

# **The Effects of the Pandemic on the Selected Hotel Industry in Puerto Princesa City, Palawan: Basis for the Development of Recovery Strategies**

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***Abstract:** Puerto Princesa City is one of the most popular tourist sites in the nation. The City encompasses the east coast, which faces the Sulu Sea, and the west coast, which faces the West Philippines Sea and is located in the province of Palawan's center. It occupies a vast tract of land characterized by a high forest cover set in a chain of mountain ranges home to diverse flora and fauna. Its imposing mountains and lush rainforests ensure adequate coordination from the Department of Trade in the industry in helping the hospitality industry watershed, where water overflows into life-giving rivers, waterfalls, and streams. The study generally aimed to ascertain the Pandemic's effects on the chosen hotel sector in Puerto Princesa City, Palawan, and to develop a basis for developing recovery strategies. It was conducted in twenty hotels on the initiatives and interventions of the government during this covid-19 Pandemic. Henceforth, on the perceived recovery strategies by the hotel owners/managers, the hotel suggested adopting digital solutions, pricing tactics, and safety protocols that fit in this new normal.*

***Keywords:** Hospitality industry, Pandemic, New normal, Covid19, Recovery strategies*

## **1. Introduction**

Puerto Princesa City is one of the most popular tourist sites in the nation. According to Puerto Princesa City Tourism Office, the Underground River was named one of the New Seven Wonders of Nature in 2011. Over the last two decades, tourism has experienced continued expansion and substantial economic benefits to Puerto Princesa City, attracting both domestic and foreign tourists. Recognizing the City's immense tourism potential, the Department of Tourism has identified Puerto Princesa City as one of the Tourism Development Areas (TDAs) within the international gateway

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cluster destinations under the National Tourism Development Plan. With this, Puerto Princesa City has become one of the priority areas for tourism development. In addition, the national government provides infrastructure support, such as airport development for improved access and connectivity, skills, and product development. The national government has also prominently included the City in its domestic and international tourism promotions and marketing. According to the Puerto Princesa City Tourism Office, in terms of the tourism profile of the City, the tourism product portfolio comprises a wide range of nature-based attractions such as cultural tourism products and niche tourism products, i.e., adventure tourism, sports tourism, Agri-tourism, wellness, and spa tourism, educational tourism, and MICE (meetings, incentives, conferences, exhibits) tourism, culinary tourism, cruise tourism, and artificial tourism.

During accommodations for the past five years, the City has experienced considerable growth in accommodation establishments. Hotels increased from 10 establishments in 2012 to 24 in 2017. However, the Covid-19 Epidemic caused the global economy to collapse almost immediately. As a result of the outbreak, the hotel industry has faced unprecedented challenges. To flatten the COVID-19 curve, community lockdowns, social isolation, stay-at-home orders, travel restrictions, and mobility restrictions resulted in the temporary closure of many hospitality businesses and a sharp decline in demand for those permitted to continue operating (Bartik et al., 2020).

The widespread COVID-19 greatly affected the lodging industry as the government closed inns, eateries, and bars to contain the Pandemic. The usual daily operations of inns and restaurants worldwide dropped abruptly. In addition, the closing of numerous businesses harmed other associated industries, such as food production, the production of alcohol, wine, and beer, the transportation of food and refreshments, fishing, and farming. The problems were particularly problematic in industrialized areas where food and convenience items were frequently imported using just-in-time coordination. In the Philippines, the government closed all borders and airports and restricted mass gatherings as part of the ECQ (Enhanced Community Quarantine) to avoid community transmission. President Rodrigo Duterte made this announcement on March 12 in an evening address

after stating that the coronavirus alert level had been upgraded to its highest level of Code Red Sublevel 2. This marked the first significant lockdown in the nation in recent memory. (Talabong, 2020). A mass layoff would become unfavorable in the hard-hit hospitality industry of lodging, food and beverage restaurants and bars, event planning, theme parks, and transportation. This was primarily due to travel restrictions, stay-at-home orders, and fear of traveling during the Pandemic. The sudden loss of tourists was unimaginable: El Nido, San Vicente, and Coron practically would turn into ghost towns. As a result, four out of ten workers would be unemployed, and the number of people losing jobs is expected to increase. Due to this bleak job market, the laid-off hotel workers in Puerto Princesa are now looking for ways to use their skills in other industries or maximize their work experience from the hotel industry to other areas possible. Financial difficulty is the most disturbing concern of hotel owners today. The agencies of the government like the LGUs (Local Government Units), DTI (Department of Trade and Industry), DOT (Department of Tourism), BOI (Board of Investment), etc., provided assistance and programs for them to continue their business operations and recover the soonest they can. Also, Singh (2021) mentioned that a property is said to be in financial distress if it is having trouble making enough money to pay its debts and is experiencing other financial issues. As a result of the Pandemic's external shock, thousands of hotels have gone into financial difficulties. Government regulations, hotel closures, and little to no demand forced several hotel owners to request help from their lenders. While some lenders have assisted hotel owners, other owners are still waiting (Singh, 2021). Hence, this study is in place to have been conducted to have explored strategies on how the hotel industry in Puerto Princesa City would endure and survive in these trying times (Kobra et al., 2018; Kobra et al., 2019; E-Alam et al., 2022).

### **1.1 Objectives of the Study**

This research was done to identify the effects of the Pandemic on the Selected Hotel Industry in Puerto Princesa City (Palawan) and to develop perceived recovery strategies by the hotel owners. Mainly, it sought to answer the following queries: describe the hotel profile before and during the Pandemic in Puerto Princesa City. Analyze the significant difference in the hotel profile before and

during the Pandemic. Describe the challenges experienced by the hotel industry during the Pandemic. Identify the government initiatives and interventions adopted and utilized during the Pandemic. Examine the significant relationship between challenges and recovery strategies. Lastly, identify perceived recovery strategies by the hotel owners/managers.

## **2. Literature Review**

Goh and Baum (2021) claim that during the COVID-19 pandemic, quarantine hotels have appeared to house travelers who must self-isolate for 14 days after entering a country to stop the virus from spreading. The opportunity to work on worthwhile projects is what motivates hotel staff to choose to work in quarantine facilities. This study aims to understand why young hotel staff members choose to work in a potentially hazardous setting. The Philippines lost over PHP 400 billion (about USD 8.3 billion) in tourism revenue in 2020 as a result of the sudden decline in visitor arrivals brought on by the COVID-19 epidemic. Finally, the COVID-19 pandemic has had a significant negative impact on the tourism industry, as reported by Philippines (2020). The World Tourism Organization estimates that between 100 and 120 million jobs are at risk due to the closure of borders, airports, and hotels, and restrictions on large gatherings, land travel, and related services. When most countries enforced travel bans in the first quarter of 2020, international visitor arrivals decreased by 22% (Akhundova et al., 2021; Bhuiyan et al., 2022; Edeh et al., 2022).

Wong (2020) also mentioned that increased travel restrictions have significantly hurt the hotel industry. The crisis management strategies supporting the industry's needs are changing as the pandemic develops. This study contrasts the hotel industry's response to the problem when it was first occurring with how it was when it spread like an epidemic (Wong, 2020).

According to Alonso-Almeida (2020), the COVID-19 pandemic's health crisis has been so severe that it has caused a fall in economic and tourist activity in most countries, resulting in an unquantifiable economic catastrophe. Based on tourism data, the significance of tourism to the nation, and Spain's position as a global leader in tourist attractions, Spain was selected as the study's focal country. An in-depth analysis is done of the pandemic's effects on the Spanish tourism sector,

namely the hotel industry. The five largest Spanish hotel chains' response and recovery strategies to ensure a COVID-19-free stay in their recovery of the lodging activity and the availability of facilities are discussed, as well as the major global, European, and national initiatives to support the tourism and hospitality sector (Alonso-Almeida, 2020). In hospitality settings, illnesses and pandemics quickly spread, causing an international outbreak. The global epidemic of fatal diseases could have a negative financial impact on the hotel and tourism sectors. Therefore, the industry needs to be aware of past global pandemic breakout occurrences and their effects and ramifications on the hotel sector. The following research study examines how the SARS pandemic affected the hotel industry. This study piece's content offers practical advice that can be applied to lessen hospitality crises.

### **3. Methodology**

The research design used for this study is descriptive. Descriptive research aims to inform readers about the problems and happenings. This study is more interested what happened than in how or why it happened. As a result, procedures like surveying and observation are routinely used to gather data. The survey questionnaire was used in this study consisting of the first part. The respondents were required to complete the necessary hotel profile of hotel owners. These were sent through the respondents' messengers. In the second part, a Likert scale was given to assess the hotel owners'/managers' various challenges experienced by the hotel industry during the Pandemic, the hotel owners' perceived recovery strategies, and the government's initiatives and interventions adopted and utilized during the Pandemic. The study samples included the hotel owner or manager with ample knowledge of the general operation of the business. Twenty respondents responded by answering the survey questionnaire. In addition, systematic convenience sampling was used to identify the 20 hotel owners or managers whose establishments represented the Hotel Industry in Puerto Princesa City and was registered with the Securities Exchange Commission. The researcher secured written requests and permits from each respective administrator from different offices of the government, and gathered data were helpful for the needed information that was evident as the Pandemic's effects on the Hotel Industry in the City and source of analyses and interpretations. The following statistical tools were applied to treat the data gathered and provided

answers to the study queries: Frequency, percentage, five-point Likert scale, Pearson-r correlation, T-test, che-square, and the null hypotheses were tested at a 0.05 level of significance.

#### **4. Results and Key Findings**

Table 1 shows the hotel's profile before the Pandemic from 2016 to 2019. Puerto Princesa City has experienced considerable growth in the number of hotel establishments. Hotels increased from 25 establishments in 2016 to 30 in 2018. However, only 17 hotel establishments were renewed during the year 2019. Regarding business hour operations, the hotel establishments are consistently 24 hours operated. While the average income per year of the two hotels in Puerto Princesa City declared that they experienced continuous growth from 2017 to 2019, the average income per year increase was about 60% for 2018 and more than 100% increase for 2019.

##### **4.1 Profile of the Hotel Industry before the Pandemic: 2016 to 2019**

In terms of the number of employment, employment generated by hotel establishments continued to rise from 913 in 2016 to 1,087 in 2019, where hotels have the highest number of employees and 6% projected to increase per year as reported by the City. Regarding the number of domestic flights, Puerto Princesa City has the advantage of having a newly built airport facility with international standards and recorded a 14% to 23% from 2016 to 2019 increase in the total number of domestic flights. While a number of international flights, about 96 to 524 flights recorded annually, starting from 2016 to 2019. Lastly, the number of domestic tourists arriving per year in Puerto Princesa City from 2016 to 2018 showed that the corresponding annual tourist arrivals from the City Tourism Department report recorded a percentage range of about 15% to 20% of domestic passengers. However, there was a decrease of 7% in arrival during 2019, while the number of international or foreign tourists arriving per year in the City recorded a percentage range of about 20% to 41% arrival from 2016 to 2018. However, there was a decrease of 7% in arrival during 2019. Generally, the profile from 2016 to 2019 as to the number of hotels ranges from 17 to 25 (despite the decrease); business operations are within 24 hours; the average income

per year ranged from Php 2,378,832.25 to 3,621,698.67; the number of employees from 913 to 1087; a number of domestic flights from 6,126 to 9,733; a number of international flights 96 to 524 (fluctuating); and a number of tourists' arrival per year ranged from 571, 669 to 790,162(domestic) with 284, 745 to 481,830 ( international arrivals) both decreased in 2019.

The significance of the hotel industry is due to its long history and expansion in the hospitality sector. A market appraisal, emerging trends by category, significant shifts in market dynamics, and a market overview are all included in the study's thorough background examination of the Philippine tourist and hotel industries. The market is segmented into business tourism or related tourism businesses. The City has recently opened its door to local and international tourists who would want to experience what it is like to be part of the many remarkable places, the hospitality of locals, foods, and hotels in the City. Also, some procedures must be followed to fulfill their requirements; each tourist must have their lodging pre-booked through the Department of Tourism (DOT), the City Tourism Office (CTO), and an accredited lodging business. Also, they must plan their trip with assistance from a recognized travel agent. As regards the business hours from the explanation given by Goh and Baum (2021) implemented by each of the hotels in Puerto Princesa City Palawan, having the chance to do meaningful work is the primary incentive for hotel employees who opt to work in quarantine facilities. First, the study proved why young hotel employees want to work in a potentially risky environment instead of not earning to support their day-to-day life. Second, the schedules are given, and the additional tasks they need to do to augment and lessen additional costs on their industry's part. The World Tourism Organization (WTO), Effect of COVID-19 on the Philippine Tourism Industry, states that the tourist industry has been badly harmed by the COVID-19 Pandemic, based on evidence provided by Philippines (2020). The World Tourist Organization, border, airport, hotel closures, and restrictions on large gatherings, land travel, and related services have threatened 100–120 million employment globally. When most countries enacted travel restrictions and lockdowns in the first quarter of 2020, international visitor arrivals decreased by 22%, expected to result in a loss of US\$80 billion in global tourist revenues.

**Table 1: Profile of the Hotel Industry before Pandemic: 2016 to 2019**

	2016	%	2017	%	2018	%	2019
A. Number of Hotels	25	0%	25	20%	30	-43%	17
B. Business hour operations	24 hrs.	0%	24 hrs.	0%	24 hrs.	0%	24 hrs.
C. Average income per year							
1. Luana Lifestyle and Leisure Hotel	-	-	1,582,184	60%	2,524,480	168%	6,758,432
2. Sunlight Guest Hotel	2,936,327	-63%	1,094,258	64%	1,795,432	105%	3,689,312
D. Number of Employment	913	6%	968	6%	1,026	6%	1,087
E. Number of domestic flights							
	6,926	14%	7,924	23%	9,733	-10%	8,720
Number of international flights	96	-33%	64	411%	327	60%	524
F. Number of tourists' arrival per year							
Domestic	571,669	15%	658,701	20%	790,162	-7%	733,109
International	284,745	20%	341,830	41%	481,830	-7%	448,386

**Source:** Secondary Data (City Tourism, Puerto Princesa)

Table 2 shows the hotel profile during the Pandemic from March 2020 to June 2021. Puerto Princesa City experienced a continues decreased from 41% to 100% in all variables, such as the number of hotels; time of business operations; the average income per year; the number of employees; the number of domestic flights; the number of international flights; and the number of tourists' arrival per year both domestic and international arrivals. Primarily this is due to the global Pandemic and restrictions. Mirasol (2020) reports that COVID-19's influence on the local hospitality and tourist industries is being assessed. Every day, information on COVID-19's economic effects changes. However, current predictions for the hotel and tourist industries present a dismal picture. Global revenues in these industries are predicted to decline by \$2.1 trillion. The World Travel and Tourism Council mentioned a trade group representing the biggest international travel companies. The Epidemic has lost 75 million jobs globally. Additional nonstop international flights to Cebu, Boracay, and



Davao will be short shorts. (Market Entry-The Philippines' Tourism and Hotel Sector: Growth, Trends, Covid-19 Effect, and Forecast (2021-2026, 2021). Conversely, domestic tourists reduced their travel because they were concerned about contracting the illness. COVID-19. The Department of Tourism reports that compared to last year, international tourist receipts decreased 36% to PHP 85 billion in the first quarter of this year. Almost 4% of the Philippine economy comprises the tourist industry. By 2019, infrastructure, accessibility, health, and cleanliness will have improved, as will the Internet promotional marketing approach, resulting in opportunities in emerging markets.

**Table 2: Profile of the Hotel Industry during the Pandemic: March 2020 to June 2021**

	2019	%	2020	%	2021
A. Number of Hotels	17	-41%	10	-100%	-
B. Business hour operations	24 hrs.	0%	24 hrs.	0%	-
C. Average income per year					
1. Luana Lifestyle and Leisure Hotel	6,758,432	-338%	-16,112,365	-100%	-
2. Sunlight Guest Hotel	3,689,312	-113%	-479,106	-100%	-
D. Number of Employment	1,087	-63%	404	-100%	-
E. Number of domestic flights	8,720	-63%	3,208	-74%	847
Number of international flights	524	-81%	99	-98%	2
F. Number of tourists' arrival per year					
Domestic	733,109	-70%	220,443	-94%	13,180
International	448,386	-98%	10,450	-100%	0

**Source:** Secondary Data (City Tourism, Puerto Princesa)

Table 3 represents the difference between the hotel industry profile before and during the Pandemic. The computed chi-square values are subjected to the significance test to confirm if there is a difference between the hotel industry profile and during the Pandemic. The findings revealed a difference between the hotel industry profile before and during the Pandemic. This is indicated in the computed chi-square value of 8,501.9, which is greater than the critical value of 16.812 with the degrees of freedom (df) of six (6) at the level of significance or alpha ( $\alpha$ ) equal to .01. Therefore, the null hypothesis (H0) of no significant difference is rejected. The alternative hypothesis (Ha) is accepted. Hence, before and during the Pandemic, the

characteristics/variables of hotels in Puerto Princesa City showed significant differences. This implies tourism industry deteriorated in Puerto Princesa City during the pandemic challenge.

**Table 3: Difference between the Hotel Industry Profile before and during the Pandemic**

Profile	Before Pandemic 2016-2019 (average)	During Pandemic 2020-2021 (average)
No. of hotels	24.25	13.5
Business hours of operations	24	24
The average income per year	3,621,698	2,084,209
No. of employment	998.5	730.5
No. of domestic flights	8,326	4,258
No. of international flights	253	208
No. of tourist arrival - Domestic	688,410	389,198
No. of tourist arrival - International	322,244	229,418

  

CRITICAL VALUE	DEGREE FREEDOM	CHI-SQUARE VALUE	REMARKS
16.812	6	8,501.9	Significant at 0.01 level

*Source:* Authors' Compilation

Table 4 on challenges experienced by the hotel industry during the Pandemic shows statement number 18 and 17 reads, "Several hotels close their doors and lay off staff members and specialists in the hospitality industry and laid off hospitality professional and personnel, and "Due to a dramatic reduction in international tourists, hotel occupancy dropped from 71% to 25%" both at the highest rank at 1.5 with a descriptive rating of very high extent, Overall, the descriptive rating for the Challenges Experienced by the hotel industry during the Pandemic is high, with an overall mean score of 3.81. This implies that Covid -19 SARS greatly challenged hotel establishments during this Pandemic. Although this emphasis will persist, there will likely be a significant sell-off in global equity markets due to the implications for corporate profitability and economic growth. They are happy to see that our hospitality and leisure industries, which were among the first to be impacted by the bad weather, respond quickly and stay committed to identifying and measuring their operations' operational and financial implications. The effects are significant and unpredictable for both revenue and supply chains. Closings of hotels, restaurants, theme parks, and theaters, as well as the

overall disruption of the travel ecosystem.

**Table 4: Challenges Experienced by the Hotel Industry during the Pandemic**

No.	STATEMENT	MEAN RATING	DESCRIPTIVE RATING	Rank
1	There is a decrease in terms of their sales.	4.33	Very High Extent	4
2	There needs to be a delay in paying their employees their salaries.	2.92	Moderate Extent	15
3	They lessen the working hours of their employees.	3.75	High Extent	11
4	There are no additional payments for overtime among the hospitality industry/employees because of pandemic issues.	3.42	High Extent	13
5	There needs to be more maintenance in the hospitality industry.	3.42	High Extent	13
6	Re-opening challenges	4.04	High Extent	6
7	Fixed and Variable Expenses	4.08	High Extent	5
8	Low Occupancy	4.50	Very High Extent	3
9	Pricing Elasticity	3.92	High Extent	9
10	Renewed Lockdowns	4.00	High Extent	7
11	Staycations	3.25	Moderate Extent	16

**Source:** Result of Survey Questionnaire

Legend:

<b>Numerical Rating</b>	<b>Range</b>	<b>Descriptive Rating</b>
5	4.21 – 5.00	Very high extent (VHE)
4	3.41 – 4.20	High extent (HE)
3	2.61 – 3.40	Moderate extent (ME)
2	1.81 – 2.60	Low extent (LE)
1	1.00 – 1.80	Very low extent (VLE)

Table 5 on initiatives and interventions of the government adopted and utilized during the pandemic shows that statement number nineteen, which reads “the government should coordinate from the Department of Trade in Industry in helping the hospitality industry in a time of covid-19 pandemic,” ranks number one with a descriptive rating of high extent. Overall, the descriptive rating for the Initiatives and Interventions of the Government Adopted and Utilized during the Pandemic is higher than a numerical score of 3.70. In the meantime, the Department of Tourism (DOT) has pledged support for the travel and hospitality sectors, claiming that it has put in place a number of incentives and would offer financial aid to lessen the impact of the crisis. This is according to Rocamora (2020), who also reported on the Department of Transportation's (DOT) Pledge of Support. There are several quick fixes, including a suspension of the collection of accreditation fees from new and renewing applicants from the tourism industry for 2020, a suspension of participation fees for international fairs and exhibitions until the end of 2021, and financial support in the form of low-interest loans from the DBP (Development Bank of the Philippines) and LBP (Land Bank of the Philippines). The Department of Transportation has also requested deferred contributions from the Social Security System, the Pag-IBIG Fund, and PhilHealth through Covid-19's Rehabilitation Support Program on Severe Events (RESPONSE) and the Rehabilitation Support to Cushion Unfavorably Affected Enterprises by Covid-19 (I-RESCUE) Lending Program. "To mitigate the effect, the DOT and its associated agencies put out the reaction and recovery plan even before the lockdown during the early phases of the COVID-19 epidemic in the nation, with the tourist industry having a direct hit early on," said Tourism Secretary Bernadette

Romulo-Puyat. The department promises to assist tour operators and the tourism and hospitality industry (Rocamora, 2020). Many firms rely on government subsidies and grants as a source of extra revenue. Funding sources to be acquired in the next three to six months: Most firms require money to restore normalcy to their operations. Working capital, marketing, and promotions will be the primary uses (Philippines, 2020).

**Table 5: Initiatives and Interventions of the Government Adopted and Utilized during the Pandemic**

No.	STATEMENT	MEAN RATING	DESCRIPTIVE RATING	Rank
1	The province of Palawan should ensure and provide help to all residents and employees affected by the Covid-19 Pandemic.	3.79	High Extent	14
2	The City of Puerto Princesa should ensure and provide help to all residents and employees afflicted by the Covid-19 Pandemic.	4.04	High Extent	3
3	Puerto Princesa City and the Province of Palawan should provide part-time jobs to all qualified residents displaced because of the Covid-19 Pandemic.	3.92	High Extent	8.5
4	The different Barangay in the Province of Palawan and City of Puerto Princesa should provide help provided and disseminated by the national government to all residents that are daily wage earners and afflicted by the Covid-19 Pandemic.	3.92	High Extent	8.5
5	The different barangay in the City of Puerto Princesa City should give help and provide seminars training's and disseminated by the local government to all business owners afflicted by the covid-19 Pandemic.	3.96	High Extent	6
6	The local government should provide free payment to all business owners afflicted by the covid-19 Pandemic for their monthly obligations, such as barangay permits for the whole year.	3.96	High Extent	6
7	The local government unit should help hospitality industry owners under Micro, Small, and Medium Sized Enterprise (MSMEs).	3.92	High Extent	8.5

8	The government gives tax holidays to the hospitality industry.	3.67	High Extent	15.5
9	The government provides employment salary subsidies.	3.42	High Extent	19.5
10	The government provides microfinance loans with zero interest.	3.67	High Extent	15.5
11	The government gives free training to displaced hospitality industry employees/workers.	3.42	High Extent	19.5
12	The government gives tax relief or income tax holidays for three (3) years.	3.17	Moderate Extent	20
13	The government ensures that all employees in the hospitality industry should be provided help under the Bayanihan to Heal as One Act.	3.54	High Extent	17.5
14	The hospitality industry should have access to help from the Department of Tourism as part of the government agency.	4.00	High Extent	4
15	The government should seek help from the United States of America International (USAID) in alleviating problems in our country's hospitality industry/sectors/employees.	3.54	High Extent	17.5
16	The government should strengthen urban resilience for growth with equity (SURGE).	3.83	High Extent	12.5
17	The government should provide tax incentives under the enterprise act.	3.96		6
18	The government should cooperate in seeking help under the Philippines Chamber of Commerce and Industry.	3.92	High Extent	8.5
19	The government should coordinate with the Department of Trade in Industry to help the hospitality industry during the Covid-19 Pandemic.	4.21	Very High Extent	1

20	The government should coordinate with the Social Security System as a private partner of the institution in augmenting help to the displaced hospitality industry employees/workers.	4.12	High Extent	2
21	The government should coordinate with the Department of Social Welfare and Development in providing counseling, psychosocial Therapy, and help provided by the local agency of the institution during this time of the Covid-19 Pandemic.	3.83	High Extent	12.5
OVERALL MEAN		3.70	High Extent	

**Source:** Result of Survey Questionnaire

Legend:

Numerical Rating	Range	Descriptive Rating
5	4.21 – 5.00	Very high extent (VHE)
4	3.41 – 4.20	High extent (HE)
3	2.61 – 3.40	Moderate extent (ME)
2	1.81 – 2.60	Low extent (LE)
1	1.00 – 1.80	Very low extent (VLE)

Table 6 presents the relationship between challenges and recovery strategies by the hotel owners/ managers. To confirm if there is a relationship between challenges and recovery strategies by the hotel owners/ managers, the computed coefficient correlation (r) value of 0.480 was subjected to the test of significance as indicated in the p-value of 0.018 at alpha ( $\alpha$ ) equal to the .05 level of significance. The indicated value of .018 is less than .05. Therefore, the null hypothesis (H0) of no significant relationship is rejected. Hence, the degree of challenge is considered an effective recovery strategy. This is supported by Rodrigues (2021), who said they had launched exceptional recovery efforts to compensate for the income loss caused by the crisis. Strategic attempts to recover from the Epidemic are still underway, with everything from specific health and safety procedures to long-term coupons to promote bookings.

**Table 6: Relationship between Challenges and Recovery Strategies by the Hotel Owners/Managers**

Paired Variables	Coefficient r	P - value	Remarks
Challenges and Recovery Strategies	0.480	0.018	Significant at 0.05 level

**Source:** Authors' Computation

Table 7 on perceived recovery strategies by the hotel owners/managers shows that statement number ten, “The hotel must adapt digital tools, pricing schemes, and security measures appropriate for the present.” ranks number one with a descriptive rating of high extent. Overall, the descriptive rating for the perceived recovery strategies by the hotel owners/managers is a high extent at an overall mean score of 3.81. The calculations indicate that the hotel needs to adopt digital tools, pricing schemes, and safety measures appropriate for the present (rank 1 –statement). Hence, the conversions of hotels as facilities and training centers are good decisions adopted for recovery strategies. After hotels in several nations were forced to close due to government-ordered lockdowns during the COVID-19 Pandemic, Barreto (2021) claims that there is an inherent need for hotels to be transparent about how they handle the coronavirus to attract visitors. However, the sector’s survival may be in jeopardy due to a lack of understanding of convincing consumers about hotels' COVID-19 cleaning programs. Therefore, they considered how hotels that market their brand as having a particular personality (sincere vs. thrilling) may profit from alternate communication techniques when showcasing their COVID-19 cleaning procedures (including numerical vs. verbal quantifiers). Study No. 1 examined the primary attitudinal responses of tourists to hotel cleaning programs. Our findings suggest that hotel managers use their brand personality positioning to affect guests' perceptions and intentions during a pandemic. In Study 2, it was found that honest hotel brands would benefit from numerical and verbal quantifiers when communicating their cleanliness practices. In contrast, exciting hotel brands would only benefit from numerical quantifiers (Barreto, 2021). Rodrigues (2021) mentioned that such a study looks at hoteliers' perspectives and methods regarding the results of the Covid-19 Epidemic and their forecasts for an uncertain sector that has switched its



focus to safety and hygiene concerns to reclaim customers' confidence. Between April and June 2020, cross-sectional research with hotels worldwide was undertaken. In light of crisis management, hoteliers' projections and operational processes were evaluated, offering valuable information for researchers and the hotel sector. The majority of hoteliers believe the issue will be resolved. This was also supported by Rodrigues (2021) that in 2021, sales revenue will approach the same as 2019 levels. They have launched exceptional recovery efforts to compensate for the income loss caused by the crisis. Strategic attempts to recover from the Epidemic are still underway, with everything from specific health and safety procedures to long-term coupons to promote bookings.

**Table 7: Perceived Recovery Strategies by the Hotel Owners/Managers**

No.	STATEMENT	MEAN	DESCRIPTIVE	
		RATING	RATING	Rank
1	Access to accommodation discounts and promos	3.79	High Extent	5
2	Travel limitations made it difficult for individuals to book hotels and resorts, which left these businesses needing help to fill rooms and generate stable revenue.	3.92	High Extent	4
3	Hotels are used to mitigate the impact by becoming quarantine centers where foreigners and abroad Filipino workers can complete their 14 days of isolation before traveling.	3.50	High Extent	9
4	Front-line personnel can now stay in hotel rooms while exposed to the coronavirus.	3.46	Moderate Extent	10
5	The Department of Tourism has granted certain hotels permission to serve as locations for workshops, training sessions, seminars, and other events with the condition that venue occupancy is limited to 30%.	3.71	High Extent	6
6	Modest gatherings are now permitted, but hotel owners must still abide by the rules established by the interagency task team.	4.00	High Extent	3

7	The Bayanihan to Heal as One Act, supported by \$ 275 billion in funding, was signed into law and included a \$ 10 billion commitment to the travel and tourist sector. Of this sum, P6 billion was set up for a loan scheme.	3.67	High Extent	7.5
8	To ensure a more secure future, hotel owners and operators must review their strategies, weigh their possibilities, and make the best choices.	4.04	High Extent	2
9	Some hospitality industry owners sell their other properties for recovery of the establishment.	3.67	High Extent	7.5
10	The hotel must adapt digital tools, pricing schemes, and security measures appropriate for the present.	4.33	Very High Extent	1
<b>OVERALL MEAN</b>			<b>3.81 High Extent</b>	

**Source:** Result of Survey Questionnaire

Legend:

Numerical Rating	Range	Descriptive Rating
5	4.21 – 5.00	Very high extent (VHE)
4	3.41 – 4.20	High extent (HE)
3	2.61 – 3.40	Moderate extent (ME)
2	1.81 – 2.60	Low extent (LE)
1	1.00 – 1.80	Very low extent (VLE)

## 5. Conclusion and Recommendations

This research sought to ascertain the effects of the pandemic on the hotel industry in Puerto Princesa City, Palawan: the basis for the development of recovery strategies. The summaries of findings are the following:

As reported by the City Tourism Office, concerning employment, the hotel industry increased from 913 in 2016 to 1,087 in 2019 and experienced considerable growth. As regards employment, the hotel industry has continued to increase in providing job employment for the past five years. Regarding the number of domestic flights, it has 14% to 23% domestic flights and 96 to 524 flights. The City Tourism Department recorded a

percentage range of about 15% to 20% of the total number of domestic passengers. However, there was a decrease of 7% in arrival during 2019, While the number of international or foreign tourist arrival per year in the City recorded a percentage range of about 20% to 41% arrival from 2016 to 2018. However, there was a decrease of 7% in arrival during 2019. It showed the hotel profile during the Pandemic from March 2020 to June 2021. Puerto Princesa City experienced a decrease from 41% to 100% of all variables stated in the table due to the global Pandemic and restrictions. The findings revealed a significant difference between the hotel industry profile before and during the Pandemic due to considerable growth but a decrease in number. The Challenges Experienced by the hotel industry during the Pandemic showed that "a significant number of hotels closed their doors and laid off hospitality professionals and personnel and "Hotel occupancy fell from 71% to 25% due to a sharp decline in foreign arrivals" ranked number one with a descriptive rating of very high extent. The government's initiatives and interventions adopted and utilized during the pandemic showed that the government should coordinate with the Department of Trade in Industry in helping the hospitality industry at a time of covid-19 pandemic is ranked number one with a descriptive rating of high extent. The findings revealed a significant relationship between challenges experienced by the hotel owners/managers and the recovery strategies since the government coordinated challenges and solutions. The perceived recovery strategies by the hotel owners/managers presented with a verbal description of the hotel must adapt digital tools, pricing schemes, and security measures appropriate for the present are ranked number one with a descriptive rating of high extent.

## **5.1 Recommendations**

The following suggestions are made in light of the data and conclusions presented:

- The hotel industry should improve or develop products and services provided by the hotel.
- Digital advertisements should encourage nearby local tourists to visit their hotels, showcasing their customer service and amenities to survive.

They may help their employees to continue their work. It is advised to have a schedule rotation to augment help and job opportunity for their loyal and efficient workers.

- Digital marketing should augment the flow of tourists coming in and out of the City.
- The public and the private sector need to take training measures to reach a knowledge crisis management team highly committed to the customer's health and safety.
- The National government gives support to help small-scale businesses to survive in this new normal.
- Mass testing surveillance in customers and employees should be quick, affordable, and homogeneous throughout the City of Puerto Princesa.
- Support is given by the local and national government agencies unit in helping the hotel industry, owners, and employees to survive in this new normal. Through exemption payment of taxes, loans from the local and national government agencies, etc. Focus on local and domestic tourists as the primary client, and offer affordable prices of products and services offered by the hotel.

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