qualified personnel, as well as a distribution and regulatory package of functions governing the main financial, investment and production processes, contractual relations with both the internal contractors (employees) and the external (suppliers, buyers, credit organizations, tax authorities, etc.) [2].

At the micro level, the main goal of management in a crisis situation (i. e., within the company terms, regardless of the parameters of its activities and organizational and legal forms) is a continuous and sustainable business development. This is achieved due to timely and effective managerial decisions of the owners to implement a complex of measures aimed at restoring solvency, ensuring the return of the company to the number of effectively functioning structures.

Moreover, the interests of society necessitate that the stable operation of the company be ensured, that its profitability and effective use of assets, while maintaining and increasing its production and financial potential, be guaranteed. The use of appropriate management tools, methods of influence and the performance of certain functions must facilitate the achievement of these goals.

The following management functions are distinguished:

1. *Planning.* Among all functions, planning plays a key role in the company's economic activity, since it regulates the behavior of management objects in the process of achieving goals and objectives. Each department of the company performs specific tasks for the development of production programs for different planning periods.
2. *Management organization.* Management organization is an aggregate of methods, techniques, links of the control system, their rational combination, relationships with objects and other control systems in space and time. The main task of the management organization is to ensure the creation of optimal conditions for achieving the goals set, i. e., solving specific problems while reducing production resources over a time period.
3. *Motivation.* The motivational function affects staff as an impetus to improve the quality and effectiveness of their work through individual or collective incentives.
4. *Control.* Through control, the influence on the company's personnel is carried out by keeping records, analyzing, identifying each structural department and service, summarizing production and business results in order to prepare and make managerial decisions. The control function is implemented on the basis of collecting statistical, operational, accounting data, identifying deviations of actual indicators from the planned value, as well as analyzing the causes of these deviations [7].

The company's crisis prevention is facilitated by a number of tasks at both the strategic and operational levels aimed at its recovery. Such a set of measures, tasks and goals forms the management of the company in a crisis situation.

At the micro level, the main tasks of crisis management are the stabilization of the company's activities and the implementation of a complex of measures to predict and prevent crises, the implementation of preventive measures, as well as the use of special technologies for preventive measures, timely recognition and prevention of crisis events [3].

The tasks of the company management in a crisis situation include:

- anticipating the crisis and developing a strategy for its foresight and limitation;
- counteracting the effects of the crisis;
- bankruptcy management to overcome the crisis;
- doing business to prevent its insolvency (through a set of preventive measures in the event of an economic downturn).

The instrument for managing a company in a crisis that forms its material basis is property, the disposability of which provides a competitive advantage over a company leasing real estate. Furthermore, the company can use real estate to achieve its goals and refill the missing financial resources, including such as collateral, security of obligations, etc. The main method of managing the company in a crisis situation is the creation of a system of permits, prohibitions and coercion with relevant rules and orders adopted in strict accordance with the legislative framework at both regional and federal levels [22].

As a specific management activity, crisis management is analyzed from the point of efficiency when making positive changes to the production process. The extent to which a crisis is localized, mitigated or effectively used in relation to the resources spent is the basic management effectiveness provided by the management impact system, methods and procedures aimed at performing management functions.

3. Analyzing the crisis management in the COVID-19 pandemic on example of Pullman Riga Old Town

First worries about a COVID-19 spread in Latvia have been started in March 2020, already on 14th of March Latvian government announced about implementing national lockdown and on 17th of March closed international borders to all organized passenger traffic on land, sea and air. However, accommodation services providers reacted earlier, in view of other countries having imposed related restrictions, and, as a result, a lot of reservations were canceled, many hotels were forced to close their premises, limit the work of employees or even discharge them.

Due to the lack of guests, many hotels closed their doors permanently, some were not working until summer, but some were providing limited services even during the COVID-19 spread. Many companies of hospitality industry were saved by "Baltic Bubble" travel zone. "Baltic Bubble" program allowed citizens of the Baltic States and persons legally residing there to travel in Estonia, Latvia and Lithuania without any restrictions. "Baltic Bubble" secured tourism industry, however finally it started recovering in summer, when lockdown was over and the travelers were allowed to pass through the countries'

borders. Hotels were opened, nevertheless, due to scarcity of money in budget, management teams were forced to reduce number of employees and implement Personal Protection Equipment (PPE) for staff. Though, aware of the “second wave” of COVID-19, Latvian government started to expand the list of countries, upon arrival from which self-isolation must be observed. As a result, “Baltic Bubble” burst and hotels were forced to close again. For instance, in October 2020, 17.7 thousand foreign guests were hosted, which is by 87.8 % less than in October 2019. The number of nights spent by them at various accommodation establishments was 49 thousand, which is a decrease of 82.8 %. Most foreign guests hosted were from Estonia (2.1 thousand), Lithuania (1.9 thousand), Germany and Russia (1.6 thousand) [9].

The five-star hotel Pullman Riga Old Town is a part of French Chain ‘Accor’ and it is located in the centre of the historical area of the city of Riga. It offers its guests a SPA centre with heated indoor swimming pool and a sauna. There is available a free Wi-Fi throughout the property and a public parking. The hotel offers to its guests 155 modern and spacious rooms, which are fitted with a LED Smart TV and comfortable beds to relax in after a busy day. Park and atrium views are available in most of the rooms and bathrooms come with a rain shower and free toiletries. There is also a voice-mail and a working area. Guests can enjoy the on-site restaurant ‘EQUUS’ with international fusion cuisine. Tea Deli offers a tea ceremony experience. For the convenience of the guests, the hotel maintains a 24-hour front desk. In the lobby area, there is located a gift shop where guests can find different jewelry and souvenirs made of amber. For different meetings and events, the hotel offers seven conference rooms with facilities [21].

On 25th of March 2020, the hotel was out of service due to border closures. Employees were informed on 13th of March about the temporary closure of the hotel (all company employees received a State-funded allowance) until the situation is resolved.

During the period when the hotel was standing idle, the managers of the relevant departments kept in touch with the staff to find out their well-being, status of health and provided moral support.

Starting from 10th of March the hotel management started to find out whether guests would arrive or not (during the period from March till May). Guests were offered the opportunity to save the reservation and change the dates until August 2021 or cancel the reservation and receive a refund. As a result:

- 80% of guests canceled their reservations and demanded a refund (a total of 1563 cancellations from March-September, with a total loss of 363212 EUR)
- 20% of guests agreed to change the dates until August 2021.

On 1st of June a team for hotel re-opening was formed, within the following week staff training was carried out (new standards and safety regulations, new procedures for meeting guests, how to act if a guest falls ill, how to take off gloves, how to wash hands, how to put on a mask, etc.), occupational safety, introduction and development of standard procedures, modified standards and hotel facilities (for increased safety for guests and staff), distance signs, other signs (distance, hand wash, use

of hand sanitizer), hand sanitizers and masks for guests. The ‘ALL SAFE’ Label is introduced.

Re-opening of the hotel commenced on 8th of June (in honor of the 4th anniversary of the hotel a marketing campaign was launched, which attracted a great deal of interest among the locals). Room cost was set as 20 EUR per night.

From 8th till 20th of June hotel services were limited as follows:

- SPA centre (swimming pool, sauna and procedures) - closed for security purposes, only the gym with increased cleanliness level was open;
- Breakfast was served as Room service to order (with reduced menu selection), buffet not allowed;
- In the same room, each subsequent guest is accommodated only after 48 hours;
- Enhanced cleaning standards (in public areas, elevators, rooms);
- All employees worked in gloves and masks;
- Limited number of employees in shifts, limited number of employees on the premises;
- Conference hall layout (maximum 50 people to ensure a distance of 2m);
- Hand sanitizers and masks everywhere available;
- Restaurant closed - only room service was available;
- Bar opening hours from 12:00 to 23:00;
- All booklets removed from the rooms, minibar (items available at reception desk on request) was emptied to reduce touching things;
- At check-in, each guest was disinfected (guests are asked to disinfect their hands upon arrival), as well as a counter, pens, payment terminals, magnetic keys, elevator buttons were sanitized too;
- Employees worked in masks and gloves; protective glass shields for the reception staff.

As the guests were gradually filling the hotel, the pricing policy and strategy changed completely. The following was introduced: special prices and promotions in the restaurant; SPA offers at special prices; conference and event offers (for clients).

As to accommodation, new pricing policy focused more on the local and Baltic markets, ADR (room average price) fell by half to cope with the competition and fill the hotel during the summer season, hotel mostly worked with platforms (booking, expedia, agoda, hotelbeds), corporate segment/business tourism almost stopped due to COVID-19 except for local or Baltic level only.

In September 2020, the second wave of COVID-19 with increasing morbidity rates began and a list of countries where 14-day quarantine must be observed stayed in force (the only countries that can travel to and enter Latvia from on 10th of September were Estonia, Lithuania, Cyprus, Finland). Hospitality companies found it difficult to survive, many tourism businesses started to close due to their inability to operate in that period, hotel occupancy fell to an absolute minimum (average 03.00% -10.00% maximum).

The government did nothing to support the tourism industry or its employees. As a consequence, Tallink Hotel and Marriot announced the complete closure of their hotels in October. The Radisson chain hotels merged with only the Radis-

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