EFFECTS OF COVID-19 PANDEMIC ON HOSPITALITY INDUSTRY IN TANZANIA (2019-2022): A CASE OF ARUSHA CITY

EDWARD EVARIST

A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF TOURISM PLANNING AND MANAGEMENT

DEPARTMENT OF GEOGRAPHY, TOURISM AND HOSPITALITY STUDIES

OF THE OPEN UNIVERSITY OF TANZANIA

2024

CERTIFICATION

The undersigned certifies that, he has read and hereby recommends for acceptance by the Open University of Tanzania a Research Proposal titled: **"Effects of COVID-19 Pandemic on Hospitality industry in Tanzania: A case of Arusha City",** in partial fulfillment of the requirements for the Degree of Master of Tourism Planning and Management of the Open University of Tanzania.

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I, **Edward Evarist,** do hereby declared that this report is my own original work, and that it has not been submitted and was not submitted for the similar or other degree award in any University. It is hereby presented in partial fulfillment of the requirements for the Degree of Master of Tourism Planning and Management of the Open University of Tanzania.

……..

Signature

……..

Date

DEDICATION

To the Almighty God, to whom I return all the Glory and Honor, and to my family for unwavering dedication and tireless efforts in meticulously managing my dissertation.

ACKNOWLEDGEMENTS

I would like to sincerely acknowledge and thank the Almighty God for His blessings. I would like to thank and acknowledge the great contributions availed by my supervisors Dr. Reguli Baltazar Mushy and Dr. Cosmas Haule for their tireless efforts in advising and shaping this work into a success. Their supervisory expertise and guidance have been essential in accomplishing this work. I also thank and acknowledge the contributions of my family particularly my wife Anneth and daughters Janelle and Jolene for their tireless endurance, comfort and encouragement during preparation of this dissertation.

ABSTRACT

This study aimed at assessing the impacts of the COVID-19 pandemic on the hospitality industry in Arusha City, Tanzania for the period of 3 years from 2020 to 2022. Specific objectives included examining the economic effects on employees, analyzing customer trends in hospitality establishments, and evaluating the business strategies employed by hospitality entities in response to the pandemic. The research design was cross-sectional with a mixed approach, and Arusha City was chosen as the study area due to its significance in tourism and diverse economy. The sample size comprised 96 participants, including administrators and operational staff from 15 selected hotels. Data was collected through structured questionnaires and interviews and analyzed through thematic analysis and inferential statistics especially time series analysis. The study revealed a complex landscape of challenges and flexibility. Hospitality employees faced job insecurity and income reductions, highlighting the socio-economic impact of the crisis. The sector experienced a dramatic decline in customer trends during the pandemic but showed signs of recovery in the post-pandemic phase. Notably, businesses demonstrated adaptability through cost-cutting measures, promotions for local attractions, and collaborations, which not only aided survival but also had positive socio-economic implications for employees. It is recommended that policymakers and industry stakeholders in Arusha City, Tanzania, take immediate action to support the recovery of the hospitality sector.

Keywords*: Hospitality Industry, COVID-19 Pandemic, Tourism.*

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LIST OF ABBREVIATIONS

BRELA	Business Registrations and Licensing Agency
COVID-19	Corona-virus Disease 2019
NBS	Tanzania National Bureau of Statistics
OUT	Open University of Tanzania
SARS-CoV-2	Severe Acute Respiratory Syndrome Corona-virus 2
WTTC	World Travel and Tourism Council

CHAPTER ONE

INTRODUCTION

1.1 Background to the Research Problem

The emergence of the COVID-19 pandemic in late 2019 marked a turning point in global history. Among the sectors profoundly affected by the pandemic is the hospitality industry, encompassing hotels, restaurants, tourism agencies, and related services (WHO, 2020). The COVID-19 pandemic had a substantial and detrimental influence on many hospitality businesses associated directly and indirectly with tourism activities (Ipsos, 2020). Hospitality industry is perhaps the largest and fastest growing business in the world with annual growth rate of 4.6% over recent decades (Tovmasyan, 2019). For seven years consecutively, it has outperformed the world economic growth by 3% (Sofronov, 2018). The sector is well known for its aptitude to provide a considerable number of employment opportunities directly and indirectly mainly due to tourism and travelling activities. Recently World Travel and Tourism Council (WTTC) found that travel and tourism sector supported one out of every ten jobs globally, and it accounts for one in any five new employment opportunities created in the last five years in a row (WTTC, 2020).

However, things turned upside down at the end of 2019 due to tremendous operational, commercial and financial crisis in associated outbreak of COVID-19 Pandemic (Kasese, 2020). The pandemic damaged both, tourist's destinations and tourist's source markets, the commercial and operation activities came to an end (Yang *et al.*, 2020). For instance, in Italy, one of the early epicenters of the pandemic, the hospitality sector suffered immensely as the country imposed strict

lockdown measures to reduce the spread of the virus. With tourism grinding to a halt and restaurants forced to close their doors, many businesses faced financial ruin, leading to widespread job losses and economic hardship.

The study by Ulak (2020) found that COVID-19 significantly disrupted global hospitality supply chains, reducing the industry's operational capacity and customer base, especially in countries heavily dependent on tourism. Similarly, a study by Yang *et al*. (2020) indicated that, in China, where the COVID-19 outbreak originated, the hospitality sector experienced a sharp decline in demand as the government implemented strict containment measures, including city-wide lockdowns and travel restrictions. Hotels, restaurants, and tour operators struggled to stay afloat amidst declining tourist numbers and consumer confidence. Even countries with robust healthcare systems and strong economies, such as Germany and Australia, faced significant challenges in mitigating the impact of the pandemic on their hospitality industries, with businesses grappling with uncertainty and financial instability.

During the COVID-19 pandemic, the hospitality industry in Africa faced unprecedented challenges, characterized by dropping tourist arrivals, hotel closures, and widespread job losses, (Nkosi, 2020). Across the continent, countries heavily reliant on tourism, such as South Africa, Botswana, Kenya, Rwanda, Tanzania, Uganda, and Zambia, experienced severe economic downturns as international travel restrictions and lockdown measures crippled the sector, . As of June 2021, nearly 60 percent of tour operators related having 75 percent or more of bookings cancelled.

Around 18 percent of businesses registered 50 percent of cancellations (Ouedraogo, 2022). Governments responded with various support measures, including financial aid, tax incentives, and tourism recovery plans, aimed at mitigating the impact and stimulating domestic tourism (Adegbite, 2023). Despite these efforts, the road to recovery remains uncertain amongst ongoing uncertainties and fluctuations in global travel trends.

The Tanzanian government swiftly enacted several World Health Organization-recommended precautions in the early months of the epidemic February to April, 2020 and as of February 27, 2021, the Ministry of Health has produced 15 recommendations (Henseler *et al.*, 2022). In a country like Tanzania, where both infectious and non-infectious disease burdens are high, the government decided against implementing a lockdown because it would have severely limited public access to health services, particularly for patients with chronic conditions like tuberculosis and HIV infection (WB, 2020).

The recovery of hospitality industry after pandemic is expected first with some specific regions like European regions. Hospitality industry stakeholders from different countries have requested their government to provide relief packages so that they can at-least maintain their businesses and jobs (Ulak, 2020). In Tanzania, a relatively big number of jobs have been lost due to tourism market downturn including those of hotel transportation, and tour guides and Kilimanjaro Mountain (Mwamwaja, 2020). However, though most of studies have been conducted in tourism sector regards to effect of COVID-19, there is limited studies concern the

way hospitality firms acted against the effect of COVID-19 particularly in Tanzania. Therefore, this study intends to find out how the COVID 19 pandemic has economically affected the hospitality industry in Tanzania based in Arusha City which is the leading region for hospitality industry in Tanzania.

1.2 Statement of the Research Problem

The COVID-19 pandemic has had a significant impact on the hospitality industry in Arusha City, Tanzania. Arusha was the first city to report the virus' presence in Tanzania before it was discovered in other cities on 16 March 2020 (Expeditor, 2020). Arusha City is renowned for its tourism offerings, attracting visitors to its various wildlife, natural attractions, and cultural heritage sites. The hospitality sector in Arusha holds substantial economic importance as a key driver of economic activity, employment, and revenue generation. However, the pandemic has greatly affected the industry, resulting in loss of jobs, reduced income, and business closures (NBS, 2021). The implementation of pandemic-induced measures by the government, such as travel restrictions, border closures, and health protocols, has further intensified the situation, resulting in decreased hotel occupancy rates, restaurant revenues, and tour bookings (Makau, 2020).

These measures have resulted in reduced holding capacity, decreased number of foreign tourists, and reduced demand for hotel services (NBS, 2021). This study aims to investigate the extent of the pandemic's impact on the economy of hospitality employees, customer trends, and business strategies employed by hospitality entities to cope with the outbreak of COVID-19 in Arusha City. Specifically, the study

investigated the extent of job losses and income reductions experienced by hospitality employees in Arusha City during the pandemic. The study seeks to identify the challenges faced by the industry and suggest possible solutions for its recovery.

1.3 Research Objectives

1.3.1 General Objective

The general objective of this study was to assess the effect of covid-19pandemic on the hospitality industry in Arusha City, Tanzania.

1.3.2 Specific Objectives

i. To assess the extent to which employees' economies were affected during the outbreak of the COVID-19 Pandemic in the hospitality industry.
ii. To examine the customer trends in hospitality establishments before and after the outbreak of the COVID-19 Pandemic
iii. To explore the operational challenges faced by hospitality establishments in Arusha City during the COVID-19 pandemic.

1.4 Research Questions

i. To what extent were employees' economies affected during the outbreak of the COVID-19 Pandemic in the hospitality industry?
ii. What were the trends of customers during and after outbreak of COVID-19 Pandemic in Hospitality establishment?
iii. What operational challenges did hospitality establishments in Arusha City face during the COVID-19 pandemic?

1.5 Significance of the Study

This research holds relevance in the context of the burgeoning hospitality sector in Tanzania, concurrently facing the significant economic turmoil precipitated by the COVID-19 pandemic. In light of this, the study delves into the economic adversities encountered by proprietors and staff of hotels throughout the pandemic. Consequently, the research endeavours to furnish the management of hospitality enterprises with strategic insights to navigate analogous challenges and avert business closures. Beyond immediate applications, the data amassed during this study is poised to contribute to policy formulation, industry practices, and academic discourse. The insights gleaned will not only serve as a wellspring of information for subsequent scholarly investigations but also fulfil an educational role for the general public and private sector stakeholders. By spotlighting pandemic-induced impacts and the ensuing survival strategies within the hospitality domain and other service-centric enterprises, this research aims to disseminate actionable knowledge. The researcher posits that, regardless of the extent of negative repercussions, ongoing scrutiny and enhancement of operational protocols remain imperative for identifying and retaining key personnel within hospitality establishments.

1.6 Scope of the Study

This study aimed at assessing the economic impacts of covid-19 on hospitality industry in Tanzania, case of Arusha City. The researcher chose Arusha City as the case study of this study due to the fact that Arusha is the centre of tourist destination as the region receives many tourists comparable to other regions in Tanzania hence making it the largest area which promotes hospitality industry. The study involved

hospitality businesses which focused in hotels with labour size between 7 and 50 individuals. The study only concentrated on the economic effect of COVID-19 to hospitality employees and operational challenges faced by hospitality establishments. The study was conducted within university timeframe and for academic purpose only. The findings obtained are generalised to the hospitality firms operating in Arusha region.

1.7 Theoretical Framework

To provide a conceptual foundation for this study, Crisis Management Theory was introduced as a guiding framework. This theory explains how organizations anticipate, mitigate, and recover from crises (Marker, 2020). According to the theory, crises such as the COVID-19 pandemic are unpredictable events that can cause significant operational disruptions and financial losses (Bundy *et al.*, 2017). The theory breaks down crisis management into three main stages: pre-crisis, crisis response, and post-crisis recovery.

In the pre-crisis stage, organizations typically focus on risk assessment and contingency planning, preparing to respond to potential threats. However, Arusha's hospitality industry faced limitations in this stage due to the unexpected nature of the pandemic. Many businesses lacked enough preparedness for a crisis of this scale, especially one that required extensive operational shifts, such as lockdowns and strict travel restrictions. As a result, the pre-crisis stage for Arusha’s hospitality sector was characterized by a general lack of readiness, with minimal specific planning for the unique challenges caused by COVID-19.

During the crisis response stage, the Arusha hospitality industry implemented immediate actions to mitigate the direct impacts of the pandemic. With international and regional travel bans, social distancing mandates, and significant declines in tourism, many businesses in Arusha faced urgent financial challenges. To adapt, these businesses adopted cost-cutting measures like reducing staff, negotiating rent deferments, and scaling down services. Some establishments temporarily closed, while others shifted to limited services or reduced guest capacity. Additionally, businesses that remained operational instituted stringent health and safety protocols to comply with new regulations and restore customer confidence.

In the post-crisis recovery stage, as restrictions relieved, Arusha's hospitality sector transitioned to a recovery-focused approach. Efforts in this phase included rebuilding customer demand, particularly through a shift towards attracting local and regional tourists in response to fluctuating international travel availability. The Tanzanian government and industry stakeholders supported these efforts by offering financial aid, tax relief, and tourism recovery initiatives. Businesses in Arusha worked to adapt their services to this new landscape, gradually re-hiring staff, training employees in updated safety practices, and developing more resilient contingency plans to better prepare for future disruptions.

1.8 Organisation of the Work

The study was organized into five distinct chapters. Chapter one provided an overview of the research background, objectives, significance, scope, and limitations. Chapter two provides the literature review, including existing theories and empirical

studies related to capital structure and profitability in the tourism industry, offering a theoretical framework for the study. In chapter three, research methodology, the research design, data collection methods, and statistical tools to be employed in analyzing profitability trends and capital structures were outlined. Chapter four presents the findings and discussion of findings. Lastly, chapter five provides the summary of the key findings, conclusion, and offers practical recommendations for tourism sector stakeholders, policymakers, and future research directions. This structured organization ensured a coherent and systematic exploration of the research topic, from the introduction of the problem to its practical implications and recommendations for the industry.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Theories and empirical studies reviewed by the researcher on examining the economic impacts of covid-19 pandemic on the hospitality industry in Arusha City, Tanzania are presented in this chapter. The reviewed empirical studies are presented according to the themes drawn from research questions. At the end of this chapter, a summary of the theories review and literature review is given. Also, the gap of knowledge from reviewed theories and literature that needs to be filled by the current study is justified.

2.2 Conceptual Definition of Key Terms and Concepts

2.2.1 COVID-19 Pandemic

Refers to the global outbreak of the novel coronavirus disease (Covid-19) caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). It originated in Wuhan, China in late 2019 and quickly spread globally, resulting in widespread illness, hospitalizations, and deaths. In this study, the term "Covid-19 pandemic" was used to describe the unprecedented and on-going global health crisis caused by the spread of the SARS-CoV-2 virus. It encompassed the effect of Covid-19 on the hospitality industry, including operational challenges faced by hospitality businesses.

2.2.2 Tourism

Tourism refers to the act of travelling for leisure or business purposes, which involves visiting new places, experiencing different cultures, and engaging in various

recreational activities (Buhalis, 2021). In this study the term "tourism" was used to describe the economic and social activities associated with the movement of people for travel and leisure purposes, including the demand for hospitality services such as accommodation, food and beverage, transportation, and other related services.

2.2.3 Hospitality Industry

It essentially provides all potential accommodations, pleasure, and associated services to any individuals who visit a certain location for a specific duration, primarily as visitors or travellers (Ghebregiorgis, 2018). In this study hospitality industry was used to refer to business which offers hospitality services in form of hotels with average of 4 to 49 employees considered as micro enterprise (BRELA, 2021).

2.3 Theoretical Review

2.3.1 Resilience Theory

Resilience Theory was first introduced by ecologist C.S. Holling in 1973 as a conceptual framework aimed at understanding how ecological systems respond to disturbances, such as natural disasters, while maintaining their functions, structures, and capacities (Suslovic *et al*., 2024). Resilience Theory has since evolved beyond ecology to include a wide range of fields, such as organizational studies, psychology, and socioeconomics, where it is used to analyse how systems, communities, and organizations endure and adapt to disruptions. The core focus of Resilience Theory lies in an entity’s ability to anticipate, absorb, recover, and transform in response to shocks and stressors (White *et al*., 2023). In the context of organizational studies,

resilience refers to a businesses or organization's capacity to maintain stability, continue operations, and learn from disruptive events, ultimately returning to a state of equilibrium and growth (Kuhlicke *et al*., 2023).

Resilience Theory aligns closely with Crisis Management Theory, as both frameworks address responses to unexpected disruptions. While Crisis Management Theory delineates specific phases (pre-crisis, crisis response, and post-crisis recovery) that guide organizational actions during a crisis, Resilience Theory provides insight into the underlying capacity that enables these responses. Crisis Management Theory focuses on structured planning, strategies, and recovery phases during disruptions. Resilience Theory, however, centres on the adaptive processes and flexibility needed to withstand the crisis, pivot as necessary, and implement lasting changes. For example, in the hospitality industry, Crisis Management Theory provides a roadmap for handling sudden disruptions like the COVID-19 pandemic, while Resilience Theory supports the adaptive behaviours (e.g., adjusting to local markets or enhancing hygiene standards) necessary to recover and rebuild after such disruptions.

2.3.1.1 Assumptions of Resilience Theory

Assumptions of Resilience Theory include the idea that organizations or systems are inherently dynamic and capable of adjusting to changes. It assumes that disturbances, while disruptive, are also opportunities for growth and learning, as entities that survive crises become more robust. Additionally, Resilience Theory assumes that the degree of resilience can vary widely depending on the adaptability of the

organization, its resources, and its capacity to learn from past crises. These assumptions guide the study of the hospitality industry by focusing on how adaptability and recovery efforts contribute to organizational resilience amid adversity (Adelan *et al*., 2024).

2.3.1.2 Strengths of Resilience Theory

The strengths of Resilience Theory include its adaptability across different contexts, its emphasis on growth and transformation through crises, and its focus on building sustainable practices that endure over time. Resilience Theory encourages a proactive and dynamic approach to handling disruptions, allowing organizations to go beyond simple recovery and to embrace change. In the hospitality industry, this means adapting business models, modifying customer engagement practices, and adopting innovations that promote long-term stability and success. Another strength is the theory's ability to integrate a variety of factors, economic, social, and operational, into understanding resilience as a comprehensive approach, helping businesses build robust systems (Liu *et al*., 2023).

2.3.1.3 Weaknesses of Resilience Theory

However, weaknesses of Resilience Theory include its sometimes broad and generalized approach, which can make it difficult to operationalize or measure resilience in specific, quantifiable terms. Unlike Crisis Management Theory, which offers concrete stages and actionable steps, Resilience Theory provides more abstract principles of adaptability and growth. This can be challenging for organizations seeking structured guidelines for immediate crisis situations. Additionally, Resilience

Theory’s focus on positive adaptation might overlook cases where a crisis is beyond the organization’s control or where adaptation requires resources that may not be readily available (Ivanov, 2024).

2.3.1.4 Applicability of Resilience Theory

Resilience Theory is particularly useful in industries exposed to volatile and unpredictable environments, such as the hospitality industry, which is highly dependent on tourism and sensitive to global events like pandemics. The theory is widely applicable across various sectors, from businesses and ecological systems to communities and individuals, given its focus on adaptability and capacity-building. For the hospitality industry in Arusha, Tanzania, Resilience Theory helped explain how hotels, restaurants, and tour operators not only managed the impacts of COVID-19 but also adopted new operational norms, diversified target markets, and adjusted service models to promote sustainable practices that might be beneficial in the face of future crises.

2.4 Empirical Literature Review

This section addresses the review of other studies which have been conducted in relation to each specific object based on global to local context.

2.4.1 Effects of COVID 19 Pandemic on Employees' Economies in the Hospitality Industry

The financial and economic impact of the Covid-19 outbreak on hotel businesses in the City of Susa was studied by Bojacá *et al*. (2021) in Colombia. The study concluded that the COVID-19 virus has had a negative effect on the global economy.

The sanitary emergency has had a devastating impact on the businesses that offer lodging services in the city of Suesca - Cundinamarca, a popular tourist destination in the Cundinamarca department. The vulnerable sector analysis found that the COVID-19 scenario significantly affected the income of these organisations. However, the new options that have been developed to keep this business afloat, like as camping sites, glam pings, and cabins, may have a negative effect financially on conventional hotels, and this must be taken into mind.

The effects of COVID-19 on the health and well-being of people living in Kampala, Uganda's informal settlements were studied by Nuwematsiko *et al*. (2022). Mixed-methods cross-sectional analysis of Bwaise I and Bwaise III slums, Kawempe division. Systematic sampling was used to choose 425 household heads to participate in face-to-face quantitative interviews and focus group discussions (FGDs), while eight Community Health Workers (CHWs) used picture voice to document unintended socioeconomic and health implications. People were complaining about a lack of food, a drop in their daily income and pay, and the loss of their jobs, as evidenced by the data. Both the spread of COVID-19 and efforts to contain it were shown to have had a substantial impact on the participants' quality of life, the study found. Child labour and pregnancies among teenage females were on the rise as a direct result, with devastating effects on the young.

2.4.2 Customer Trend in Hospitality Establishments since the outbreak of the COVID-19 Pandemic

Goeldner and Ritchie's (2020) research looks into how the COVID-19 epidemic affected tourist patterns among consumers in United States. The results showed that

demand for travel dropped significantly as a result of the epidemic, with many clients delaying or cancelling trips out of concern about their safety. The report emphasises the need of the travel and tourist business adjusting to the changing consumer patterns and introducing steps to protect the safety of visitors, such as strengthening cleaning standards, providing more flexible cancellation policies, and instituting social distancing guidelines. The results of this study support the need for a comparable examination to be conducted in Arusha, Tanzania, where the epidemic has had a devastating impact on the tourism industry, leaving several hotels and tour operators on the brink of bankruptcy.

Wiedemann *et al*. (2020) analysed how the COVID-19 epidemic affected tourists' preferences for environmentally friendly vacations. The authors used a hybrid methodology that included both a literature review and a consumer survey (n=520). The study found that the COVID-19 pandemic has influenced consumer preferences towards ecotourism in a positive way. The authors state that the epidemic has revealed the urgency of implementing sustainable tourist practises as cutting down on carbon emissions and encouraging the preservation of biodiversity. More and more tourists are looking for eco-friendly vacation choices and are ready to pay a premium for them.

However, the study also highlights the need for more research into the variables that impact customer preferences for sustainable tourism and the information gap surrounding the implementation of sustainable tourism practises in various tourism locations. Therefore, the purpose of this research was to examine the Covid-19 consumer patterns in the hotel industry in Arusha, Tanzania.

A research by Khaledi *et al*. (2021) looked at how the COVID-19 pandemic affected digital technology adoption in the hotel business. A survey was used to gather information from 232 Iranian hotel guests for this study. Customers are increasingly looking for hotels that have embraced digital transformation in order to ensure their safety and convenience in the wake of the COVID-19 outbreak, as evidenced by the findings. In light of the pandemic, the study emphasises the significance of digital transformation in the hotel business, as it has become crucial for protecting customers and lowering the danger of viral spread. While this study fills a knowledge vacuum, it does not give a thorough examination of Covid-19's impact on Africa's hotel business because it only looks at one country. Therefore, more studies need to be undertaken in places like Arusha, Tanzania.

2.4.3 Operational Challenges Faced by Hospitality Establishments during COVID-19 Pandemic

Singh et al. (2021) conducted a study titled "Operational Challenges in the Hospitality Sector during the COVID-19 Pandemic: A Study of the Indian Context." Utilizing a quantitative research approach with a descriptive research design, the study targeted hospitality establishments across major cities in India, comprising a sample size of 200 hotels and restaurants. Data were collected through surveys distributed to managers and employees, and the analysis was performed using statistical tools such as SPSS. The findings revealed that the pandemic led to a staggering 90% reduction in occupancy rates, significant layoffs, and increased costs associated with health and safety measures. Many establishments adapted by pivoting to domestic tourism and implementing flexible cancellation policies to

retain customer interest. However, the reliance on self-reported data raised concerns about bias.

Owusu and Asiedu (2021) explored the operational challenges faced by hospitality establishments in their study titled "The Impact of COVID-19 on Hospitality Operations: Evidence from Ghana." This qualitative research utilized a case study design, focusing on hotels and restaurants in Accra and Kumasi, with a sample size of 15 establishments. Data were gathered through in-depth interviews with managers and staff, and thematic analysis was employed to interpret the results. The study identified challenges such as reduced workforce capacity due to health regulations, leading to diminished customer satisfaction. Financial burdens were exacerbated by the need to implement new health and safety protocols. However, the study's small sample size and concentration on two major cities may limit the generalizability of the findings.

Kinyanjui *et al*. (2021) conducted the study titled navigating the storm: operational challenges in the Kenyan hospitality sector during COVID-19. The research employed a cross-sectional design targeting hotels and restaurants across Kenya, with a sample size of 150 establishments. Data were collected through a combination of surveys and interviews, and the analysis included statistical and qualitative content analysis. The findings indicated widespread closures, significant job losses, and challenges in managing inventory amid unpredictable demand. Notably, many establishments turned to digital marketing and contactless services as adaptive strategies in response to the crisis. While the mixed-methods approach provided a

balanced view of the situation, the study could have benefited from longitudinal data to assess long-term impacts, and its focus on urban areas may neglect the experiences of rural hospitality businesses.

Masanja (2024) conducted a qualitative study titled "The Effects of COVID-19 on the Hospitality Industry in Arusha City, Tanzania." Utilizing a case study design, the research targeted hotels and restaurants specifically in Arusha City, drawing a sample size of 25 establishments. Data were collected through semi-structured interviews and document reviews, with thematic analysis employed for data interpretation. The study highlighted drastic declines in visitor numbers, financial distress, and the necessity for crisis management strategies. Effective communication and adaptability in service models were identified as crucial factors for businesses navigating the new health guidelines. However, the small sample size may limit the ability to generalize findings, and the reliance on qualitative methods could miss quantifiable data reflecting broader economic impacts.

2.5 Knowledge Gap

The COVID-19 pandemic has profoundly impacted the hospitality industry globally, prompting a surge of research aimed to understand its consequences. For instance, Bojacá et al. (2021) examined the economic hardships faced by hospitality workers in Colombia, revealing significant income loss and financial instability within this sector. Similarly, Nuwematsiko *et al*. (2022) highlighted the adverse effects of the pandemic on individuals in Uganda's hospitality industry, documenting increased job losses and reduced daily wages. Further, Goeldner and Ritchie (2020) investigated

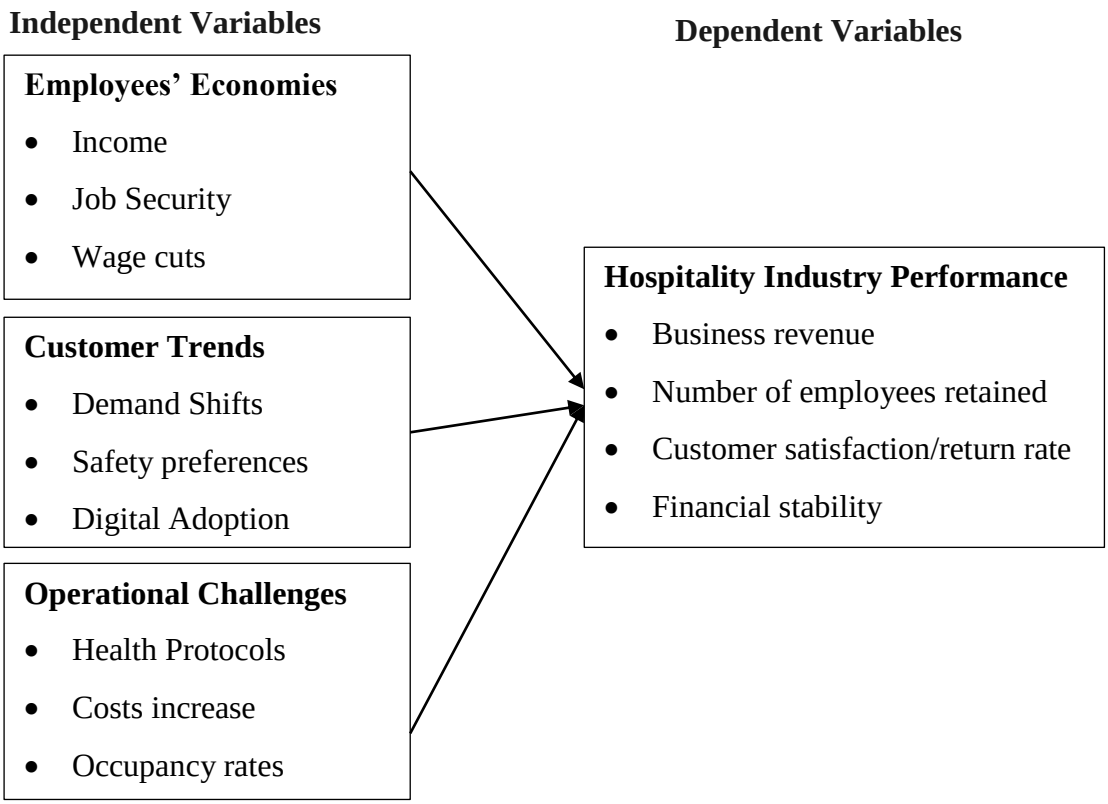
shifts in consumer behavior, emphasizing the growing demand for safety measures and digital transformation in hospitality services. Khaledi *et al*. (2021) found that consumers are increasingly prioritizing hotels that adopt digital solutions to enhance safety.

In India, Singh et al. (2021) documented a 90% reduction in occupancy rates and the resulting operational challenges faced by hotels and restaurants. Owusu and Asiedu (2021) explored similar themes in Ghana, identifying significant financial burdens due to health and safety regulations. However, despite these finding, previous studies had not thoroughly explored how interconnected factors, such as employee economies, shifts in customer preferences, and the operational strategies implemented by local establishments, influence each other and ultimately affect the overall performance of the hospitality industry in this region during and after the COVID-19 pandemic. This gap signified a need for focused research that addresses these aspects, providing an understanding of the unique adaptations faced by Arusha's hospitality sector.

2.6 Conceptual Framework

The conceptual framework explains both graphically and in narrative form the major issues in the study, including the variables and presumed relationships among them (Koshti, 2013). Thus, the conceptual framework of this study depicts the relationship between the independent, intervening and dependent variable.

Figure 2.1: Relationship between COVID 19 Pandemic and Hospitality Industry



Source: Researcher, 2023

The conceptual framework for this study was structured around three independent variables, Employees' Economies, Customer Trends, and Operational Challenges, as they summarise the primary areas where the COVID-19 pandemic reshaped the hospitality industry. Each independent variable described how pandemic-related disruptions influenced employees, customers, and operational dynamics within hospitality businesses.

Employees' Economies refers to the economic impacts on hospitality employees, particularly through indicators such as income, job security, and wage cuts. Income represented the financial changes employees faced due to reduced business activity

and operational cutbacks, highlighting how shifts in industry profitability directly impacted individual livelihoods. Job security addressed the stability of employment within the hospitality sector, a critical factor during the pandemic as businesses navigated uncertainties and often struggled to retain staff under financial strain. Wage cuts further underscored the economic sacrifices employees had to make as businesses adapted to revenue losses. Together, these indicators provided understanding of the financial hardships endured by employees, reflecting the pandemic's direct toll on the workforce that powers the hospitality industry.

Customer Trends examined the shifts in consumer behaviour that emerged in response to pandemic conditions, using indicators such as demand shifts, safety preferences, and digital adoption. Demand shifts captured changes in the frequency and nature of customer visits to hospitality establishments, revealing how fluctuating infection rates and safety concerns influenced travel and leisure activities. Safety preferences illustrated the heightened emphasis customers placed on health protocols and cleanliness, with a growing number of consumers prioritizing establishments that demonstrated strict adherence to safety measures. Digital adoption represented the surge in online interactions and digital service requests, as customers increasingly turned to contactless options for reservations, ordering, and check-ins. These trends provided insight into the evolving customer expectations that hospitality businesses needed to address to remain competitive and appealing to their client base.

Operational Challenges covered the logistical and financial barriers that hospitality businesses faced as they navigated new operational demands, focusing on health

protocols, cost increases, and occupancy rates. Health protocols signified the safety guidelines that establishments were required to implement, including sanitation practices, mask mandates, and social distancing measures, all of which necessitated investment in resources and training. Cost increases reflected the rising expenses associated with these enhanced health protocols and the general need for businesses to maintain service quality amid decreased revenues. Occupancy rates provided insight into the fluctuating demand faced by hospitality establishments, with many businesses experiencing inconsistent customer flow due to travel restrictions, lockdowns, and public health advisories.

The dependent variable, Hospitality Industry Performance, represented the overall effectiveness of the industry's response to pandemic pressures, with indicators such as business revenue, number of employees retained, customer satisfaction and return rates, and financial stability. Business revenue was a direct measure of the industry's financial resilience, revealing the impact of reduced demand and operational restrictions on profitability. The number of employees retained reflected the industry's capacity to support its workforce, an essential aspect of maintaining continuity and experience within hospitality establishments. Customer satisfaction and return rates indicated the success of businesses in meeting or surpassing new customer expectations, serving as a proxy for the industry's ability to adapt its service offerings to changing demands. Financial stability assessed the long-term viability of hospitality establishments, illustrating the extent to which businesses can withstand future uncertainties and maintain growth.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides the research plan for data collection, organization, presentation and analysis. It also covers design of the study population, procedures that are expected to be employed in selection of participants into the study, data collection methods, data processing, analysis and presentation, validity and reliability as well as considerations of ethical issues.

3.2 Research Approach

The mixed research approach was adopted for this study to provide a comprehensive understanding of the effects of the COVID-19 pandemic on the hospitality industry. By combining qualitative and quantitative methods, this approach allows for a nuanced exploration of the various dimensions of the phenomenon under investigation. Qualitative methods such as interviews and focus groups enable the capture of rich, detailed insights into the experiences and perspectives of industry stakeholders, including managers, employees, and customers.

On the other hand, quantitative methods such as surveys and statistical analysis offer the opportunity to systematically examine patterns, trends, and relationships within large datasets, providing empirical evidence to support the qualitative findings. By integrating both approaches, this study aims to triangulate data sources, enhance the validity and reliability of findings, and generate comprehensive insights that can inform effective strategies for mitigating the impact of the pandemic on the hospitality industry.

3.3 Research Design

The cross-sectional design was chosen for this research to provide a snapshot of the effects of the COVID-19 pandemic on the hospitality industry. This design allows for the collection of data at a single point in time, enabling the investigation of various factors such as changes in consumer behaviour, economic impacts, and adaptations made by hospitality businesses. By surveying a diverse sample of stakeholders within the industry, including managers, employees, and customers, comprehensive insights into the current state of the hospitality sector in the face of the pandemic can be obtained. The cross-sectional design offered efficiency in data collection and analysis, making it suitable for capturing the multifaceted dynamics of the hospitality industry within a specific time-frame, facilitating timely decision-making and strategic planning for industry stakeholders and policymakers alike.

3.4 The Study Area

Arusha City is situated in northern Tanzania, using geographical coordinates within the latitude and longitude system. It is located at approximately -3.3869° S latitude and 36.6822° E longitude. Now, turning to the biophysical and socio-economic characteristics of the study area, Arusha City exhibits diverse features. Biophysically, it is set against the backdrop of the East African Rift Valley and encompasses varied topography, including plains and volcanic landscapes. The region is known for its rich biodiversity, featuring national parks and wildlife reserves. Socio-economically, Arusha is a crucial hub for Tanzania's tourism industry, serving as a gateway to popular destinations such as Serengeti National Park and Mount Kilimanjaro. The city's economy is multifaceted, with a significant focus on tourism, agriculture, and

trade. Its cultural diversity, with a mix of ethnic groups and a vibrant market scene, adds to the socio-economic tapestry of Arusha City.

Arusha City is selected as the study area due to its significance as a major economic hub in northern Tanzania, with a diverse economy that includes tourism, agriculture, manufacturing, and trade (NBS, 2022). Arusha's proximity to several large mountains and the Serengeti National Park also makes it a popular destination for tourists. Additionally, the city is home to many non-governmental organizations which put it is Hospitality industry to be in high risk of being affected with COVID-19 due to actions that might be taken by those NGO against pandemic. Therefore, this study seeks to investigate the impacts of the COVID-19 pandemic on the hospitality industry in Arusha City, which is likely to have been significantly affected given the importance of tourism in the city's economy.

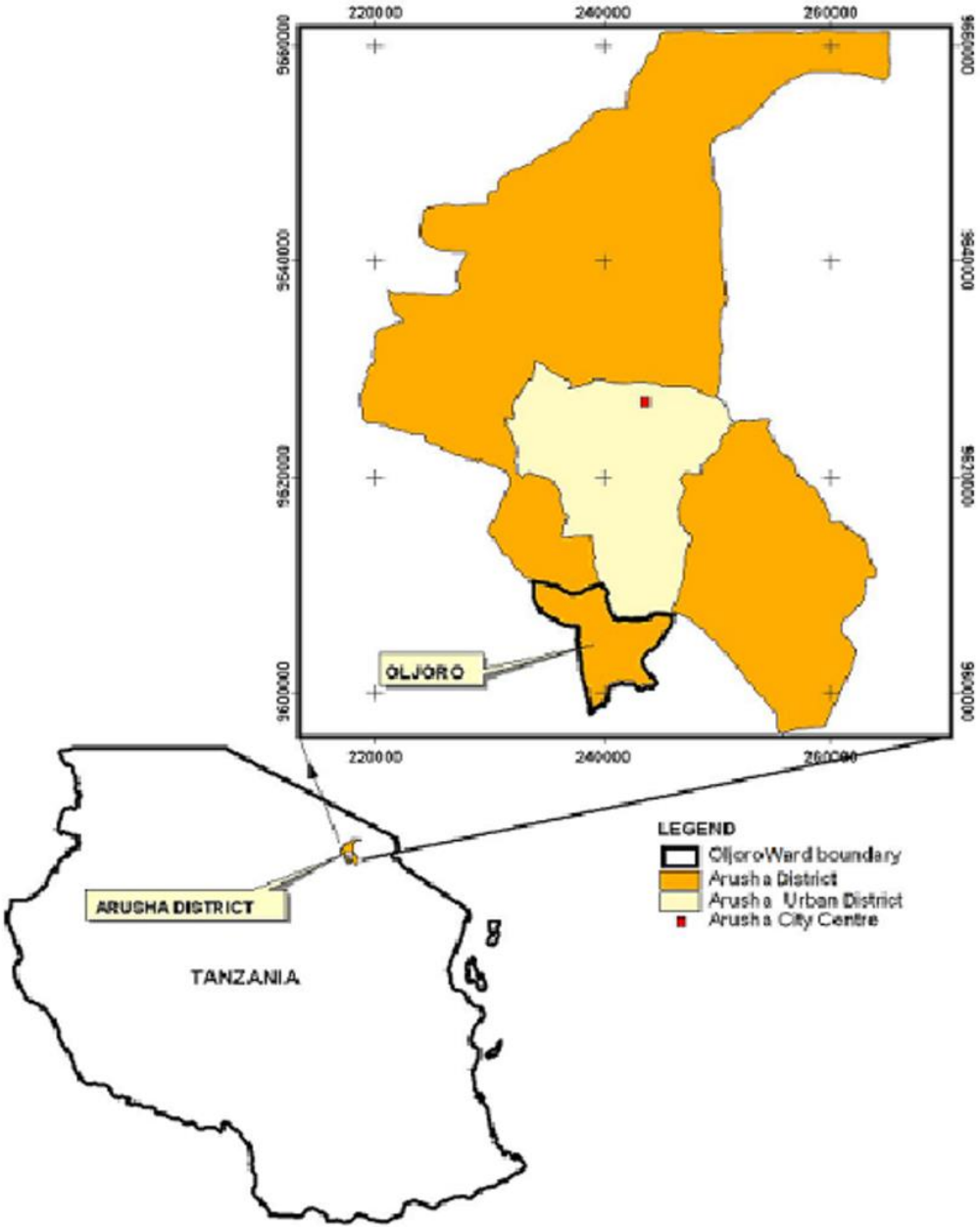


Figure 3.1: Map of the Study Area – Indicated by Yellow Color

Source: Arusha city council (2024)

3.5 Target Population

Study population is the aggregation of elements from which the sample is drawn (Erba *et al.* 2018). The study population involved employers and employees (administrative staff, human resource managers, head of the departments, and

operational staff) of selected hospitality firms which are hotels that operate within Arusha City. The study targets hotels since are the one among hospitality firms which were highly affected with COVID-19 despite of having stabilised economy. Moreover, these firms have a well-established administrative structure for management of the business performance and daily practices which make it unique compare to other firms in the region.

3.6 Samples Size and Sampling Procedure

According to Bryman and Bell (2011), the law of diminishing returns kicks where by the researcher have to select the sample for the study based on time for conducting the study and cost for collecting the data. According to them as the cost exceed the budget line; any additional respondents have additional error to the information gathered. For precise results, Bryman and Bell (2011) recommended sample size of 30 to 200 individuals if the targeted population is hard to determine. The researcher proposes to take 15 Hotels that were operating in Arusha City, during the COVID-19 pandemic. However, in each firm the researcher purposefully sampled a manager to present firm administrative team and 5 operational staff. The study also involved 6 Key informants from Local government (Municipal Council). Therefore, the sample size for this study involved 96 participants (6 participants from each hotel for 15 hotels, and 6 key informants).

3.7 Sampling Procedures

The sampling techniques used in this study included purposive sampling for administrators and simple random sampling for employees. The following is a description of how the participants were obtained:

3.7.1 Selection of Hotels

The researcher planned to select 15 hotels in Arusha, Tanzania, for the study using a combination of convenience and purposive sampling techniques. Firstly, a list of all hotels were created/ obtained from the Tanzania Tourist Board, Arusha City Council, and other relevant organizations. 15 establishments were purposively selected based on the number of employees (4 to 49 categorised as medium enterprises). The selected establishments were asked to provide a list of employees working in their respective entities.

3.7.2 Purposive Sampling for Administrators

To select the administrators, the researcher contacted the 15 selected hotels and requested their participation in the study. The establishment's management were asked to provide the names and contact details of one administrator who has the required experience and knowledge to participate in the study. The administrator should be someone who has been involved in the management of the establishment during the pandemic and has had first-hand experience of the effect of COVID-19 on the hospitality industry in Arusha, Tanzania. The researcher then conducted a screening process to ensure that the selected administrators meet the study's criteria. The purposive sampling method for administrators ensures that the sample consists of individuals who are knowledgeable about the effect of COVID-19 on the hospitality industry in Arusha, Tanzania. This approach allows the researcher to obtain valuable insights into the effects of the pandemic on the hospitality industry from the perspective of experienced administrators who have managed their establishments during the crisis.

3.7.3 Random Sampling for Employees

From each selected hotel, a random sample of 5 employees was chosen on the day of data collection. This selection process involved writing the names of eligible participants on individual slips of paper, which then carefully folded and placed into a container. Subsequently, the container was thoroughly shaken before drawing 5 slips at random. The employees whose names were drawn were invited to participate in the study.

3.8 Methods for Data Collection

3.8.1 Questionnaire

To obtain data from the sampled employees, a self-administered structured questionnaire with semi-structured questions was utilized, aligning with the study's specific objectives. The questionnaire comprised four sections, with the initial section collecting demographic variables such as gender, age, and class level. Subsequent sections were tailored to address each specific research objective: assessing the economic impacts on employees during the COVID-19 pandemic outbreak within the hospitality industry, analyzing customer trends before and after the pandemic's onset, and exploring business strategies employed by hospitality entities in response to pandemic challenges. Questions were designed accordingly, such as querying about economic situations, customer trend shifts, and implemented strategies. The questionnaire aimed to collect details on the economic impact of COVID-19 on hospitality firms in Arusha City. The researcher personally administered the questionnaires to ensure consistency in administration and maintain a standardized approach across data collection sessions.

3.8.2 Interview

To collect data from hospitality firm administrators for the study, the researcher used interviews as the method of data collection. The interview process involves face-to-face conversations between the researcher and the participants to gather detailed information about a particular topic or research question. Interviews are preferred in social sciences as they provide rich and in-depth information about participants' experiences, thoughts, and feelings.

For this study, 15 administrators/managers and 6 officers from Arusha City Council were interviewed using an interview guide. Probing questions were asked when necessary to elicit the required data. The interview guide was used to gather information about the strategies used by hospitality entities during the COVID-19 pandemic, as well as to investigate the challenges associated with management issues and solutions for overcoming them.

3.9 Data Processing and Analysis

Both quantitative and qualitative data analysis procedures were used to analyse the study findings. Qualitative data was subjected to thematic analysis. The researcher followed six stages of thematic analysis prescribed by Cohen *et al.* (2005) that includes familiarization, coding, generating themes, reviewing themes, defining and naming themes, and writing up. Nvivo software was used to perform thematic analysis of qualitative data. For quantitative data, both descriptive and inferential statistics especially time series analysis were used with the aid of SPSS version 26. The descriptive data analysis involved the calculations of frequency and percentage.

3.10 Validity of Study Instruments

The robustness and credibility of the qualitative data in this study upheld through meticulous attention to validity considerations. Primarily, the researcher engaged two experts from the relevant field to critically review the questionnaires, evaluating their construction and structure for coherence and relevance. Furthermore, the practice of triangulation employed, aligning qualitative and quantitative data to enhance the dependability, trustworthiness, and credibility of the study findings. The questionnaires undergo validation through expert appraisal and field testing to ascertain face and content validity. Specialists in the domain of business management scrutinized the questionnaires, assessing aspects such as item relevance, comprehensiveness, appropriateness, language clarity, and item readability.

3.11 Reliability of Study Instruments

The reliability of all research instruments meticulously assessed to ensure the consistency and accuracy of the measurements taken. To gauge the internal consistency of the scales utilized, Cronbach's alpha coefficient was computed whereby the coefficient of 0.83 obtained. This statistical approach ascertained the extent to which items within each instrument measure the same underlying construct.

The Cronbach's alpha test provided insights into the reliability of the scales and their potential to produce consistent results over time and across different samples. In tandem with this, the instruments' face and content validity upheld. This comprehensive validation process underpins the reliability of the study instruments, contributing to the overall robustness of the research findings.

3.12 Ethical Consideration

The researcher adhered to ethical standards in research since norms promote study objectives such as knowledge, truth, and error avoidance. The ethical framework is essential because it focuses on participants' freely informed consent. A better introduction of the researcher to respondents or superiors who properly clarify what the study comprises, including clearly set out methodologies, and explain how their confidential information would obtain participants' informed permission Respondents' identities were retained in order to ensure anonymity and confidentiality in the event of future possibilities, and they advised that data, conclusions, ideas, tools, and resources be shared. Property rights are protected, and no previously unpublished data, methodology, or discoveries are utilized without permission. To avoid plagiarism, appropriate attribution or credit for all contributions to the study will be preferred.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introductions

In this chapter, we delve into the core of the study, presenting, interpreting, and discussing the findings. As we explore the impact of the COVID-19 pandemic on Arusha City's hospitality industry, we will uncover valuable insights into how employees and employers were affected, the evolving customer trends, and the strategies employed by hospitality establishments. These findings provide a comprehensive understanding of the pandemic's influence on the local hospitality landscape and offer crucial insights for future strategies and resilience in this dynamic industry. The chapter divided into four major subsections, starting with demographic information, and presentation, interpretation and discussion of findings for each specific objective.

4.2 Participant Demographic Characteristics

Understanding the demographic characteristics of employees within the hospitality industry is essential in comprehending the workforce dynamics that shape this sector. In this chapter, we present a comprehensive demographic profile of employees in the hospitality firms under study. This profile encompasses key variables such as gender distribution, marital status, highest education level attained, and working experience within the industry. The data, as presented in Table 4.1, offers valuable insights into the composition of the workforce in Arusha City's hospitality sector. By examining these demographic factors, we aim to gain a deeper understanding of the human resource landscape within these establishments, which is pivotal in assessing the

impact of the COVID-19 pandemic and formulating future strategies to enhance workforce resilience and adaptability.

Table 4.1: Employees Demographics Profile (n = 96)

Variable	Attribute	Frequency	Percent
Gender	Male	45	46.9
	Female	51	53.1
Marital Status	Single	59	61.5
	Married	37	38.5
Highest Education Level	Primary	3	3.1
	Secondary	27	28.1
	Certificate	35	36.5
	Diploma	27	28.1
	Degree	4	4.2
Working Experience	Below 5	56	58.3
	6 to 10	30	31.3
	11+	10	10.4

Source: Field Data (2023)

The demographic profile of employees engaged in the hospitality firms within the study reflects a balanced gender distribution, with females comprising 53.1% and males 46.9% of the workforce. A significant portion of employees are single (61.5%), while 38.5% are married. Education levels vary, with a notable percentage holding certificates (36.5%) and diplomas (28.1%), while 28.1% have secondary education, and a smaller proportion possess primary (3.1%) or degree-level (4.2%) qualifications. In terms of working experience, the majority of employees (58.3%) have less than 5 years of experience in the industry, followed by 31.3% with 6 to 10 years, and 10.4% with 11 or more years of experience. This comprehensive demographic snapshot provides insights into the composition of the workforce within Arusha City's hospitality sector, which is essential for understanding the potential impacts of the COVID-19 pandemic on various employee groups.

These observations resonate with the findings of Bojacá *et al*. (2021), who examined the economic and financial impacts of the pandemic on hotel entities. The nearly equal gender distribution suggests a relatively balanced representation, which could contribute to a diverse and inclusive workplace. The predominance of single employees (65.6%) may indicate a higher degree of workforce mobility and flexibility, potentially influenced by the transient nature of employment in the hospitality sector as addressed by Adongo (2021). Education levels vary widely, with a substantial proportion holding certificates and diplomas, reflecting a mix of vocational and formal qualifications. The presence of employees with secondary and higher education degrees found to be in-line with Buhalis (2021) underscores the sector's potential for skill diversity. Regarding experience, a majority having less than 5 years' experience could signify a relatively youthful workforce, potentially more adaptable to evolving industry trends.

Conversely, the presence of employees with 11 or more years of experience suggests a level of stability and institutional knowledge. These demographic insights provide a foundation for further investigation into how these diverse employee groups were impacted by the COVID-19 pandemic, helping formulate targeted strategies for workforce resilience and development in the Arusha City hospitality sector.

4.3 Effects of COVID 19 Pandemic Outbreak on Employees' Economies in the Hospitality Industry

This section explored and discussed the research findings about how the COVID-19 pandemic affected the financial situations of employees in the hospitality industry.

The main focus of discussion was information provided by employees as summarised in Table 4.2. This objective was aimed to uncover the various ways in which the pandemic influenced the financial stability of hospitality sector workers in hotels operate in Arusha city. By closely examining these results, the study intended to inform all stakeholders to better understand the difficulties faced by this workforce. This, in turn, will help to have a more informed discussion about potential strategies and support systems to reduce the economic impact of similar crises in the future.

Table 4.2: Employees Responses on how their Economies Affected During Pandemic

Variable	Attributes	frequency	Per cent
How has the COVID-19 pandemic impacted your job or role in the hospitality industry?	Job loss due to temporary closures	66	73.3
	Enforcing social distancing measures	29	32.2
	Transitioning to remote work	26	28.9
	Limited guest interactions	12	13.3
	Decline in group bookings and events	46	51.1
	Shifting job roles	36	40.0
Decrease in income or wages	Critical (50%+)	11	12.2
	High (30% to 49%)	20	22.2
	Moderate (10% to 29%)	21	23.3
	Low (1% to 9%)	7	7.8
	Negligible (below 1%)	31	34.4
Employment status	laid off or lost your job	59	65.6

Source: Field Data (2023)

The data presented in Table 4.2 provides valuable insights into the extent to which employees and employers in the hospitality industry in Arusha City, Tanzania were affected during the outbreak of the COVID-19 pandemic. The responses of hotel employees shed light on the various ways in which their jobs and roles were

impacted by the pandemic. Data from Table 4.2 reveals the substantial and diverse impacts of COVID-19 pandemic on employees in the hospitality industry in Arusha City, Tanzania. A striking 73.3% of respondents reported job loss due to temporary closures, reflecting the severity of unemployment within the sector. About one-third of respondents (32.2%) mentioned enforcing social distancing measures, underscoring the need for employees to take on new responsibilities related to safety protocols. This is in line with Smith *et al*. (2020) in France who found that the hospitality industry was particularly vulnerable to pandemic-induced disruptions, which aligns with the substantial job loss (73.3%) reported in our study due to temporary closures. This underscores the severity of unemployment within the sector. Also, the study noted the manager of Hotel F who argued that:

> "*The economic fallout was palpable. We had to make tough decisions, including temporary closures, leading to layoffs. Employees faced financial strain, and we saw first-hand the challenges of job insecurity and reduced incomes*." (Manager Firm F, 23/10/2023)

This shows that the decisions made by management directly translated into economic hardships for employees, creating an environment of uncertainty and financial strain. Similarly, the study engaged with the manager of firm D who emphasized,

> "*While we faced a decline in customer numbers, we strategically shifted our focus to local markets and implemented innovative promotional activities. This allowed us to maintain a steady flow of customers and, consequently, minimized the need for drastic workforce adjustments. Our approach aimed at resilience rather than retrenchment, emphasizing the importance of adapting to the evolving circumstances."* (Manager Firm D, 03/11/2023)

This lights the varied experiences within the industry, as different firms navigated the economic challenges in distinct ways. The narrative from firm D adds distinction to our understanding of the diverse impacts on employees, showcasing the importance of strategic decision-making and adaptability in mitigating the economic impact of the pandemic.

Additionally, 28.9% transitioned to remote work, indicating a shift in job dynamics. Limited guest interactions (13.3%) affected roles like front desk staff and servers. The decline in group bookings and events (51.1%) pointed to significant revenue challenges, while 40.0% reported shifting job roles, highlighting adaptability. This correlated with Gursoy and Chi (2020) emphasized the adverse effects of reduced tourism demand. This decline in revenue sources underscores the challenges faced by businesses in the industry. These findings offer valuable insights for understanding the pandemic's far-reaching effects on the Tanzanian hospitality industry, informing strategies for recovery and future preparedness while inviting further investigation into long-term consequences and broader economic implications.

Furthermore, the data regarding employment status indicates that a substantial portion of employees in the hospitality industry in Arusha City, Tanzania, faced significant challenges during the COVID-19 pandemic, with 65.6% reporting that they were laid off or lost their jobs. A significant portion of respondents reported a decrease in income or wages, with 12.2% facing a critical decrease of 50% or more, and an additional 22.2% experiencing a high decrease ranging from 30% to 49%. Moreover, 23.3% reported a moderate decrease in income (10% to 29%), while 7.8%

faced a low decrease of 1% to 9%. An astonishing 34.4% indicated a negligible decrease, falling below 1%.

This is similarly with research by Hernandez-Maskivker *et al*. (2021) who found that income losses among hospitality workers were more evenly distributed, with 30% experiencing severe income decreases, 25% moderate decreases, and 20% negligible decreases. These findings may contrast with the income loss percentages reported in the study, indicating variations in the pandemic's economic impact on hospitality employees in different regions. On top of that, a study by Xiang *et al*. (2020) examining the global impact of the pandemic on the hospitality industry found consistent evidence of job losses and income reductions among employees. Their research indicated that a significant portion of employees worldwide experienced layoffs and income decreases. These findings underscore the widespread financial hardships endured by employees, indicating that not only were jobs affected but the economic stability of many households was severely compromised. Understanding the varying degrees of income loss can inform targeted support measures and recovery initiatives aimed at mitigating the economic fallout of the pandemic on this vital sector and its workforce.

4.4 Customer Trends in Hospitality Establishments before and after the Outbreak of the COVID-19 Pandemic

This objective aimed to explore the dynamic customer trends within the realm of hospitality establishments, with a particular focus on the periods before and after the onset of the COVID-19 pandemic. The exploration is grounded in a comprehensive

analysis of visitor registration records collected from hotels situated within the Arusha City Council area. These records span from January 2019 to December 2022, encompassing a significant period of observation and data collection. The key findings of this analysis are synthesized in Table 4.3, while the overarching trends are vividly presented through the lens of a box plot summary in Figure 4.1 and a detailed trend analysis depicted in Figure 4.2. Specifically, our examination dissects the pre-pandemic period, spanning from January 2019 to February 2020, the pandemic period extending from March 2020 to June 2021, and the post-pandemic phase covering the timeframe from July 2021 to December 2022.

Table 4.3: Summary Statistics on Customers Trends from Jan-2019 to Dec-2023

Statistics	Pre pandemic	Pandemic	Post pandemic
Mean	2,391	1,773	4202
Std. Deviation	671	495	1272
Minimum	1262	921	2073
Maximum	3255	2495	6035
Range	1993	1574	3962
Skewness	-0.192	- 0.245	-0.674
Kurtosis	-1.353	-1.239	0.099
Interquartile Range	1151.50	932.50	1525.25

Source: Field Data (2023)

The data provides information on the hotel business in Arusha City prior to the pandemic, indicating an average of 2,391 visits every period, with a standard deviation of 671. The interview findings provide more depth to this tale. The management of Hotel A emphasised the resilient pre-pandemic conditions, noting:

> "*We encountered a steady influx of customers, and this stability enabled us to strategize for expansion.*"

The average number of customers visiting our establishment was essential for sustaining a consistent revenue stream for the firm, which in turn guaranteed employment stability and financial progress for our staff. In a similar vein, the management of Hotel B expressed their viewpoint, affirming that their approach centred on fostering client loyalty, and the statistics substantiates their triumph in both recruiting and maintaining customers. The consistent revenue flow was crucial for our personnel, providing them with a feeling of assurance and steadiness in their wages. These interview quotes offer direct insights into the importance of pre-pandemic stability in client flow for both corporate revenue and personnel welfare.

The Hotels were able to estimate and manage their income well due to the modest unpredictability, as seen by the standard deviation. Furthermore, the administrator of Hotel C emphasised that:

> "*Maintaining a controllable level of fluctuation in client numbers was a strategic benefit. It enabled us to make well-informed judgements, strategize for high-demand periods, and optimise resource allocation*."

The predictability not only enhanced financial security for the hotel, but also played a pivotal role in upholding a favourable work environment for our staff. This interview remark highlights the significance of the mild fluctuation in client numbers, not only as a statistical metric, but also in terms of its practical consequences for businesses in effectively managing their operations and promoting staff well-being. The consistent flow of cash, as a result, led to employment stability and the possibility of increased earnings for employees. Agreeing with this viewpoint, the management of Hotel D stated:

> "*Our employees experienced a feeling of assurance, as they were aware of our dependable clientele*."

Thanks to this stability, we were able to allocate resources towards staff development initiatives, which in turn provided avenues for increased revenue through promotions and the acquisition of new skills. The pre-pandemic era was characterised by a sense of hope and expansion for both the company and its staff. This quote elucidates the concrete results of a consistent flow of money, highlighting the clear correlation between the stability of a corporation and the favourable possibilities for employee job security and progression.

The data exhibited a minor left skewness (-0.192), indicating that certain businesses experienced difficulties with reduced customer traffic, while others flourished. Consequently, the success of individual enterprises had a varied effect on employee income. Corroborating this discovery, the manager of Hotel E stated:

> "*The data exhibits a left skew, which is consistent with the dynamics of the industry.*"

Certain enterprises, such as ours, were lucky enough to successfully allure a consistent flow of clientele, therefore ensuring that our workforce remained reasonably unscathed. Nevertheless, we acknowledge that some individuals had difficulties, and this variety of experiences emphasises the necessity for customised support structures within the sector. This interview excerpt provides more depth to the statistical finding, highlighting the practical consequences for both enterprises and people, and underscores the significance of industry-wide support systems in

tackling diverse difficulties. For instance, research conducted in Ghana by Osei *et al*. (2019) might indicate that a larger proportion of enterprises experienced significant workforce impacts despite efforts to maintain customer flow. These discrepancies in findings highlight the complexity of the challenges faced by the hospitality industry during times of crisis and emphasize the need for nuanced approaches in developing support systems.

With the emergence of the COVID-19 epidemic, the hospitality industry in Arusha City witnessed a profound and abrupt transformation. The mean number of visits experienced a substantial decrease to 1,773 (mean ± standard deviation: 1,773 ± 495), underscoring the profound influence of the pandemic on consumer behaviour and, consequently, the financial performance of the sector. The data has a significant left skewness (skewness = -0.245), suggesting that most enterprises witnessed a decrease in income. This observation is consistent with findings from a study by Mwesigye *et al*. (2020) conducted in Uganda, which documented similar declines in visitor numbers and financial instability within the hospitality sector following the onset of the pandemic in an African context. Interviews with key stakeholders in Arusha City further corroborate this trend, highlighting the challenges faced by businesses in adapting to the unprecedented circumstances. The administrator of Hotel K expressed deep regret at the significant decline in our client base, which had a severe impact on our revenue.

> "*In order to ensure our survival, we were had to make difficult choices, such as enacting compensation reductions for our personnel. During a difficult period, all individuals had challenges, and our staff experienced the greatest impact of the financial burden."*

The statement made by the administrator of Hotel K accurately describes the immediate difficulties encountered by enterprises and the direct impact on the financial security of employees. The closure of international borders and travel restrictions imposed by governments significantly impacted Arusha City's tourism-dependent economy, exacerbating the already precarious situation for hospitality businesses. However, dissimilar findings from a study by Tadesse *et al*. (2021) in Ethiopia revealed a more resilient response in certain segments of the hospitality industry, particularly those catering to domestic tourism. This suggests the presence of localized variations in the impact of the pandemic across the African continent, influenced by factors such as the reliance on international versus domestic tourism, the effectiveness of government interventions, and the capacity for businesses to adapt to changing circumstances.

Elaborating on this discovery, the local government official commented:

> "*As we closely monitored the economic terrain during the pandemic, it became apparent that businesses were struggling with a shared decrease*."

The presence of a left skew in the data highlights the extensive difficulties encountered by establishments, emphasising the immediate requirement for focused assistance to alleviate the consequences on both firms and personnel. This quote from the local government official provides a more comprehensive viewpoint, connecting the statistical discoveries to the overall difficulties encountered by the whole sector and the government's involvement in addressing these concerns.

The decline in business resulted in financial hardships for several employees who depended on the hotel industry for their means of living. The management of Hotel B expressed their viewpoint, affirming:

"*The downturn had a significant impact on our employees*."

As we faced financial difficulties, it became necessary to implement reduced working hours and temporary layoffs. Observing the burden on our staff, who relied on the hotel industry for their incomes, was deeply distressing. The manager of Hotel B's statement provides a personal perspective on the statistics, highlighting the human consequences of the economic downturn caused by the pandemic and underscoring the interdependence between firm success and employee welfare.

As the COVID-19 pandemic subsided, the post-pandemic phase ushered in a period of recovery for the Arusha City hospitality sector. The data revealed that the average number of visitors rebounded significantly to 4,202 (mean ± standard deviation: 4,202 ± 1,272), surpassing pre-pandemic levels, which echoes findings from a study by Ochieng *et al*. (2021) conducted in Kenya, where a similar rebound in visitor numbers was observed following the easing of restrictions. Insights from interviews further elucidate the dynamics of this recovery period, highlighting the resilience and adaptability of businesses in Arusha City. Strategies such as enhanced sanitation protocols, digitalization of services, and targeted marketing efforts were cited as instrumental in attracting visitors back to the region. However, challenges such as lingering uncertainty and fluctuations in consumer confidence continue to pose obstacles to full recovery, as noted in a study by Adeyinka *et al*. (2022) in Nigeria.

This underscores the need for on-going vigilance and strategic planning within the hospitality industry in Arusha City and beyond as it navigates the complexities of the post-pandemic landscape in Africa.

The manager of Hotel C expressed optimism, stating

> "*The resurgence in customer numbers was a breath of fresh air. We adapted our services, focusing on safety measures and local attractions. The data reflects our success in attracting visitors, and this recovery allowed us to restore wages for our employees and reinstate working hours. It was a period of rebuilding and hope.*"

This quotation provides a first-hand account of the positive impact of the post-pandemic recovery on business operations and employee well-being. Although the left skew persisted in the data (skewness = -0.674), suggesting that some firms still faced challenges, the kurtosis closer to a normal distribution (kurtosis = 0.099) indicated that income disparities among employees within the sector had somewhat narrowed. These findings resonate with research by Nkundwah *et al*. (2023) conducted in Rwanda, which highlighted similar trends in income equality within the hospitality industry post-COVID-19. Despite these improvements, it is essential to remain vigilant and address lingering challenges to ensure sustained progress and inclusivity in the recovery process. Ongoing efforts to support small and medium-sized enterprises, invest in employee training and development, and foster partnerships between government agencies and industry stakeholders will be crucial in fostering a more equitable and resilient hospitality sector in Arusha City and beyond. The manager of Hotel G shared their perspective, stating,

> "*While challenges persisted, the post-pandemic period brought a more balanced distribution of income. We implemented measures to support struggling businesses, fostering a more collaborative environment within the sector. The data shows that although some firms still faced challenges, the recovery phase contributed to a more equitable income distribution among employees.*"

This quotation adds depth to the statistical findings, highlighting the collaborative efforts within the industry and their impact on creating a more balanced income landscape for employees. This presented a more stable income environment and potentially improved financial well-being for the workforce. Building on this, the local government official remarked,

> "*The post-pandemic recovery was a testament to the resilience of the hospitality sector. Government initiatives aimed at supporting businesses played a crucial role in stabilizing the income environment. The more stable income landscape undoubtedly contributed to improved financial well-being for the workforce, providing a sense of security and optimism for the future.*"

This quotation from the local government official connects the recovery to broader government initiatives, emphasizing the role of policy interventions in fostering stability and financial well-being for employees in the hospitality sector.

4.4.1 Time Series Analysis

Figure 4.1 presents a box-plot summarizing the distribution of customer visitation data in the Arusha City hospitality industry over three key periods: pre-pandemic, during the COVID-19 pandemic, and post-pandemic. The box-plot provides a visual representation of the data's central tendency and spread.

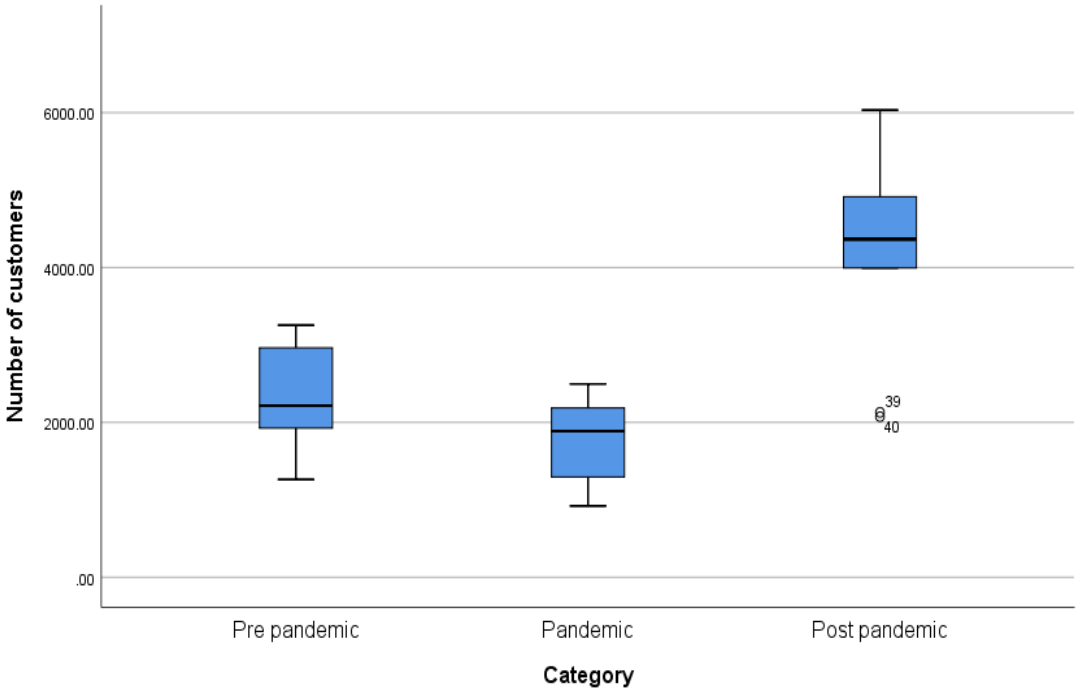


Figure 4.1: Customer Trends in the Arusha City Hospitality Industry

Source: Field Data (2023)

In the pre-pandemic period, the data displays a relatively balanced distribution, with a median of 2217 and a moderate spread, ranging from a minimum of 1262 to a maximum of 3255. However, during the COVID-19 era, the box-plot shows a substantial shift towards lower visitation levels, evident in the lower median of 1888 and a narrower interquartile range of 932.5. This indicates a significant negative impact on the industry's income during the pandemic, with many establishments experiencing reduced customer numbers. This observation resonates with findings from a study by Kofi *et al*. (2020) conducted in Ghana, which documented similar disruptions in visitation patterns and financial instability within the hospitality sector due to the pandemic. Additionally, research by Mwesigye *et al*. (2020) in Uganda and Smith *et al*. (2020) in the United States also reported analogous declines in visitor numbers and financial performance during the COVID-19 pandemic in

African and Western contexts, respectively. In the post-pandemic period, there is a notable rebound, with a higher median of 4366 and a wider interquartile range of 1525.25, showcasing the industry's recovery and adaptability. This recovery trend aligns with insights from a study by Ochieng et al. (2021) in Kenya, which observed a similar resurgence in visitor numbers following the easing of restrictions. Moreover, Nkundwah *et al*. (2023) in Rwanda highlighted improvements in income equality within the hospitality industry post-COVID-19, indicating positive strides towards recovery and inclusivity across the African continent. The box-plot effectively conveys how the pandemic disrupted the hospitality sector, leading to reduced income for firms and employees, but also highlights the resilience demonstrated in the post-pandemic phase, promising a brighter future for both businesses and their workforce. The data presented in figure 4.2 demonstrate the overall trend of customers in the hospitality firms surveyed in total.

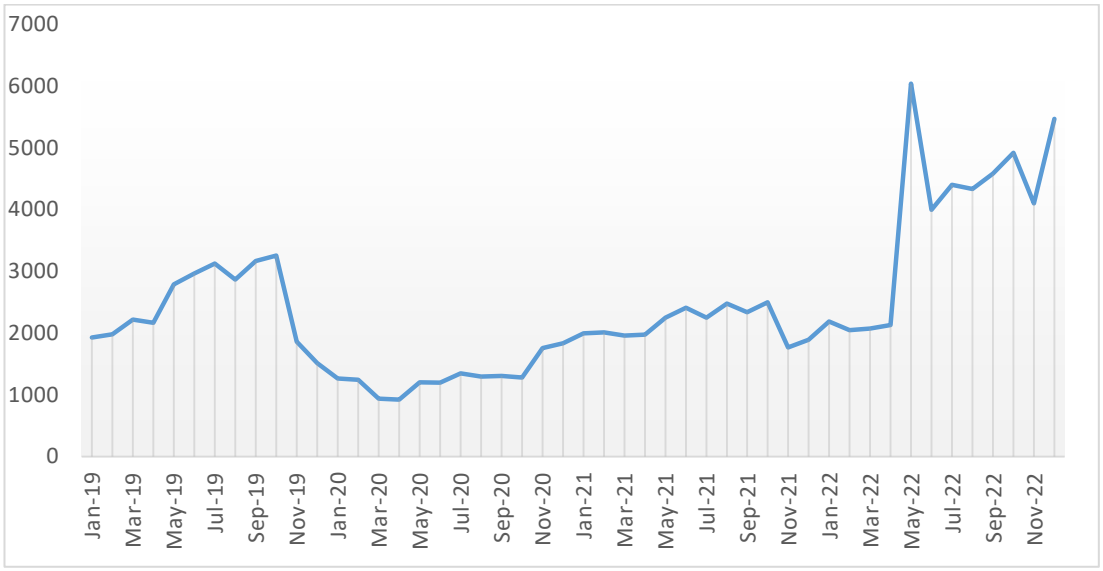


Figure 4.2: Total Monthly Customer Trends in Surveyed Hospitality Firms (Jan 2019 - Dec 2022)

Source: Field Data

This graphical representation provides a comprehensive view of the overall customer trends in the surveyed hospitality firms over a period spanning from January 2019 to December 2022. The x-axis represents the months, spanning nearly three years, while the y-axis showcases the total number of customers visiting these establishments.

This graph serves as an invaluable tool for tracking long-term patterns and understanding the impact of various external factors, such as the COVID-19 pandemic, seasonal fluctuations, and tourism trends, on the industry's performance. It offers a clear visual narrative of the industry's resilience and adaptation in the face of challenges, making it an essential reference point for stakeholders and policymakers seeking insights into the dynamic nature of the hospitality sector in the given region.

4.5 The Operational Challenges Faced by Hospitality Establishments in Arusha City during COVID-19 Pandemic

To approach this objective, a structured questionnaire was developed and administered to gather relevant data. The questionnaire was designed to explore multiple dimensions of operational challenges, including the implementation of health protocols, financial constraints due to increased operational costs, shifts in occupancy rates, and the overall impact on business performance. The questionnaire utilized closed-ended questions to quantify specific issues, such as the costs associated with health protocols and changes in customer demand. The gathered data was then analyzed to reveal patterns and the extent to which these challenges impacted the performance of the establishments.

4.5.1 Health Protocols and Safety Measures

The findings in the table above reveal significant operational impacts of COVID-19 health regulations on hospitality establishments in Arusha City.

Table 4.4: Operational Impacts of COVID-19 Health Regulations on Hospitality Establishments

Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Implementing COVID-19 health protocols increased our operational costs.	14.3	8.6	2.1	12.7	62.3
The health protocols set by the government were clear and easy to follow.	31.6	11.4	4.2	18.3	34.5
Maintaining health protocols affected our ability to serve customers efficiently.	8.8	9.1	2.3	8.6	71.2
The health and safety measures improved customer confidence in our services.	2.5	13.7	3.3	14.3	66.2
Health protocols required frequent staff training and updates.	39.7	18.4	6.7	8.9	26.3
The enforcement of health protocols caused delays in our operations.	7.4	4.2	2.1	9.5	76.8

Source: Field Data, (2024)

The findings show that the majority of respondents (62.3%) strongly agreed that implementing COVID-19 health protocols increased operational costs, with a further 12.7% agreeing to the same. This high level of agreement underscores the financial strain placed on hospitality businesses, which had to bear additional costs for sanitization, protective gear, and other safety measures. These findings are consistent with the results of similar studies in other countries, such as those conducted by Khaledi *et al*. (2021), which also highlighted increased operational costs in the hospitality sector due to health regulations during the pandemic. The costs related to enforcing health protocols were seen as burdensome but necessary to ensure the safety of customers and employees. Moreover, 34.5% of the respondents strongly

agreed that the health protocols set by the government were clear and easy to follow, while 18.3% agreed.

However, a substantial 31.6% strongly disagreed, suggesting that clarity in regulations may have been inconsistent or that some establishments struggled with interpretation. This mixed feedback reflects the challenges many businesses faced in adhering to government guidelines, which were subject to frequent changes as the pandemic evolved. Compared to other countries like Uganda, where Nuwematsiko *et al*. (2022) reported similar confusion in interpreting health protocols, these findings highlight a broader issue of effective communication between authorities and businesses during crises.

On the impact of health protocols on customer service, 71.2% of respondents strongly agreed that maintaining these protocols affected their ability to serve customers efficiently. This indicates that the mandatory measures, while necessary for public safety, likely disrupted normal operations, leading to delays and reduced customer service quality. A significant proportion (76.8%) also strongly agreed that the enforcement of health protocols caused delays in their operations. This further supports the argument that while these measures were crucial for controlling the spread of the virus, they also introduced logistical and operational hurdles that hindered the smooth running of hospitality services. The disruptions caused by health protocols were similarly observed in studies such as those by Bojacá *et al*. (2021) in Colombia, where businesses reported delays and inefficiencies due to strict adherence to COVID-19 guidelines.

Interestingly, 66.2% of respondents strongly agreed that health and safety measures improved customer confidence in their services, suggesting that while protocols introduced operational difficulties, they also played a crucial role in reassuring customers about the safety of the establishments. This aligns with findings by Wiedemann *et al*. (2020), who noted that customer preferences shifted toward businesses that demonstrated strong adherence to safety protocols, which in turn helped rebuild consumer trust. Therefore, while costly and operationally challenging, the implementation of health measures appears to have had a positive impact on customer perceptions.

However, training and updating staff on these health protocols proved to be another challenge, as indicated by the 39.7% who strongly disagreed that staff training and updates were frequent. Only 26.3% strongly agreed that staff training occurred regularly, suggesting that some establishments might have struggled with keeping their employees up to date with the evolving safety requirements. The lack of frequent training could be attributed to resource constraints or difficulties in adapting to rapidly changing health guidelines. This finding contrasts with Khaledi *et al*. (2021), who reported that businesses in more resourceful regions were better equipped to conduct regular staff training to keep pace with health protocols.

4.5.2 Financial Costs and Impact

The findings on the financial costs and impact of the COVID-19 pandemic on hospitality businesses in Arusha City present a clear picture of how establishments were financially strained.

Table 4.5: Financial Costs and Impact of the COVID-19 Pandemic on Hospitality Businesses

Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Our business experienced a significant increase in operating costs due to COVID-19 safety measures.	4.2	10.4	5.3	62.4	17.7
The pandemic led to a substantial decline in our business revenues.	5.2	12.5	3.4	41.7	37.2
We had to reduce the number of employees due to the financial strain of the pandemic.	7.3	15.6	5.1	31.3	40.8
Operational costs, such as disinfecting facilities, exceeded our budget during the pandemic.	6.3	8.3	31.3	36.5	17.7
The cost of complying with COVID-19 regulations outweighed the benefits of staying open.	10.4	12.5	36.5	29.2	11.5
We received adequate financial support or relief during the pandemic to manage the increased costs.	15.6	20.8	26.0	20.8	16.7

Source: Field Data, (2024)

A significant portion of respondents, 62.4%, agreed that their businesses experienced increased operating costs due to COVID-19 safety measures, while 17.7% strongly agreed. This shows that the costs associated with implementing health protocols, such as sanitization and maintaining social distancing, substantially increased operational expenses. Only 4.2% strongly disagreed with this, implying that the financial burden was widely felt across the sample. The findings of this study align with global observations on the economic toll the pandemic took on the hospitality

sector. The considerable rise in operational costs due to the implementation of health and safety measures, as observed by 62.4% of the respondents, is consistent with other studies. For instance, Khaledi *et al*. (2021) also reported similar results where hospitality businesses faced a surge in costs due to the need for frequent cleaning, sanitization, and adjustments to infrastructure to comply with social distancing guidelines.

Regarding the decline in business revenues, 41.7% of respondents agreed, and 37.2% strongly agreed, indicating that almost 79% of the participants experienced a reduction in their revenue streams. The drop in international and local tourism due to travel restrictions and the general fear surrounding the pandemic likely contributed to this significant decline. Meanwhile, only a small fraction, 5.2%, strongly disagreed, showing that the impact on revenue was nearly universal. The steep decline in business revenues aligns with research conducted by Nuwematsiko *et al*. (2022) in Uganda, where hospitality businesses experienced massive revenue losses due to the pandemic's impact on travel and tourism. The Arusha hospitality industry, being heavily reliant on both international and local tourists, faced similar challenges. The 79% of respondents reporting a significant decline in revenue reflects the widespread disruption of the travel industry globally, with several establishments being forced to either close temporarily or permanently due to decreased customer numbers.

Employee reduction was another significant challenge during the pandemic, with 31.3% agreeing and 40.8% strongly agreeing that they had to cut down the number of employees due to financial constraints. This indicates that nearly three-quarters of

the establishments had to let go of workers to cope with declining revenues and rising costs, revealing a direct impact on employment in the hospitality sector. The reduction in the number of employees due to financial strain echoes findings in Bojacá *et al*. (2021), which highlighted how COVID-19 led to mass layoffs in hospitality industries across different regions. The 72% of respondents who either agreed or strongly agreed that they had to reduce staff reflects the harsh realities faced by many employers in Arusha. The global tourism and hospitality sectors experienced massive layoffs, with reduced business activity and the closing down of establishments, which directly translated to the reduction of jobs

A notable share of respondents, 36.5%, agreed that operational costs such as disinfecting facilities exceeded their budget during the pandemic, with another 17.7% strongly agreeing. The mandatory hygiene protocols significantly stretched the financial resources of businesses, causing an increase in costs for daily operations. Interestingly, 31.3% of respondents remained neutral, which may indicate that while operational costs increased, they may not have been as burdensome for some businesses, possibly due to variations in their size or preparedness. The increase in operational costs due to health protocols, as evidenced by 54.2% of the respondents who agreed or strongly agreed, illustrates how the pandemic has redefined operational priorities.

Establishments had to invest heavily in personal protective equipment, disinfectants, and infrastructure changes to meet the new health regulations. Similar trends were reported by Wiedemann *et al*. (2020), who observed that businesses in the hospitality

industry had to divert substantial resources towards maintaining COVID-19 standards, leading to financial challenges. In terms of the cost-benefit analysis of complying with COVID-19 regulations, 29.2% agreed, and 11.5% strongly agreed, that the costs outweighed the benefits of staying open, while a considerable 36.5% remained neutral. This indicates a mixed perception of whether staying operational was worth the increased cost, suggesting that while many businesses continued to operate, they may not have been able to fully offset the financial strain of complying with the safety regulations.

Finally, the findings on financial support or relief are revealing. While 16.7% strongly agreed and 20.8% agreed that they received adequate financial assistance during the pandemic, a combined 36.4% (strongly disagreed and disagreed) felt otherwise. This suggests that for a significant number of hospitality businesses in Arusha, government or institutional support may have been either insufficient or inaccessible, further exacerbating the financial difficulties they faced. As observed in Khaledi *et al*. (2021), businesses that lacked access to financial relief struggled more than those with adequate resources or government support during the pandemic.

4.5.3 Occupancy and Demand Shifts

The findings related to occupancy and demand shifts reveal a significant transformation in the hospitality sector due to the COVID-19 pandemic.

Table 4.6: Occupancy and Demand Shifts on Hospitality Establishments

Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Our occupancy rates drastically decreased due to travel restrictions during the pandemic.	3.1	5.2	10.4	46.9	34.4
The demand for our services shifted toward more local or domestic customers during the pandemic.	5.2	10.4	26.0	36.5	21.9
We experienced cancellations and delays in customer bookings during the pandemic.	2.1	8.3	20.8	41.7	27.1
The lack of international travelers significantly impacted our business performance.	5.2	12.5	18.8	36.5	27.1
We observed a trend in customers preferring short stays rather than longer vacations post-pandemic.	10.4	12.5	29.2	31.3	16.7
Customers' demand for digital and contactless services increased after the outbreak of the pandemic.	3.1	10.4	20.8	41.7	24.0

Source: Field Data, (2024)

The findings show that a staggering 46.9% of respondents agreed that their occupancy rates drastically decreased because of travel restrictions, with an additional 34.4% strongly agreeing with this sentiment. This sharp decline aligns with the realities faced by many hospitality establishments globally, as international travel was severely restricted to curb the spread of the virus. Such findings reflect the broader trend observed in various studies, which highlighted the drastic impacts of travel bans on hotel occupancy. For instance, Singh *et al*. (2021) found that many Indian hotels experienced occupancy drops of up to 90%, indicating a global pattern

of reduced traveller mobility during the pandemic. Moreover, the shift in demand towards local or domestic customers was echoed by 36.5% of respondents who agreed with the statement, while 21.9% strongly agreed. This shift suggests a significant pivot in the customer base, likely due to fears surrounding international travel and the associated health risks.

A similar trend was noted by Khaledi *et al*. (2021), who emphasized that hotels adopting digital solutions to attract local customers saw a slight recovery in demand. The findings further reveal that cancellations and delays in bookings were prominent, with 41.7% agreeing that they faced such challenges. This finding mirrors the struggles of the hospitality industry in various contexts, as many establishments globally had to grapple with fluctuating reservation patterns amid the uncertainty caused by the pandemic.

The impact of the absence of international travellers was significantly felt, with 36.5% of respondents acknowledging this effect on their business performance. This statistic underscores the critical role that international tourism plays in sustaining many hotels and restaurants. The study's findings are consistent with the observations of Goeldner and Ritchie (2020), who noted a considerable decline in tourist arrivals, affecting overall business viability in hospitality sectors worldwide. Additionally, the finding that 31.3% of respondents agreed that customers began preferring shorter stays rather than longer vacations highlights a shift in consumer behaviour post-pandemic. This trend may stem from a desire for flexibility and safety, as travellers prioritize shorter getaways over extended stays, reflecting a changing landscape in customer preferences.

Lastly, the increased demand for digital and contactless services, affirmed by 41.7% of respondents, indicates a significant shift towards technology adoption within the hospitality sector. This trend resonates with global observations, as hotels worldwide have invested in digital solutions to enhance customer safety and convenience. The demand for contactless services aligns with findings from Kinyanjui *et al*. (2021), who noted that many Kenyan establishments adopted digital marketing strategies to cater to evolving customer needs during the pandemic. Overall, these findings provide critical insights into the operational challenges faced by the hospitality industry in Arusha City during the pandemic, reflecting a need for businesses to adapt to the shifting dynamics of traveller behaviour and preferences in the wake of COVID-19.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provide the summary of the study, summary of the findings, conclusion and recommendation for action and for further studies.

5.2 Summary of the Findings

The study reveals the profound impact of the COVID-19 pandemic on the hotel industry workforce, elucidating widespread financial challenges faced by employees and employers. Job losses and temporary closures ensued, leaving many workers and businesses grappling with uncertainty and financial instability. Layoffs and reduced salaries exacerbated the already precarious employment landscape. These findings shed light on the intricate economic hardships endured by hotel workers, emphasizing the tangible effects of decreased income on livelihoods and well-being. Employers also faced substantial financial losses, underscoring the shared economic fate between employees and employers in the hospitality sector. Urgent targeted assistance and intervention measures are imperative to alleviate the widespread economic strains.

Furthermore, the study examines evolving consumer behaviours across three distinct phases: pre-pandemic, during the pandemic, and post-pandemic. Pre-epidemic, a steady flow of customers sustained business income. However, the onset of the pandemic precipitated a sharp decline in patronage, adversely affecting financial sustainability. This downturn directly impacted employee financial security,

exacerbating existing vulnerabilities in hospitality employment. Post-epidemic, a notable rebound in customer numbers signalled a tentative return to normalcy for businesses. However, this resurgence is nuanced, as firms grapple with shifting consumer preferences and lingering pandemic uncertainties. Despite the potential for recovery, continued vigilance and adaptability are essential in navigating persistent challenges.

The evaluation of operational challenges faced by hospitality establishments in Arusha City during the COVID-19 pandemic revealed significant impacts stemming from the implementation of health protocols. Respondents indicated that compliance with these regulations increased operational costs and created confusion regarding government guidelines. While the health measures were necessary for safety, they disrupted service efficiency and led to delays in operations. Interestingly, despite these challenges, many businesses noted an improvement in customer confidence due to adherence to health protocols.

Financially, establishments experienced rising operational costs and declining revenues, forcing many to reduce their workforce, indicating a severe strain on the industry. The findings also highlighted a shift in occupancy rates, with a notable decrease attributed to travel restrictions and a pivot towards local customers, reflecting changing consumer behaviour. Additionally, the pandemic fostered an increased demand for digital and contactless services, emphasizing the need for hospitality businesses to adapt to evolving customer preferences in an unprecedented landscape.

5.3 Conclusion

From widespread job losses to significant decreases in earnings, the economic toll on workers is evident, highlighting the urgent need for targeted interventions to mitigate these hardships. The symbiotic relationship between employees and employers emphasizes the shared economic destiny within the hospitality sector, underscoring the imperative for immediate assistance measures to alleviate the pervasive economic pressures faced by all stakeholders.

The pandemic-induced downturn precipitated a significant decline in customer traffic, leading to financial strain and heightened employment instability. While the post-pandemic resurgence signals a cautious return to normalcy, businesses grapple with ongoing uncertainties and evolving consumer preferences. Despite the glimmer of hope, sustained vigilance and adaptability remain paramount for the sector's long-term viability, underscoring the enduring impact of the pandemic on industry dynamics.

In response to the challenges posed by the pandemic, hospitality entities implemented a range of strategies aimed at weathering the crisis and fostering resilience. From cost-cutting measures to targeted marketing efforts and collaborations with local businesses, these initiatives not only supported short-term survival but also had tangible benefits for employees, including job security, income stability, and improved working conditions. As the sector navigates the path to recovery, the adoption of innovative strategies underscores the industry's capacity for adaptation and resilience in the face of adversity.

5.4 Recommendation

5.4.1 Recommendation for Action

Based on the main findings and conclusions of the study, the following targeted recommendations are proposed:

Hospitality entities should prioritize the implementation of measures aimed at supporting the resilience and well-being of their workforce. This includes providing access to mental health resources, offering financial literacy programs, and establishing employee assistance programs. Human resources departments within hospitality establishments should take the lead in implementing these initiatives, with support from senior management.

Local government authorities should collaborate with hospitality industry stakeholders to develop targeted support programs aimed at facilitating the sector's recovery. This may include providing financial assistance, tax incentives, and access to training programs for employees. Additionally, local governments should streamline regulatory processes to facilitate business operations within the hospitality sector. The responsibility for implementing these recommendations lies with local government authorities, working in partnership with industry associations and relevant stakeholders.

By aligning with the main findings and conclusions of the study, these targeted recommendations aim to address the key challenges faced by the hospitality sector while leveraging opportunities for recovery and resilience. Implementation of these recommendations will require coordinated efforts from multiple stakeholders,

including hospitality entities, government authorities, and local communities, working together to support the long-term sustainability and vitality of the hospitality industry in Arusha.

5.4.2 Recommendation for Further studies

This study provides opportunities for further research in the field of hospitality management. Subsequent research can further investigate the enduring socio-economic consequences of the pandemic on those employed in the hospitality industry, including their professional paths, level of job contentment, and overall state of welfare. Moreover, conducting comparison studies across various regions of Tanzania or other nations might offer valuable insights into the regional disparities in the consequences and reactions to such crises.

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APPENDICES

Appendix I: Questionnaire for Employees

Section A: Demographic Information

1. How older are you: _____
2. Gender: Male [ ] Female [ ]
3. Marital Status: Single [ ] Married [ ] Divorced [ ]
4. What is your highest education level:

   Primary [ ] Secondary [ ] Certificate [ ] Diploma [ ] Degree [ ]

   Others: (Specify) _____
5. How long have you been working in the hospitality industry? ____ Years _____ Month
6. What is your current job position? _____

Section B: the extent to which employees' economies were affected during the outbreak of the COVID-19 Pandemic in the hospitality industry

7. How has the COVID-19 pandemic impacted your job or role in the hospitality industry?

   _____

   _____

   _____
8. Have you experienced any changes in your working hours or schedule due to COVID-19? Yes [ ] or No [ ]
9. Have you experienced a decrease in your income or wages during the COVID-19 pandemic? Yes [ ] or No [ ]

If yes, please specify the percentage of decrease _____ %

10. Have you been laid off or lost your job as a result of the COVID-19 pandemic?

    Yes [ ] or No [ ]

11. Have you had to take on any additional responsibilities or duties as a result of the COVID-19 pandemic? Yes [ ] or No [ ]

    If yes, please specify

    _____

    _____

Section B: The Customer Trend in Hospitality Establishments for The Interval of Two Years Since the Outbreak of the COVID-19 Pandemic.

12. How did the number of customers visiting your establishment change during the COVID-19 pandemic?
    a. Increased
    b. Stayed the same
    c. Decreased
13. How did the overall revenue of your establishment change during the COVID-19 pandemic? (close-ended question)
    a. Increased
    b. Stayed the same
    c. Decreased
14. How has the customer demographics changed during the COVID-19 pandemic? (open-ended question)

15. Were there any changes in the types of services or products offered by your establishment during the COVID-19 pandemic? (close-ended question)Yes [ ] or No [ ]

    If yes, please specify

    _____

16. Elaborate in detail about the noticed changes in customer behaviour or expectations during the COVID-19 pandemic

    _____

    _____

Section C: Operational Challenges Faced by Hospitality Establishments in Arusha City during COVID-19 Pandemic.

Items	**Strongly Disagree (1)**	**Disagree (2)**	**Neutral (3)**	**Agree (4)**	**Strongly Agree (5)**
Dimension 1: Health Protocols					
1. Implementing COVID-19 health protocols increased our operational costs.					
2. The health protocols set by the government were clear and easy to follow.					
3. Maintaining health protocols affected our ability to serve customers efficiently.					
4. The health and safety measures improved customer confidence in our services.					
5. Health protocols required frequent staff training and updates.					
6. The enforcement of health protocols caused delays in our operations.					
2: Financial Costs and Impact					
1. Our business experienced a significant increase in operating costs due to COVID-19 safety measures.					
2. The pandemic led to a substantial					

decline in our business revenues.					
3. We had to reduce the number of employees due to the financial strain of the pandemic.					
4. Operational costs, such as disinfecting facilities, exceeded our budget during the pandemic.					
5. The cost of complying with COVID-19 regulations outweighed the benefits of staying open.					
6. We received adequate financial support or relief during the pandemic to manage the increased costs.					
3: Occupancy and Demand Shifts					
1. Our occupancy rates drastically decreased due to travel restrictions during the pandemic.					
2. The demand for our services shifted toward more local or domestic customers during the pandemic.					
3. We experienced cancellations and delays in customer bookings during the pandemic.					
4. The lack of international travelers significantly impacted our business performance.					
5. We observed a trend in customers preferring short stays rather than longer vacations post-pandemic.					
6. Customers' demand for digital and contactless services increased after the outbreak of the pandemic.					

Appendix II: Interview for Administrators

1. Can you describe the impact that the COVID-19 pandemic has had on the employment and income of your employees?
2. How have customer trends in your hospitality establishment been affected by the COVID-19 pandemic, both in the short-term and long-term?
3. What specific business strategies have you implemented in response to the COVID-19 pandemic, and how effective have they been?
4. How has the COVID-19 pandemic affected your overall business operations, including revenue and profitability?
5. Can you describe the measures you have taken to ensure the safety and health of your customers and employees during the pandemic?
6. How do you see the future of your hospitality establishment and industry in the context of the ongoing COVID-19 pandemic?
7. How has the COVID-19 pandemic affected the demand for your services and how did you adapt to that?
8. How did you support your employees during the pandemic?
9. How has the pandemic affected your supply chain and how did you adapt to it?
10. How did you communicate with your customers during the pandemic and how did you ensure that they feel safe while using your services?

Appendix III: Interview for Key Informants

1. Can you describe the impact that the COVID-19 pandemic has had on hospitality industry particularly to hotels in Arusha?
2. What specific business strategies have you implemented in response to the COVID-19 pandemic, and how effective have they been?
3. Can you describe the measures you have taken to ensure the good and conducive business environment during the pandemic?
4. How has the COVID-19 pandemic affected overall business operations, including city revenue?
5. How do you see the future of your hospitality establishment and industry in the context of the ongoing COVID-19 pandemic?

Clearance Letter from the University

THE UNITED REPUBLIC OF TANZANIA

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY

THE OPEN UNIVERSITY OF TANZANIA

Ref. No OUT/PG202086141 **9th October, 2023**

City Director,
Arusha City Council,
P.O.Box 3013,
ARUSHA.

Dear Director,

RE: RESEARCH CLEARANCE FOR MR. EDWARD EVARIST, REG NO: PG202086141

2. The Open University of Tanzania was established by an Act of Parliament No. 17 of 1992, which became operational on the 1st March 1993 by public notice No.55 in the official Gazette. The Act was however replaced by the Open University of Tanzania Charter of 2005, which became operational on 1st January 2007.In line with the Charter, the Open University of Tanzania mission is to generate and apply knowledge through research.

3. To facilitate and to simplify research process therefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance, on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology, to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you **Mr. Edward Evarist, Reg. No: PG202086141),** pursuing **Master in Tourism Planning and Management (MTPM).**

We here by grant this clearance to conduct a research titled **"Effects of Covid-19 Pandemic on Hospitality Industry in Tanzania: A Case of Arusha City, Tanzania"**. He will collect his data at your area from 10th October to 30th November 2023.

4. In case you need any further information, kindly do not hesitate to contact the Deputy Vice Chancellor (Academic) of the Open University of Tanzania, P.O.Box 23409, Dar es Salaam. Tel: 022-2-2668820.We lastly thank you in advance for your assumed cooperation and facilitation of this research academic activity.

Yours sincerely,

THE OPEN UNIVERSITY OF TANZANIA

Prof. Magreth S.Bushesha

For: VICE CHANCELLOR

Appendix IV: Research Clearance Letters

Clearance Letter from Arusha City Council

JAMHURI YA MUUNGANO WA TANZANIA
OFISI YA RAIS
TAWALA ZA MIKOA NA SERIKALI ZA MITAA
HALMASHAURI YA JIJI ARUSHA

Unapojibu tafadhali taja:
Kumb. GA.333/381/01/119

Tarehe: 28 Octoba 2023

Mkuu wa Idara ya Viwanda, Biashara na Uwekezaji
HALMASHAURI YA JIJI LA ARUSHA

Kuh: KUMTAMBULISHA MR. EDWARD EVARIST

Tafadhali husika na somo tajwa hapo juu.

2. Kwa barua hii nakujulisha kwamba kibali kimetolewa kwa mtajwa hapo juu ambaye ni mwanafunzi wa Chuo cha Open Universty of Tanzania kwa ajili ya kufanya utafiti kuhusu **"EFFECTS OF COVID -19 PANDEMIC ON HOSPITALITY INDUSTRY IN TANZANIA: A CASE OF ARUSHA CITY, TANZANIA"** katika Halmashauri ya Jiji la Arusha. Aidha utafiti huu utafanyika kuanzia 10 Octoba 2023 mpaka 30 Novemba 2023.

3. Tafadhali mpeni ushirikiano

Namsi Hussein
Kny: MKURUGENZI WA JIJI,
ARUSHA.

NAKALA: Mkurugenzi wa Jiji
ARUSHA --Aione kwenye jalada

Ofisi Kuu ya Halmashauri ya Jiji la Arusha, 20 Barabara ya Boma, S.L.P 3013, 23101 ARUSHA.
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