

The Effect of Covid-19 on the Performance of the Hospitality in Zambia: A Comprehensive Analysis (2015-2022)

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ABSTRACT

This study examined the effects of the COVID-19 pandemic on the performance of Zambia's hospitality industry, focusing on the years 2015 to 2022. Initially, the research aimed to understand the industry's trajectory through its pre-pandemic growth and diversification, followed by its response to the pandemic's challenges. Utilizing a mixed-method approach, the investigation combined quantitative data from Zambia's Tourism Statistical Digests with qualitative insights from interviews conducted with officials in the Ministry of Tourism. The findings revealed that the period from 2015 to 2019 was marked by significant growth in the industry. For instance, international tourist arrivals rose from 931,782 in 2015 to 1,009,173 in 2017, accompanied by an increase in tourism revenue. However, the emergence of COVID-19 in 2020 led to a dramatic downturn, highlighted by a 56.2% decline in international tourist arrivals compared to the previous year. In response to the pandemic, the Zambian government issued several Statutory Instruments, such as the Tourism and Hospitality (Licensing) (Amendment) Regulations, 2020 and the Tourism and Hospitality (Registration of Hotel Managers) (Temporary Disapplication of Registration Fee) Regulations, 2020. These were aimed at providing financial relief and maintaining regulatory compliance within the industry. By 2022, the industry began showing recovery signs, including a 10.5% increase in tourist arrivals from 2020 to 2021. The resilience of Zambia's hospitality industry in the face of the pandemic was evident. The study concludes with strategic recommendations for future growth, highlighting the importance of Public-Private Partnership models to enhance infrastructure, the need for Niche Tourism Development to broaden the industry's appeal and resilience.

Keywords: covid-19, tourism, public-private partnerships, market diversification, performance hospitality

I. INTRODUCTION

Before the COVID-19 pandemic, Zambia's hospitality sector saw remarkable progress. From 2000-2019, it contributed approximately 7% to GDP and accounted for 7.2% of employment (World Bank, 2019). This period brought increased visitor spending and hospitality expansion, highlighting the industry's economic development potential. However, in late 2019, the rapid spread of COVID-19 led to severe global travel limitations (Sigala, 2020). Consequently, hotels worldwide faced major challenges, including mass closures and historically low occupancy (Gursoy et al., 2020). According to the UNWTO (2020), 2020 saw a 73% plunge in international tourist arrivals globally.

In Zambia, border remains open initially, yet visitor numbers still declined significantly (Prudence, 2020). By 2020, a 56.3% drop in international tourists compared to 2019 created major revenue shortfalls and near-industry collapse (PMRC, 2020). These impacts reflect the broader struggles faced by global tourism amidst COVID-19. Hence, investigating the pandemic's effects on Zambia's hospitality sector is critical for developing effective recovery policies and resilience measures.

II. LITERATURE REVIEW

The hospitality sector represents an integral engine of economic growth globally, accounting for 10.3% of total global GDP and supporting 1 in 10 jobs worldwide prior to the pandemic (WTTC, 2020). However, COVID-19 induced a 73% contraction in international tourists in 2020 alongside an estimated \$1.3 trillion revenue loss (UNWTO, 2020). This literature review synthesizes current knowledge on the pandemic's impacts on hospitality, centering crisis response and recovery strategies.

2.1 Pre-Pandemic Growth

The pre-pandemic era saw thriving hospitality sector performance, evidenced by 6.5% average annual growth in global tourist arrivals from 2014-2019 (UNWTO, 2019). Total industry GDP contribution simultaneously rose from \$2.3 trillion in 2014 to \$8.9 trillion in 2019 at 10.3% of global GDP (WTTC, 2020). Occupancy rates, airline passengers and other sector KPIs were equally robust leading into 2020 (STR, 2020; IATA, 2020). Rising incomes, improving connectivity, and an expanding global middle class stimulated demand (Bieger et al., 2016).

2.2 Pandemic Challenges

However, COVID-19 vitiated demand and operations. Lockdowns, travel restrictions, trip cancellations, and infection anxieties reduced international arrivals by 73% in 2020 over 2019 (UNWTO, 2020). Compounding operational struggles stemmed from new safety protocols, evolving government regulations, supply uncertainties and shifting consumer priorities around health, flexibility and value-seeking (Gursoy et al., 2020). These myriad challenges tested organizational resilience industry-wide.

2.3 Crisis Management Frameworks

In response, sector players referenced established crisis management models focused on preparation, response and recovery (Faulkner, 2001). Cross-departmental crisis teams, communications strategies, simulations and business continuity plans helped address pandemic complexities (Ritchie, 2004). Maintaining stakeholder trust also grew in import (Coombs, 2014).

2.4 Recovery Trajectories

Despite adversities, individual enterprises exhibited financial stability, operational agility and growth signs. Resilience indicators include funding access, demand responsiveness and productivity retention capabilities (Pellegrini & Ciappei, 2019). Investments in contactless technologies, elevated health protocols and refreshed customer experiences continue to stimulate recovery (Sigala et al., 2020). Innovative operating models like digital restaurants and hotel quarantine facilities signal adaptability to change (Gössling et al., 2020).

Nevertheless, context-specific analyses on pandemic response effectiveness remain scarce in current literature alongside investigations into governmental support policies. This represents a knowledge gap to address going forward.

III. MATERIALS AND METHODS

This cross-sectional mixed methods study integrates qualitative and quantitative data for comprehensive analysis. The research examines three distinct periods: pre-COVID (2015-early 2020), COVID-19 (early 2020-late 2022), and initial recovery (up to April 2023). Qualitative insights from Ministry of Tourism interviews offer nuanced understanding of industry experiences and strategic pandemic responses. Concurrently, quantitative performance indicators statistically compare changes across study periods.

Five Ministry officials were purposively selected based on direct tourism policy and administration roles. In-depth interviews captured stakeholder perspectives on pandemic impacts and recovery strategies. Document analysis of 2020 Statutory Instruments and 2015-2017/2021 Tourism Statistical Digests provided performance trends. Qualitative data underwent thematic analysis aligned with research objectives. Coded interview extracts were categorized into key themes. Quantitative metrics were visually depicted using tables and time series graphs. Finally, integrated discussion compares findings across data sources.

IV. ETHICAL CONSIDERATION

In this research ethical approval was obtained, with participant confidentiality strictly maintained.

V. ANALYSIS OF RESULTS

5.1 Performance of the Hospitality Industry in Zambia (2015-2019)

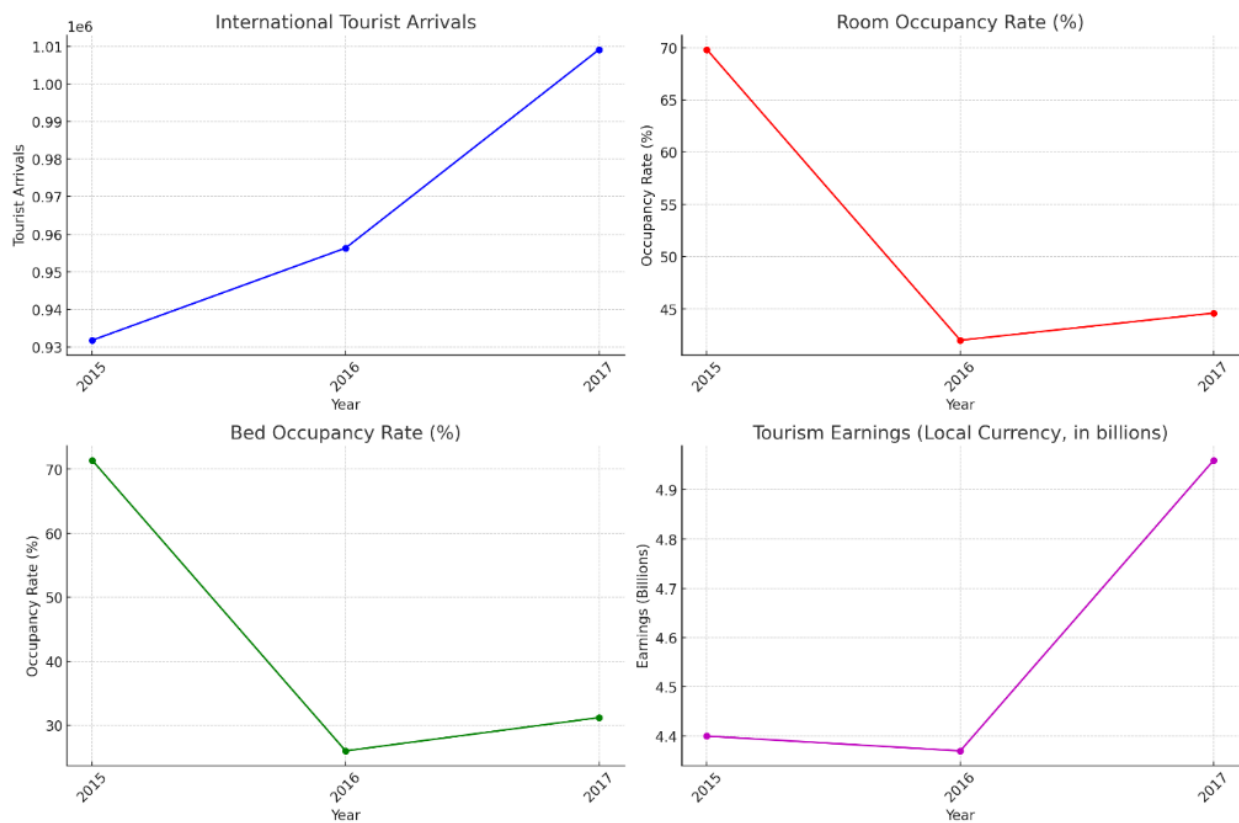
The period from 2015 to 2019 marked a significant phase in the evolution of Zambia's hospitality industry, characterized by growth and diversification. The statistical data, as illustrated showcases this progression. The analysis of Zambia's hospitality industry between 2015 and 2017 provides insights into its performance prior to the COVID-19 pandemic. The analysis is based on a range of performance indicators as presented in Table 1.

Table 1: Performance Indicators of Zambia's Hospitality Industry (2015-2017)

Year	International Tourist Arrivals	Room Occupancy Rate (%)	Bed Occupancy Rate (%)	Tourism Earnings (Local Currency, in billions)	Tourism Earnings (USD, in millions)	Employment in Hospitality
2015	931,782	69.8	71.4	4.4	401	57,384
2016	956,332	42.0	26.0	4.37	N/A	57,393
2017	1,009,173	44.6	31.2	4.96	N/A	58,618

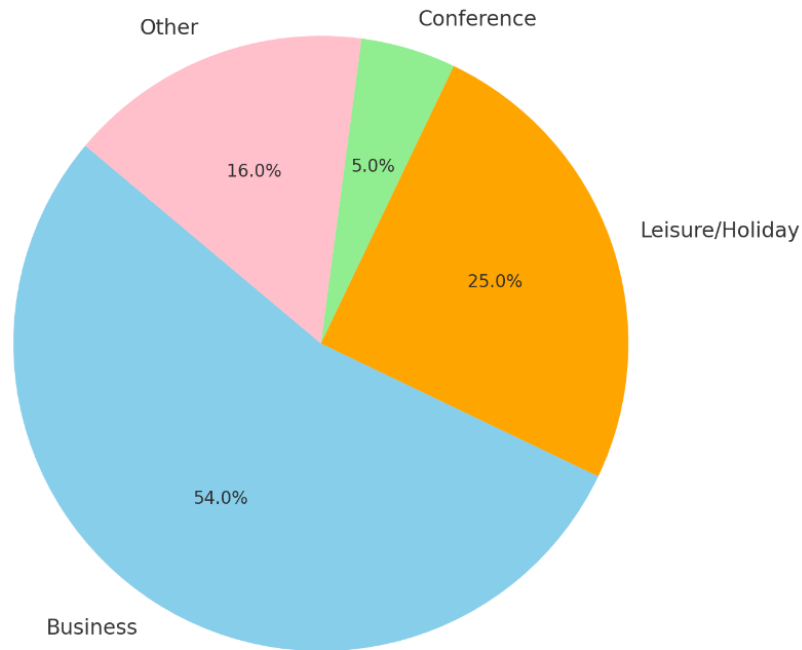
A series of line graphs in Figure 1 provides a visual representation of these trends, offering a dynamic overview of the industry's performance in the pre-pandemic era.

Figure 1: Trend Analysis of Zambia's Hospitality Industry (2015-2017)



The average distribution of tourists by their purpose of visit in Zambia, averaged over the years 2015 to 2017, is depicted in Figure 2. This pie chart provides a holistic view of tourist motivations during this period, highlighting the significance of business tourism, followed by leisure/holiday visits.

Figure 2: Average Tourist Purpose Distribution (2015-2017)



Interviews with industry experts and officials from the Ministry of Tourism and Arts (MoTA) revealed key themes that shaped the industry during this period as presented in table 2.

Table 2: Key Themes Identified from Interview Responses

Theme	Description
Positive Growth and Increasing Revenue	There is a consensus among the respondents that the hospitality industry experienced significant growth during this period. The Policy Registry Officer noted a substantial increase in revenue through tourist arrivals, which aligns with the sentiments expressed by the Regional Tourism Coordinator, who mentioned increased tourist arrivals and occupancy rates.
Diversification and Expansion of Tourism Offerings	The responses, particularly from the District Culture Affairs Coordinator, highlighted efforts to expand tourism beyond traditional wildlife attractions. This included promoting cultural, adventure, and heritage tourism, contributing to the industry's overall appeal and growth.
Economic Conditions and Tourist Spending Patterns	The Project Specialist - Tourism pointed out that the industry's performance was closely linked to Zambia's economic conditions. Despite economic fluctuations, the overall trend was positive, with increasing profits and revenue.
Key Performance Indicators (KPIs)	The respondents identified several KPIs crucial for measuring the industry's performance. These included occupancy rates, increased tourist activities, average daily rates, customer satisfaction scores, and average length of stay. The emphasis on diverse KPIs indicates a multi-dimensional approach to evaluating industry performance.
Government's Objectives and Priorities	There was a clear focus on growing the hospitality industry to meet international standards and attract more tourists. Objectives such as infrastructure development, quality assurance, and promoting tourism diversification were frequently mentioned.

5.2 Impact of COVID-19 on the Hospitality Industry (2020-2022)

The COVID-19 pandemic significantly impacted Zambia's hospitality industry between 2020 and 2022. This period was marked by a considerable decline in tourism activities due to global travel restrictions and public health concerns. The following quantitative analysis presents data on tourist arrivals, occupancy rates, and economic contributions during this challenging time. Table 3 presents a detailed quantitative analysis of these changes during the pandemic period.

Table 3: Performance Indicators of Zambia's Hospitality Industry (2020-2022)

Indicator	2021 Data	Change from 2020	Change from 2019
International Tourist Arrivals	554,290	↑10.5%	↓56.2%
Visitations to National Parks	47.8% increase	↑47.8%	N/A
Tourist Visits to Waterfalls	145,192	↑39.7%	N/A
Average Room Occupancy Rate	38.4%	↑	N/A
Tourism contribution to GDP	5.8%	↑ from 4.7%	N/A

In addition to the statistical data, it's vital to understand the pandemic's impact from the perspective of those directly involved in the industry. Table 4 provides a thematic analysis of interview responses from officials at the Ministry of Tourism and Arts, detailing the qualitative aspects of the pandemic's impact on the industry.

Table 4: Thematic Analysis of the Performance of the Hospitality Industry in Zambia (2020-2022)

Theme	Description
Decline in Revenue and Occupancy	Multiple respondents consistently indicated a significant decrease in revenue and occupancy rates. Key phrases that capture this sentiment include "loss of revenue," "low occupancy levels," and "decline in bookings," suggesting a widespread impact across the industry. For example, a respondent highlighted a notable "decline in revenue" directly linked to reduced tourist arrivals and occupancy rates.
Operational Challenges	The industry encountered substantial operational challenges, as reflected in the responses. Common themes included "travel restrictions and lockdowns," "employee layoffs and job losses," and "financial strain." These challenges were not isolated incidents but a widespread issue, impacting various aspects of the hospitality sector in Zambia.
Gradual Improvement	By 2022, respondents observed signs of recovery within the industry. This improvement is captured in descriptions of increased "bookings and occupancy rates," suggesting a rebound from the pandemic's peak impact. For instance, one respondent mentioned a gradual return to pre-pandemic occupancy levels, indicating a positive trend in the industry's recovery.
Continued Focus on Health and Safety	There was a sustained emphasis on health and safety protocols, as indicated by the ongoing measures implemented across the hospitality sector. This focus aimed to reassure travelers and regain consumer confidence, which was essential for the industry's recovery. A respondent specifically pointed out the continued importance of maintaining health standards to ensure the safety of both guests and staff, underscoring its role in the industry's gradual recovery.

5.3 Evaluation of Response Strategies to COVID-19 in Zambia's Hospitality Industry

In addressing the COVID-19 pandemic from 2020 to 2022, Zambia's hospitality industry and government implemented various response strategies. These measures were key in navigating the challenges posed by the pandemic and aiding the industry's subsequent recovery and adaptation.

Table 5 examines the Government Statutory Instruments enacted in response to the pandemic. These instruments played an essential role in providing financial relief to the industry, including amendments for more flexible fee payment options and suspension of certain statutory fees.

Table 5: Analysis of 2020 Government Statutory Instruments in Zambia's Hospitality Sector

Statutory Instrument	Description	Implications for the Hospitality Sector
SI No. 124 of 2020	The Tourism and Hospitality (Licensing) (Amendment) Regulations, 2020 - Introduction of a flexible option for the annual retention fee payment.	This amendment potentially eases financial burdens on hospitality businesses by offering more flexible fee payment options.
SI No. 121 of 2020	The Tourism and Hospitality (Tourism Levy) (Amendment) Regulations, 2020 - Imposition of a penalty for under-reporting the tourism levy.	The penalty aims to enhance compliance and ensure fair revenue collection from the tourism sector.
SI No. 122 of 2020	The Tourism and Hospitality (Licensing) (Temporary Disapplication of Renewal and Retention Fee) Regulations, 2020 - Suspension of license renewal and retention fees for 2021.	This relief measure is designed to support the financial recovery of tourism businesses during the pandemic.
SI No. 123 of 2020	The Tourism and Hospitality (Registration of Hotel Managers) (Temporary Disapplication of Registration Fee) Regulations, 2020 - Suspension of registration fees for hotel managers for 2021.	Aims to alleviate financial strain on hotel management, facilitating smoother operations in a challenging economic climate.

The immediate response to the pandemic involved the implementation of strict health and safety protocols and the adoption of travel restrictions. These measures were integral in managing the spread of the virus and ensuring the safety of both staff and guests. Their effectiveness, however, varied, with some measures demonstrating a significant impact on controlling the virus spread, while others faced challenges in implementation and compliance. Table 6 provides a detailed assessment of these measures, rating their effectiveness based on interviews with key personnel in the Ministry of Tourism and Arts.

Table 6: Thematic Analysis of Government Response Measures to COVID-19 in Zambia's Hospitality Industry

Theme	Description	Effectiveness
Health and Safety Protocols	Implementation of strict health and safety guidelines, including social distancing, face masking, hand sanitizing, and COVID-19 safety protocols.	Mixed Effectiveness (3-4 out of 5)
Travel Restrictions and Protocols	Adoption of travel restrictions and protocols, including testing and quarantine for travelers, to manage virus spread.	Mixed Effectiveness (3-4 out of 5)
Tourism Data and Research	Continuous monitoring of tourism data and conducting research to understand changing traveler preferences and market trends.	Mixed Effectiveness (3-4 out of 5)
Promotion of Domestic Tourism	Encouraging domestic tourism to stimulate local demand and establish travel corridors with neighboring countries.	Mixed Effectiveness (3-4 out of 5)
Financial and Policy Support	Provision of stimuli packages, suspension of statutory fees, and advocacy to support the industry financially and policy-wise.	Mixed Effectiveness (3-4 out of 5)
Post-Pandemic Objectives: Health and Safety Assurance	Continued prioritization of health and safety protocols in the post-pandemic period.	Higher Effectiveness (4-5 out of 5)
Post-Pandemic Objectives: Infrastructure and Quality Improvement	Enhancing tourism infrastructure and improving the overall visitor experience.	Higher Effectiveness (4-5 out of 5)
Post-Pandemic Objectives: Digital Transformation and Cultural Promotion	Supporting digital transformation and initiatives highlighting local culture and traditions.	Higher Effectiveness (4-5 out of 5)

5.4 Synthesis of Findings (2015-2022)

This synthesis aims to compare and contrast the industry's dynamics during the pre-pandemic and pandemic periods, while also focusing on the recovery indicators post-2022. Table 7 highlights the growth trends pre-pandemic, the challenges faced during the pandemic, and the strategies that contributed to the industry's recovery.

Table 7: Summary of Key Findings

Category	Key Points
Pre-Pandemic Performance (2015-2019)	Growth Trends: Notable growth with increasing international tourist arrivals, occupancy rates, and revenue. Expansion in tourism offerings. Economic Influence: Tied to Zambia's economic conditions, showing resilience. Government Objectives: Focused on elevating industry standards, infrastructure development, and tourism diversification.
Pandemic Impact (2020-2022)	Decline in Tourism: Significant decrease in tourist arrivals, revenue, and occupancy rates. Operational Challenges: Travel restrictions, employee layoffs, financial strain, health concerns.
Response Strategies (2020-2022)	Government Response Measures: Health and safety protocols, travel restrictions, promotion of domestic tourism, financial support. Mixed effectiveness. Post-Pandemic Recovery: Signs of recovery by 2022 with focus on health and safety assurance, infrastructure improvement, and digital transformation.

The Time Series Analysis provides a quantitative perspective on the industry's trajectory from 2015 to 2022, tracing key metrics such as tourist arrivals, occupancy rates, and economic contributions interrupting a period of growth and instigating strategic shifts within the industry.

Figure 3: Time Series Analysis (2015-2022)



VI. DISCUSSION OF RESULTS

6.1 Pre-Pandemic Growth Mirrors Global Trends

The data reveals Zambia's hospitality sector demonstrated consistent pre-pandemic growth in tandem with global trends, evidenced by rising international arrivals, tourism earnings, and supportive government infrastructure policies (UNWTO, 2019; WTTC, 2020). Notably, increasing revenues despite wider economic instabilities points to innate sector resilience. Strategic expansion into cultural/adventure offerings beyond traditional safaris also aligned with global industry shifts answering demand for authenticity (Bieger et al., 2016).

6.2 Pandemic Impact Aligned Global Declines

Equally, 2020-2021 declines in arrivals, revenue and occupancy mirrored global double-digit contractions as mobility curtailments vitiated travel demand and discretionary spending (UNWTO, 2020). Operational constraints from temporary business closures, employee displacements and supply volatility also followed global patterns exposing the sector's systemic risk exposure (WTTC, 2021). Nevertheless, Zambia's marginal 2021 performance upticks despite ongoing restrictions highlight emerging resilience. The accelerated focus on health and safety protocols conforming with "hygiene tourism" matched global recovery priorities as well (Gursoy et al, 2020).

6.3 Strategic Responses Reflect Global Best Practices

Zambia's multi-pronged strategic pandemic response covering fiscal reliefs, administrative flexibility, public health protocols and domestic tourism promotion aligned with globally validated revival approaches (WTTC, 2021). This enabled the sector to balance infection control needs with economic stability imperatives, while driving digitization and experiences enhancement for future-readiness (Deloitte, 2021). The post-pandemic outlook centering infrastructure upgrades, digital adoption and niche marketing also mirrors global future-of-travel priorities.

Thus, Zambia's hospitality sector has demonstrated both systemic vulnerabilities and mechanistic strengths recently as per global patterns. However, dedicated investigations assessing policy effectiveness, local partnerships and innovations for resilience-building remain scarce in literature. Overall, the analysis reveals a sector poised for regained momentum capitalizing on inherent national advantages and pandemic-induced transformations.

VII. CONCLUSION AND RECOMMENDATIONS

This study provided a comprehensive analysis of Zambia's hospitality sector performance spanning the pre-pandemic and COVID-19 pandemic periods. Findings revealed the industry demonstrated steady growth momentum between 2015-2019, aligned with positive global tourism trends. However, 2020 onset massive declines in key indicators as COVID-induced constraints and risk exposures crystalized locally and globally. Zambia's multi-modal strategic response helped alleviate the worst crisis impacts through fiscal buffers, administrative flexibility and public health protocols balancing infection risks with economic stability needs. This cushioned the sector for its contested but positive growth recovery from 2022 onwards. Post-pandemic efforts on digitization, infrastructure building and niche tourism promotion have equally shown success in embedding resilience and future-readiness.

Looking ahead, the following policy recommendations can facilitate sustainable and inclusive hospitality growth: Public-Private Partnerships: PPP models focusing on infrastructure upgrades and service innovations can boost Zambia's tourism appeal and competitiveness. Shared resources and risks expand sector capability. Prioritizing cultural, adventure and community-based niche tourism can mitigate overreliance on traditional segments while meeting emerging traveler interests. This cements holistic and sustainable appeal. Thus, while exogenous shocks like COVID-19 exposed latent risks, Zambia's hospitality ecosystem leveraged its institutional and innovative capabilities towards stability. Learnings can inform regional players. Ongoing investments in partnerships, diversified tourism offerings and local community participation will likely aid resilient and inclusive revival.

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