

Matijević, Jovana; Zielinski, Seweryn; Ahn, Young-Joo

## Article

# Exploring the impact of COVID-19 recovery strategies in the hospitality and tourism industry

Administrative Sciences

## Provided in Cooperation with:

MDPI – Multidisciplinary Digital Publishing Institute, Basel

*Suggested Citation:* Matijević, Jovana; Zielinski, Seweryn; Ahn, Young-Joo (2025) : Exploring the impact of COVID-19 recovery strategies in the hospitality and tourism industry, Administrative Sciences, ISSN 2076-3387, MDPI, Basel, Vol. 15, Iss. 4, pp. 1-23, <https://doi.org/10.3390/admsci15040142>

This Version is available at:

<https://hdl.handle.net/10419/321286>

## Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

## Terms of use:

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*


*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*



<https://creativecommons.org/licenses/by/4.0/>

## Article

# Exploring the Impact of COVID-19 Recovery Strategies in the Hospitality and Tourism Industry

Jovana Matijević <sup>1</sup>, Seweryn Zielinski <sup>1</sup>  and Young-Joo Ahn <sup>1,2,\*</sup> <sup>1</sup> Department of Hospitality and Tourism Management, Sejong University, Seoul 05006, Republic of Korea; zielinski@sejong.ac.kr (S.Z.)<sup>2</sup> Tourism Industry Data Analytics Lab (TIDAL), Department of Hospitality and Tourism Management, Sejong University, Seoul 05006, Republic of Korea

\* Correspondence: yjahn@sejong.ac.kr

**Abstract:** The COVID-19 pandemic presented an unprecedented challenge for the tourism industry, disrupting operations, reducing customer demand, and forcing businesses to adapt quickly to a new reality. This study explored the impact of COVID-19 on the tourism and hospitality industry and addresses a specific research gap: the limited application of structured theoretical frameworks—particularly the three-R stakeholder collaboration model—in examining recovery strategies. Prior studies have largely focused on individual tactics or short-term impacts, rather than a structured, stakeholder-driven, multi-phase recovery process. Employing a qualitative research design, this study used grounded theory to investigate how tourism service providers and key stakeholders navigated the challenges of the pandemic. Data were collected through semi-structured interviews with 20 participants, including tourism business owners, hotel and event managers, public sector employees, and academics. These insights offer a comprehensive, multi-perspective view of how the industry navigated the pandemic. Grounded theory was used to inductively develop a model of recovery behaviors, with data coded through open, axial, and selective stages using MAXQDA 2020 software. Findings revealed several key strategies—such as cost-cutting, digital transformation, and cultural adaptation—that enabled businesses to maintain operations during the pandemic and recover in its aftermath. Finally, refashioning business models through digital transformation, the diversification of services, and a shift to local markets helped tourism providers adapt to the changing environment and ensure long-term resilience.



Received: 31 January 2025

Revised: 7 April 2025

Accepted: 14 April 2025

Published: 16 April 2025

**Citation:** Matijević, J., Zielinski, S., & Ahn, Y.-J. (2025). Exploring the Impact of COVID-19 Recovery Strategies in the Hospitality and Tourism Industry. *Administrative Sciences*, 15(4), 142. <https://doi.org/10.3390/admsci15040142>

**Copyright:** © 2025 by the authors. Licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>).

**Keywords:** the COVID-19 pandemic; stakeholder; tourism recovery; strategy adaptation; the three-R framework

## 1. Introduction

The tourism industry is a pivotal economic pillar for numerous nations across the globe (Gössling et al., 2020). The emergence of the COVID-19 pandemic in 2019 precipitated a seismic disruption in this sector, leading to a staggering reduction in global tourism activities (WEF, 2021). Statistical data from the United Nations World Tourism Organization (UNWTO) demonstrated that worldwide tourism experienced a decline exceeding 80 percent subsequent to the onset of the pandemic (UNWTO, 2020b). This substantial downturn in tourist arrivals, encompassing a reduction exceeding 20 percent during the initial quarter of 2020, underscores the profound and far-reaching repercussions of the pandemic on a global scale (UNWTO, 2020a).

The rapid worsening of the COVID-19 pandemic led to a surge in research on the topic of hospitality and tourism (Aladag et al., 2020; Baum & Hai, 2020; Kock et al., 2020). Many of these studies focused on the restaurant sector (Brewer & Sebby, 2021; Chang et al., 2021; Kang et al., 2021; Kostromitina et al., 2021; Min et al., 2021; Peng & Chen, 2021; Tse et al., 2006), the accommodation sector (Herédia-Colaço & Rodrigues, 2021; Jiménez-Barreto et al., 2021), and tourist behavior, primarily examining risk perceptions, travel anxiety, and fear (Almokdad et al., 2022; Fountain & Cradock-Henry, 2020; Girish et al., 2023; Joo et al., 2021; Luo & Lam, 2020). While these studies provide valuable insights into consumer reactions and industry challenges, they emphasize short-term impacts rather than recovery strategies in the long term.

However, the challenges of recovering from COVID-19 extend beyond immediate survival to considerations of long-term sustainability, resilience, and adaptability. As the industry grapples with record disruptions, it is essential to engage with stakeholders, including tourists, employees, local communities, governments, and investors, to forge a path toward renewal and further examine potential recovery strategies (Smart et al., 2021; Soliku et al., 2021; Suess et al., 2022; Sun et al., 2021; Volgger et al., 2021).

Understanding how tourism service providers adapt their strategies in response to external shocks is essential for building resilience. Stakeholder theory provides a useful lens through which to analyze these responses, especially when considering the complex relationships between tourism businesses and their stakeholders (Freeman, 1984). The application of stakeholder theory, particularly the three-R framework (recognizing, rationalizing, and refashioning) (Dibb et al., 2014), allows for a structured examination of how tourism service providers navigate crises by recognizing stakeholder needs, rationalizing strategic decisions, and refashioning their operations to adapt to new emerging situations such as a pandemic. To deepen this analysis, this study adopted the three-R stakeholder collaboration framework, which conceptualizes crisis adaptation as a three-phase process: (1) recognizing stakeholder needs and crisis impacts, (2) rationalizing organizational responses and resource use, and (3) refashioning business models for long-term sustainability and resilience (Canhoto & Wei, 2021; Dibb et al., 2014). This framework enables a structured examination of how tourism providers navigated the COVID-19 crisis through collaborative engagement and adaptive strategies.

Despite the efforts of tourism service providers to implement various recovery strategies during and after the COVID-19 pandemic (Freeman, 1984; Smart et al., 2021; Soliku et al., 2021; Suess et al., 2022), there is limited research on how stakeholder theory, specifically the three-R framework (Canhoto & Wei, 2021; Dibb et al., 2014), can guide the recovery process. The pandemic created unprecedented challenges that required tourism businesses to rethink their engagement with stakeholders, as their needs and expectations shifted dramatically due to heightened health and safety concerns (Girish et al., 2023; Jiménez-Barreto et al., 2021). Scholars have highlighted the necessity of assessing the pandemic's long-term impact and monitoring global changes; however, there is still a gap in understanding how tourism businesses can systematically integrate stakeholder perspectives into their recovery strategies to ensure resilience and sustainable growth (Gössling et al., 2020).

In this regard, this study aims to explore the impact of COVID-19. Moreover, it aims to fill in the research gap through exploring COVID-19 recovery strategies in the tourism and hospitality industry, guided by the three-R stakeholder collaboration framework (Canhoto & Wei, 2021; Dibb et al., 2014). This study developed the following research questions: How did COVID-19 impact the tourism and hospitality industry? How did the COVID-19 pandemic reshape business strategies in the tourism and hospitality industry? By exploring these research questions, this research enables a deeper understanding of the pandemic's

effects on the hospitality and tourism industry and the strategic adoptions needed to ensure recovery.

In response, this study explored the impact of COVID-19 on tourism service providers and examined how recovery strategies were developed and implemented through stakeholder collaboration. Guided by the three-R stakeholder collaboration framework, this study sought to address the following research questions:

1. How did tourism and hospitality service providers recognize and respond to the impacts of the COVID-19 pandemic on their operations and stakeholders?
2. What strategic decisions were rationalized by tourism businesses during the pandemic to maintain operations and financial stability?
3. How did tourism organizations refashion their business models to adapt to the evolving post-pandemic tourism landscape?
4. In what ways can the three-R stakeholder collaboration framework guide structured recovery processes in the tourism and hospitality industry?

By applying the three-R framework, this research offers a comprehensive understanding of how tourism businesses recognized changing stakeholder needs, rationalized decision-making under uncertainty, and refashioned their operations to enhance resilience. Academically, this study extends stakeholder theory by contextualizing the three-R model within a global health crisis. Practically, it provides actionable insights for industry professionals on how to structure recovery efforts in phases and strengthen stakeholder relationships. Moreover, it captures the lived experiences of industry professionals during the pandemic, offering grounded evidence on crisis response strategies that can inform future planning.

Ultimately, the findings shed light on how stakeholder-driven approaches can support not only the recovery of the tourism and hospitality industry but also its evolution toward a more sustainable and adaptive future. By documenting the strategic transformations undertaken during the COVID-19 period and capturing the collective knowledge gained, this study aims to empower the industry to thrive in the post-pandemic era.

## 2. Literature Review

### 2.1. *The Impact of COVID-19 on the Global Tourism Industry*

The COVID-19 pandemic is regarded as an unprecedented crisis, according to the [World Bank \(2020\)](#), thus differentiating it from the crises occurring in the past. In their research, [Tse et al. \(2006\)](#) defined crises as events of low probability, but high-impact that threaten the viability of an organization. However, the COVID-19 pandemic became a global issue, as the disease was announced to be a pandemic on the 11th of March, 2020 ([WHO, 2021](#)). According to the World Tourism Organization (WTO), global tourism arrivals dropped by 74% in 2020, marking it as the worst year in the history of the tourism sector ([Lapointe, 2020](#); [UNWTO, 2020b](#)). Many tourism businesses, particularly small and medium-sized enterprises (SMEs), faced financial distress due to prolonged closures and reduced consumer demand ([Rejan & Ahn, 2024](#)).

According to Pizam ([Pizam, 2021](#)), the hospitality sector experienced a catastrophic decline in demand due to travel restrictions, border closures, and a general reduction in consumer confidence. The pandemic's long-term effects have been particularly damaging to small lodging establishments (SLEs), which are often family-owned businesses with limited resources to withstand prolonged disruptions ([M. Rivera et al., 2021](#)). [Li et al. \(2021\)](#) observed that the tourism sector had been particularly vulnerable to external shocks, with travel restrictions and border closures leading to unprecedented declines in tourist arrivals and revenue. Financial strategies adopted by tourism and hospitality businesses have been instrumental in their survival and recovery. Research by [Gössling et al. \(2020\)](#) discusses

the financial challenges faced by the industry and explores strategies for sustainable financial recovery, including cost reduction, liquidity management, and financial support mechanisms, all of which have been critical for the industry's resilience.

### *2.2. Immediate Changes in Travelers' Preferences and Use of Technology After the COVID-19 Pandemic*

Research has shown that tourists' preferences and behaviors have changed significantly as a result of the pandemic (Ritchie & Jiang, 2019; Sigala, 2020; Wells et al., 2020). According to Zhang et al. (2021), tourists are now more likely to choose domestic or short-distance destinations over international ones due to concerns about safety and the uncertainty of travel restrictions. This shift in consumer behavior has prompted tourism businesses to refocus their efforts on local markets and enhance their safety measures to rebuild trust with customers. Previous research (Li et al., 2021) delves into the evolving expectations and preferences of travelers in a post-COVID-19 context, examining the factors influencing travel decisions, such as safety concerns, health protocols, and the role of technology in providing contactless experiences. In the hospitality sector, businesses had to navigate operational restrictions such as reduced capacity, enhanced health and safety protocols, and the need for contactless services (M. Yang et al., 2021; Y. Yang et al., 2021). In the wake of the COVID-19 pandemic, innovations in customer experience have become paramount for the tourism and hospitality industry. Research by Kim et al. (2021) examines how technology-driven solutions such as delivery apps, service robots, and mobile payment systems allowed hospitality and tourism to adapt to the challenging circumstances of the COVID-19 pandemic. These innovations not only addressed health and safety concerns but also offered opportunities for personalization and convenience. These challenges have forced businesses to adapt quickly, with many shifting their focus to domestic markets and developing new service offers.

However, the pandemic has also exposed vulnerabilities in the industry, particularly in terms of financial resilience and preparedness for future crises (Zopiatis et al., 2021). Many scholars emphasize the importance of resilience and adaptation in responding to the COVID-19 crisis. Ritchie and Jiang (2019) stress the need for tourism destinations and businesses to adopt proactive recovery planning frameworks. They propose strategies that include diversifying tourism products, strengthening partnerships, and harnessing digital technologies. These measures are essential for ensuring adaptability in a constantly changing environment. Similarly, Sigala (2020) argues that the industry's survival hinges on its ability to adapt to new safety measures, travel restrictions, and shifting consumer preferences.

Crisis management and preparedness have come to the forefront of recovery strategies within the tourism and hospitality industry. Academic work by Prideaux et al. (2020) emphasizes the importance of crisis preparedness plans, risk assessments, and scenario planning. Effective crisis management not only enables rapid response during emergencies but also enhances the industry's ability to recover and rebound. Additionally, it may not be possible to go back to the way things were before the pandemic, instead, the world may be required to enter the "next normal" (McKinsey & Company, 2020).

### *2.3. Long-Term Impacts and Strategies After the COVID-19 Pandemic*

It is imperative to acknowledge that the ramifications of COVID-19 extended far beyond a simple decrease in tourist numbers. It demonstrated a multifaceted impact, including the suspension of travel and the enforcement of strict travel restrictions in most countries across the world (Gössling et al., 2020). An industry grounded in mobility, interpersonal interactions, and shared experiences was suddenly confronted with a landscape reshaped by isolation and caution. This seismic shift had a ripple effect across the entire



tourism value chain, impacting airlines, hotels, restaurants, tour operators, and numerous related businesses (Brewer & Sebby, 2021; Canhoto & Wei, 2021; Herédia-Colaço & Rodrigues, 2021). The COVID-19 pandemic, a global crisis of unprecedented proportions, has inflicted profound and multi-faceted impacts on societies and economies worldwide (UNWTO, 2020a; WEF, 2021). Among the sectors most profoundly affected is the tourism and hospitality industry, a vital economic engine and cultural bridge connecting people across the world (Gössling et al., 2020; Klinsrisuk & Pechdin, 2022).

As a result of widespread travel restrictions, border closures, and fear of contracting the virus, the tourism industry experienced a sharp decline, creating substantial difficulties for service providers in sustaining operations (Huang et al., 2020, 2021; Li et al., 2021; Rejan & Ahn, 2024). Historically resilient in crises such as SARS and the financial downturn in 2008, the tourism industry faced an unprecedented global disruption during COVID-19, where health risks were combined with travel shutdowns, requiring innovative strategies for recovery (Almokdad et al., 2022; Chen et al., 2023; Fusté-Forné & Michael, 2023; Luo & Lam, 2020; UNWTO, 2023). Protective actions like border closures, quarantine protocols, and health-related precautions collectively contributed to a significant slowdown in international travel, aggravating the crisis faced by the tourism industry (Rejan & Ahn, 2024).

Tourism service providers, including airlines, hotels, restaurants, and tour operators, encountered unprecedented operational and financial challenges (Gössling et al., 2020; Herédia-Colaço & Rodrigues, 2021). Many businesses were forced to close temporarily, and others made drastic changes to their operations (Kayumov et al., 2024; Shokhsanam & Ahn, 2021). As governments around the world swiftly imposed travel restrictions and health and safety protocols and enacted lockdowns, the tourism and hospitality sector found itself thrust into an era of unprecedented uncertainty and adaptation (Canhoto & Wei, 2021).

These health-focused strategies were crucial in reducing tourists' risk perceptions and protection motivations (Girish et al., 2023; Herédia-Colaço & Rodrigues, 2021; Jiménez-Barreto et al., 2021). However, recovering from such a crisis involves more than just short-term actions. The long-term recovery strategies employed by tourism service providers are equally crucial for ensuring the sector's sustainability post-pandemic (Baum & Hai, 2020; Birtch et al., 2021; Yin & Ni, 2021). The recovery strategies for this sector present long and demanding challenges (Yu et al., 2021). The impact of COVID-19 underscores the urgent need for governments, stakeholders, and the tourism industry as a whole to navigate this difficult journey toward recovery while adapting to the changing dynamics of a post-pandemic world (Duarte Alonso et al., 2020; Duro et al., 2021; Filimonau, 2021; Fountain & Cradock-Henry, 2020). Moreover, the importance of analyzing the effectiveness of recovery strategies in the hospitality and tourism industry cannot be overstated, given the far-reaching and lasting transformations brought about by the COVID-19 crisis (McKinsey & Company, 2020). To gain a comprehensive understanding of the strategies shaping recovery, it is crucial to examine the latest developments and insights emerging from the field (OECD, 2020). The sector's trajectory is continually evolving as it struggles with the multifaceted challenges posed by the pandemic.

#### 2.4. Stakeholder Theory and Three-R Collaboration Framework

The complex situation caused by the COVID-19 pandemic required the tourism industry to adopt new approaches and implement various scales (M. A. Rivera, 2020). Freeman (Freeman, 1984) defined stakeholders as any individuals or groups that are affected by or affect the achievement of the objectives of an organization. COVID-19 required the implementation of health and safety measures for employees and tourists imposed by governments. Hence, collaboration with stakeholders is highly encouraged as a means to identify and solve challenges posed by such unique circumstances (Hermes & Mainela,

2014; Jiang & Ritchie, 2017). This theory is particularly relevant, as tourism businesses rely on a wide range of stakeholders, including tourists, employees, suppliers, local communities, and government authorities (Dibb et al., 2014). Effective stakeholder engagement is critical for the long-term success of tourism service providers, especially during crises (Canhoto & Wei, 2021).

The first stage in the three-R framework is recognition. At this stage, stakeholders focus on delineating expectations and assessing the impacts of a crisis, while concurrently analyzing strategies to reduce them (Dibb et al., 2014). For tourism service providers, this meant understanding the multifaceted impacts of COVID-19, including financial losses, changes in consumer behavior, and operational restrictions. By engaging with stakeholders such as employees and customers, businesses can gain insights into an evolving situation and identify potential risks and opportunities (Canhoto & Wei, 2021). For example, hotel operators in the UK collaborated with government officials and health authorities to implement safety protocols that would enable a phased reopening of their properties (Dibb et al., 2014).

The next stage is rationalizing. In this stage, strategies should be developed while stakeholders identify changes to existing processes and technologies (Dibb et al., 2014). As this stage is difficult and costly, a strong relationship between stakeholders should be developed; furthermore, the entire system may become unstable, potentially leading to shifts in power dynamics among stakeholders. This step involves evaluating stakeholder input to determine which changes are feasible and aligned with long-term recovery goals. For example, many tourism operators have adopted new health and safety measures, digital tools for contactless services, and flexible booking policies to meet evolving consumer expectations (Canhoto & Wei, 2021). Rationalizing these changes has required balancing immediate needs with future uncertainties, as the pandemic's trajectory remains unpredictable.

Finally, in the last stage, stakeholders need to refashion their approaches to focus on finding long-term solutions to the disruption and, where feasible, explore new market opportunities (Dibb et al., 2014). This stage involves redesigning business practices and strategies to adapt to the "next normal" in the tourism industry. This phase is characterized by ongoing adjustments to business models as new information about the pandemic emerges. For instance, some tourism operators have shifted their focus from international to domestic markets, while others have developed new partnerships with local suppliers to enhance resilience (M. A. Rivera, 2020). Refashioning also includes creating new revenue streams, such as offering virtual tours or staycation packages to attract local tourists during periods of restricted travel.

In the context of the pandemic, the three-R framework provides a structured approach to engaging with stakeholders at every stage of recovery, facilitating more coordinated efforts to address the multifaceted challenges emerging after the pandemic. This approach promotes continuous collaboration between stakeholders, allowing businesses to identify evolving challenges, make necessary adjustments, and refashion their operations in response to new market dynamics. The three-R framework, when applied effectively, enables tourism businesses to remain agile and responsive to an ever-changing landscape, such as that presented by the COVID-19 pandemic. By continuously engaging with stakeholders, tourism service providers can build resilience and develop sustainable recovery strategies that account for both the immediate and long-term challenges posed by a crisis.

### 3. Methods

#### 3.1. Research Design

This study used a qualitative research design, employing grounded theory to explore the recovery strategies of tourism service providers and core stakeholders during the

COVID-19 pandemic. According to Strauss and Corbin (Strauss & Corbin, 1990), researchers simultaneously gather and analyze data while reviewing the related literature. This process is repeated continuously until meaningful and saturated results are achieved. The use of grounded theory was appropriate for this research as it allows for the development of theories based on empirical data gathered from real-world experiences. This study focused on how tourism stakeholders engaged with other stakeholders to recognize needs, rationalize strategies, and refashion their operations using the three-R framework (Dibb et al., 2014).

### 3.2. Data Collection

Data were obtained through semi-structured interviews and collected from core stakeholders in the hospitality and tourism industry, including owners and managers of tourism service providers, employees in the tourism and hospitality sector, government institution employees, and experts from academia, as shown in Table 1. The interviews were conducted over a period of five months, with each lasting between 50 and 60 min on average. The interview questions were designed to explore how tourism businesses adapted to the challenges of the COVID-19 pandemic, with a specific focus on stakeholder engagement and the application of the three-R framework. Snowball sampling and theoretical sampling techniques were used for data collection. Snowball sampling is a non-probability sampling method in which initial participants assist in recruiting other participants for the study (Simkus, 2023). Theoretical sampling enables researchers to select informants who can offer the richest information and provide diverse perspectives, helping to refine and develop emerging concepts (Strauss & Corbin, 1990). However, the advantage of this technique is the ability to easily access the desired population and select the participants who match the criteria of the research (Simkus, 2023). A total of 20 interviewees participated in this study. For this research, online semi-structured interviews were conducted in person or on Zoom.

**Table 1.** Interviewee profiles.

	Interviewee	Age	Gender	Nationality	Sector
1	A	40s	Male	Korean	NGO
2	B	30s	Female	Serbian	MICE
3	C	30s	Male	Korean	Hotel
4	D	20s	Female	Vietnamese	Hospitality
5	E	20s	Female	Vietnamese	Hospitality
6	F	30s	Male	French	Hospitality
7	G	60s	Male	French	Hospitality
8	H	20s	Male	Uzbek	Museum
9	I	20s	Female	French	Hospitality
10	J	30s	Male	Bangladeshi	Hospitality
11	K	40s	Female	Korean	Hotel
12	L	30s	Male	Thai	Academia
13	M	40s	Male	Korean	Academia
14	N	40s	Female	Korean	MICE
15	O	40s	Male	Korean	Government Organization
16	P	60s	Female	Korean	Hotel
17	Q	40s	Female	Taiwanese	Academia
18	R	30s	Female	French	Hotel
19	S	40s	Female	Korean	MICE
20	T	40s	Male	Korean	MICE



The semi-structured interview guide was developed based on both a review of the relevant literature and sensitizing concepts derived from the three-R framework and stakeholder theory. While the initial interview themes were informed by prior studies on tourism crisis responses, space was intentionally left for new themes to emerge inductively during the data collection and coding process. The interview guide was piloted with two professionals from the tourism sector, which led to minor adjustments in phrasing and sequencing to improve clarity and relevance. The interview was divided into two parts. The first part covered questions about tourism perceptions, personal experiences with tourism demand, socio-demographic background, and basic information about the interviewees' job positions and responsibilities. The first set of questions served as a way of acquainting the interviewer and the interviewee. The second part of the interview consisted of interview questions related to interviewees' reflections on COVID-19's impact on their business surroundings, as well as their thoughts on potential and practical future recovery strategies following the three-R framework. Furthermore, probing questions were asked when necessary. The interview questions used for this study are presented in Appendix A. Data collection and interview data analysis involved transcribing audio recordings. Verbatim data were used to analyze the data line by line, and a constant comparative method was used, in line with the grounded theory approach (Glaser & Strauss, 1967; Strauss & Corbin, 1990). In grounded theory, the goal is theoretical saturation, the point at which additional data no longer yield new insights. After 14 interviews, recurring themes were identified, and by the 20th interview, the data began to replicate previously discovered categories. We, therefore, determined that theoretical saturation had been achieved.

### 3.3. Data Analysis

The interviews were carefully recorded and subsequently transcribed for analysis using grounded theory's constant comparative method, a process that involved considerable attention to detail in coding and categorizing the data into emerging themes. In line with the recommendations of Strauss and Corbin (1990), the researcher not only analyzed the interview data but also compared them with those from the existing literature to strengthen the emerging theoretical framework. Data collection and analysis proceeded simultaneously in line with the core principles of grounded theory. The process began with interviews of two to three participants, which were immediately transcribed and subjected to open coding. This initial coding allowed for the identification of concepts that guide theoretical sampling. Participants were recruited based on emerging categories, enabling the exploration of dimensions in depth. Throughout the analysis process, constant comparative analysis was conducted to refine codes and develop themes. In terms of coding, this study used open, axial, and selective coding to analyze the collected interview contents (Strauss & Corbin, 1990). The analysis focused on identifying patterns related to how businesses recognized stakeholder needs, rationalized strategic decisions, and refashioned their operations.

To validate the identified themes, an iterative coding process was employed, ensuring that emerging themes were consistently refined and substantiated through data saturation. This approach allowed the researcher to develop a theoretical framework that offers insights into the recovery strategies employed by tourism service providers during the pandemic. MAXQDA software was employed to assist in organizing and classifying the transcribed data, ensuring that each code and category was systematically explored. To enhance trustworthiness, this study used member checks, triangulation, and rich descriptions (Guba & Lincoln, 1994). The research team discussed and resolved issues through consensus. Before participating in the interviews, all participants were given detailed information about the study and provided their informed consent. The participants' confidentiality was

protected throughout the research process, and pseudonyms were used to protect their identities. This study adhered to ethical guidelines for qualitative research and received approval prior to data collection.

## 4. Results

### 4.1. Demographic Characteristics

The demographic characteristics of the interviewees demonstrate a diverse range of ages, genders, nationalities, and occupations, as shown in Table 1. Participants' ages range from their 20s to their 60s, with a concentration in their 30s and 40s. Both male and female interviewees were included, reflecting a fairly balanced representation. The interviewees came from a variety of national backgrounds, including countries in Asia and Europe, reflecting broad geographic diversity. Although they all resided in Korea, a few who were not based in the country at the time of this study had spent time working in the tourism and service industries in Korea during the pandemic. This further enhances the diversity of perspectives, as their experiences reflect both local and international contexts within the tourism and service sectors. The interviewees came from sectors such as hospitality, hotels, MICE (Meetings, Incentives, Conferences, and Exhibitions), academia, NGOs, museums, and government organizations. This variety of backgrounds offers significant insights into the tourism and service sectors, enriching the understanding of the different recovery strategies employed during the pandemic. Additional details about the interviewees' roles and sectors are presented in Table 1.

### 4.2. COVID-19 Recovery Strategies Using the Three R-Framework

The findings of this study, which focused on tourism service providers and core stakeholders in the hospitality and tourism industry to explore their COVID-19 recovery strategies, are presented in the following paragraphs. The results demonstrate how businesses identified the immediate challenges posed by the pandemic, rationalized their strategic decisions, and refashioned their operations to adapt to this new reality. Key themes that emerged from the grounded theory approach are discussed.

### 4.3. Recognizing the Impact of COVID-19

#### 4.3.1. Complete Disruption of Tourism

The initial recognition of the COVID-19 pandemic's impact on the tourism industry was nearly universal across all transcripts. Many businesses faced an abrupt and total cessation of operations as international travel came to a halt. The scale of this disruption was unprecedented, with interviewees describing how tourism ground to a complete standstill, forcing companies to grapple with revenue losses and business closures. The abrupt loss of business across the board was a common thread.

*"In 2020 and we had one guest (. . .) He came in the beginning of February, and he was our only guest for two years. All the other ones, they cancelled (. . .) Our clients, they didn't really cancel, they just postponed the travel. So, it means they didn't ask for reimbursement, but just like, every three months they were like, Oh, we will see again in three months and it was like that for a year."* (Interviewee R)

For businesses that relied heavily on international tourists, the situation was dire. However, many companies soon realized that the disruption was not just a temporary inconvenience but a long-term challenge that would require significant adjustments.

*"So, in December, yes, things were going a little bad and the number of visitors was decreasing. However, we weren't really thinking that much. So, but when January came and everything was really, really seriously going down."* (Interviewee C)

#### 4.3.2. Shift Toward Domestic Tourism

A key finding across the transcripts was the recognition of the need to pivot toward domestic tourism. With international borders closed and foreign tourists unable to visit, tourism businesses quickly realized that their survival depended on attracting local tourists. This shift toward domestic tourism became a primary strategy for many stakeholders. Domestic tourism became a lifeline, allowing businesses to maintain some level of activity during the pandemic. In addition to the increase in domestic travel, many interviewees pointed out that local tourists were more interested in less well-known destinations, smaller towns, and rural areas, which were perceived as safer and less crowded than major tourist centers. By emphasizing local travel, businesses were able to attract residents who were eager to explore safe, familiar destinations in place of international vacations.

*“So, summer 2021, it was pretty much just, like, Busan. A lot of people [went] to Jeju. That’s the only option, right? (...) I think Jeju has seen, like, an explosive growth of tourism demand.” (Interviewee M)*

#### 4.3.3. Health and Safety as a Top Priority

The recognition that health and safety would be paramount for the survival of industry was a universal finding. Most interviewees noted the importance of following government-mandated health and safety protocols to ensure the safety of both customers and employees. Businesses had to quickly adapt their operations to meet new requirements, including social distancing, mandatory mask-wearing, and sanitation measures.

*“We were strongly encouraged to wear gloves and also, the... you know, the thing, that gel for hands was everywhere. We had to have that... and like, we had to take the temperature of clients before they could come inside. And after we had to check the QR code.” (Interviewee I)*

*“During COVID, we limited the number of the participants on the event. So, we tried to focus on the participant safety and follow the guideline.” (Interviewee S)*

The ability to swiftly introduce and communicate these health measures became critical to restoring consumer confidence. Interviewees from hotels and convention centers alike emphasized that implementing safety protocols was not only required by regulations but also essential for reassuring both domestic tourists and event participants. Recognizing this shift allowed businesses to adjust their marketing and operational strategies effectively. For example, Interviewee E explained how their primary customer base shifted from students to families, prompting them to change their service offerings and price points. This recognition of new customer segments allowed businesses to continue attracting clientele despite the significant drop in international tourism.

### 4.4. Recognizing Strategic Decision

#### 4.4.1. Workforce Reduction and Cost-Cutting Measures

One of the most prominent themes across the interviews was the necessity of workforce reductions and other cost-cutting measures. As revenues dropped sharply, many businesses found themselves unable to sustain their pre-pandemic staffing levels and were forced to make difficult decisions to reduce operational costs.

*“Maybe three times we discuss with the owner and we discuss with the staff what we can do. We close our we stay open? If we stay open, we need to find some solution. The best solution, the first solution, only one solution is reducing the staff and reduce the salary. (...) we reduce the staff and we reduce the capacity.” (Interviewee G)*

In addition to reducing staff, many businesses also cut down on operational expenses, such as limiting operating hours, reducing services, and postponing capital investments.

These measures, while necessary, were not without emotional and financial costs. Participants noted the strain of having to let go of long-term employees, which was one of the hardest decisions they had to make.

*“The working hours changed, like, from 8 hours a day, to like, 6 hours a day. When the COVID was in its peak, we would just, like, close (...) so obviously operating hours changed and also the staff number reduced.”* (Interviewee H)

These strategies, though effective in the short term, had significant implications for employee morale and service quality. Many businesses experienced increased staff burnout and customer complaints due to understaffing. Furthermore, cutting non-essential services risked diminishing the customer experience. For example, the removal of buffet services and reduced operating hours limited customer satisfaction, though they were necessary for survival.

#### 4.4.2. Transition to Digital Services and Virtual Platforms

A key rationalization strategy for many tourism businesses was the transition to digital services and the adoption of virtual platforms. With in-person tourism largely off the table, businesses turned to technology to maintain engagement with customers, whether through virtual tours, online marketing, or hybrid event formats. This shift was particularly prominent in the MICE sector and for travel agencies that had previously relied on face-to-face interactions.

*“At the beginning of COVID-19, some people think easily that we can meet through online. And offline meetings are useless anymore at the beginning of COVID-19, right? And because online meetings or virtual tour can save our money and time.”* (Interviewee N)

The adoption of virtual platforms was not without its challenges. Participants noted that while online tools allowed them to stay connected with customers, they did not generate the same level of revenue or engagement as traditional face-to-face services. Nevertheless, digital innovation allowed businesses to remain visible during a time when in-person interactions were impossible.

*“We created our Instagram page after the COVID (...) so it would be more approachable to other people. So it was really cool idea and we also created the photo event (...) in our Instagram saying that keep yourself safe. So yeah, it was really good idea. Most people participated and after participation, we would give them the photo they took and also a couple of gloves they get after the shooting.”* (Interviewee H)

This transition was both an opportunity and a challenge. Businesses that lacked digital infrastructure struggled with implementation. Interviewees noted technical difficulties, staff training issues, and a lack of customer familiarity as major obstacles. However, businesses that invested early in digital innovation benefited from greater customer engagement and brand visibility.

#### 4.4.3. Adaptation to Local and Cultural Marketing

In response to the decline in international visitors, many businesses adapted their marketing strategies to focus on local tourism and cultural experiences. Leveraging Korean pop culture (i.e., K-pop and K-dramas) and traditional elements such as Korean food and heritage, businesses sought to attract domestic tourists by offering culturally immersive experiences.

*“The content is always the long-term solution and K-culture is a really important part of content. (...) people in Korea and especially in the tourism industry, they really are*

*proud of K-culture nowadays and they really want to talk about it with people abroad.”*  
(Interviewee T)

*“We collaborated with the BTS to advertise the brand. Yeah. And also, the Son Heung-min, was another attraction for Korean tourism and promoted it together and we also carried out marketing to send it back to our customer directly and then remind them about Korea.”* (Interviewee O)

This focus on culture-based marketing allowed tourism service providers to appeal to domestic tourists seeking unique and meaningful experiences. The emphasis on Korean culture, combined with the rise in streaming platforms such as Netflix that popularized Korean content, helped maintain interest in Korea as a destination, even when travel restrictions were in place.

*“... especially during COVID, you know, Korean TV shows were quite the successful on Netflix. So, and these Japanese friends, they were just talking, going along and on about, like, Korean TV shows they watch on Netflix.”* (Interviewee M)

Through the interviews, participants highlighted the importance of reducing staff and scaling back non-essential services to cope with reduced revenue streams. For instance, Interviewee C noted that they had to shut down certain services, such as the breakfast buffet, to save costs. This aligns with findings from previous studies, which indicate that resource allocation and cost-saving measures are crucial for maintaining business viability during a crisis (Pizam, 2021). Interviewee B emphasized how employee feedback was essential for shaping health and safety protocols.

#### 4.5. Refashioning Business Operations for the Long Term

##### 4.5.1. Hybrid Models and Digital Innovation

As businesses moved into the recovery phase, many realized that some of the digital innovations introduced during the pandemic would continue to play a significant role in their operations. Hybrid event formats, digital engagement tools, and online marketing strategies have become essential components of the tourism industry's future. During the COVID-19 pandemic, face-to-face meetings and training programs were limited due to health and safety concerns. Therefore, the use of virtual meeting platforms such as Zoom and the development of essential skills in digital marketing were encouraged. For example, some interviewees shared their experiences of having more online meetings and using digital technologies. Their company provides computer skills training, emphasizing online marketing through various online platforms. Practitioners also carried out virtual site inspections.

*“And nowadays they are providing ChatGPT education. (...) we did focus on online marketing and as well as YouTube and newsletter and so people felt really familiar with our Convention Center through those online contacts. So, at the end of last year, people actually do visit our website, for the site inspection for our Convention Center.”*  
(Interviewee T)

Interviewees pointed out the changes in traditional tourism promotion strategies after the COVID-19 pandemic. Companies in hospitality and tourism focused on attracting tourists through direct marketing collaborations with local agencies and travel agencies. Companies promoted digital transformation by operating a data lab.

*“Bring the tourists to our country is the main role before the COVID, but the nation border is closed, we just... our main role disappeared. So, we are focusing on the digital innovation, the transformation. So, we already opened the data lab and the data lab has continuously operated by investing for manpower and budget.”* (Interviewee O)



The combination of physical and virtual experiences, often referred to as hybrid models, emerged as a key trend that is expected to continue post-pandemic. Businesses found that these models allowed them to reach a broader audience and provided flexibility for both customers and event organizers.

*“Some of those events were going into hybrid mode, so they would either have small-scale meetings in person and big conferences held online, or they would completely go online.”*

(Interviewee B)

The shift toward hybrid models—combining in-person and online components—enabled broader participation in events and improved operational flexibility. Businesses that offered hybrid solutions often had to invest heavily in infrastructure and staff training. Despite the upfront costs, many reported long-term benefits, including diversified revenue streams and international engagement.

#### 4.5.2. The Consumer Shift Toward Authentic and Personalized Experiences

Another significant long-term change identified across the interviews was a shift in consumer preferences. Post-pandemic travelers are increasingly seeking authentic and personalized travel experiences that allow them to engage with local cultures and communities in meaningful ways. This shift represents a move away from traditional mass tourism and toward more niche, culturally immersive travel experiences, as well as luxury tourism.

The interviewees pointed out changes in travel frequency and selectivity in travel destinations. The findings indicate that individuals are seeking more meaningful experiences and selecting personalized travel experiences, even at the cost of reduced travel frequency.

*“But given COVID and whatnot, people become more selective (. . .) There are places that I’ve been visiting before and I know it. I’m going to save up. And, you know, try to go to my dream destination’. People get more selective”* (Interviewee L)

The interviewees indicated a growing polarization in travel behavior due to rising travel costs and travel preferences. Budget travelers focus on budget-friendly options, such as choosing closer destinations to reduce travel costs, while luxury travelers desire customized and exclusive travel experiences regardless of travel costs.

*“... the airline, the flight seat is getting very expensive, but you know, the budget travel is available for the certain destination. People wanted to go travel, but you know, everything is getting expensive. On the other hand, luxury travel is like, customized travel, is really getting the majority of business in the tourism. So, I think that more rich people will look for something more special in the limited time.”* (Interviewee K)

This growing demand for authenticity presents an opportunity for tourism service providers to differentiate themselves by offering curated experiences that highlight local traditions, culture, and history. It also aligns with the broader trend of experiential travel, where tourists seek to engage with destinations on a deeper, more personal level.

*“I think the major demand generator nowadays is probably the culture, so K pop, K drama. It’s quite obvious that people who want to come to Korea are interested in that part of Korean culture. I think food has become somewhat of a trend.”* (Interviewee M)

*“It also means, you know, luxury market is becomes a bit more robust because, you know, they have this unique situation, right? It’s more memorable.”* (Interviewee L)

#### 4.5.3. Long-Term Focus on Sustainability and Regional Tourism

The pandemic also underscored the importance of sustainability and regional tourism. Many businesses recognized that they could no longer rely solely on international visitors

and needed to cultivate a stronger domestic market. The focus on sustainability and eco-friendly tourism practices became more pronounced as travelers increasingly sought out destinations that aligned with their values of environmental responsibility.

*“It’s probably the COVID-19 that changed the perspective about the environment as well, So, kind of sustainable. The regulation is that it’s getting stronger because the environment and the ecotourism matter is getting important for the government side as well. So, in this year, the sustainable regulations, such as the one time use materials in the hotel is getting changed.”* (Interviewee K)

*“Right now, this whole push to be like more, more sustainable. No single use plastics, you know, they don’t use plastic straws and whatnot. The push has become a bit more aggressive. I’m not really sure it’s really COVID related, you know, I say, but at least you could see, you know, that was happening when people were going out like food courts and stuff. You know, people care, they pay more attention to hygiene.”* (Interviewee L)

This long-term focus on sustainability is seen as a key strategy for building a more resilient tourism industry that can withstand future disruptions. By emphasizing eco-friendly practices, local businesses are also able to attract environmentally conscious travelers, who represent a growing segment of the tourism market. These insights offer a comprehensive understanding of how the tourism industry adapted to the challenges of the pandemic and provide a foundation for shaping the future of tourism in a post-pandemic world. As businesses continue to refashion their operations, the lessons learned during COVID-19 play a crucial role in creating a more resilient, innovative, and customer-focused industry.

Key findings reveal a series of interconnected trends that emerged as a result of the pandemic’s impact on the tourism industry. The unexpected cessation of international travel necessitated a strategic shift among tourism businesses toward domestic markets, accompanied by the implementation of cost-reducing measures to ensure business operations could continue.

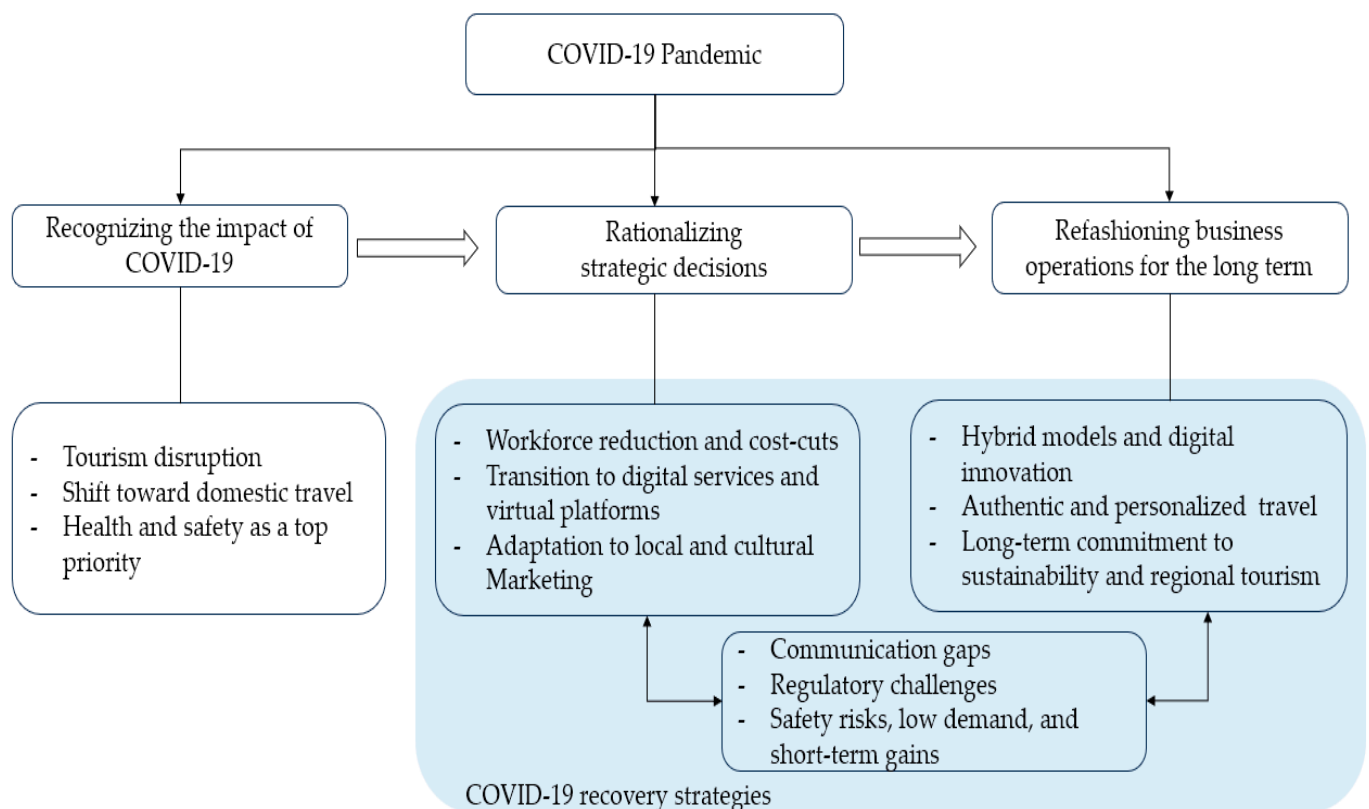
The implementation of health and safety protocols became essential for restoring consumer confidence and ensuring the safe operation of tourism-related businesses. As part of the industry’s adaptive response, the pandemic also accelerated the adoption of digital platforms and hybrid event formats, innovations that are expected to continue shaping the industry’s long-term strategy. Moreover, with travelers now seeking more meaningful and culturally immersive experiences, businesses are presented with opportunities to offer personalized services that align with these new preferences. Finally, the pandemic highlighted the growing importance of sustainability, reinforcing the need for tourism businesses to focus on promoting local tourism, in addition to attracting international visitors, as part of a more balanced and resilient approach moving forward.

One of the most common refashioning strategies was the adoption of delivery services or virtual offers. For example, Interviewee E spoke about how their restaurant introduced delivery services to compensate for the reduced foot traffic during the lockdown. Similarly, Interviewee S mentioned that the company shifted to virtual and hybrid events, ensuring business continuity despite restrictions on large in-person gatherings. These examples of refashioning align with broader trends observed in the tourism and hospitality sectors, where businesses embraced digital tools and contactless services to survive the pandemic (M. Yang et al., 2021; Y. Yang et al., 2021). Refashioning also extended to long-term considerations, particularly regarding the integration of technology. Interviewee T mentioned the expansion of technological and digital services. This aligns with research that highlights the increasing role of automation and digital technologies in the tourism sector, particularly

in response to the labor shortages and operational restrictions brought on by COVID-19 (Pizam, 2021).

#### 4.6. A Proposed Conceptual Model

The proposed conceptual model using the three-R framework is presented in Figure 1. During the COVID-19 pandemic, the three-R framework consisted of recognizing the impact of COVID-19, rationalizing strategic decisions, and refashioning business operations for the long term. Recognizing the impact of COVID-19 required acknowledging tourism disruption, the shift toward domestic travel, and health and safety as a top priority. Rationalizing strategic decisions required workforce reduction and cost-cutting, a transition to digital services and virtual platforms, and adaptation to local and cultural marketing. Refashioning business operations for the long term requires developing hybrid models and digital innovation, offering authentic and personalized travel, and engaging in a long-term commitment to sustainability and regional tourism. The challenges faced in implementing COVID-19 recovery strategies included communication gaps, regulatory challenges, safety risks, low travel demand, and short-term gains.



**Figure 1.** A conceptual model of COVID-19 tourism recovery using the three-R framework.

One major challenge is miscommunication and communication gaps. Inconsistent regulations across countries created travel-related barriers to coordinating COVID-19 recovery efforts in the hospitality and tourism industry. In addition, the COVID-19 pandemic has resulted in a substantial decrease in travel demand due to safety risks, further complicating efforts to revive the hospitality and tourism industry. Many stakeholders have focused on dealing with the current challenges they face rather than developing sustainable long-term strategies.

## 5. Discussion

### 5.1. Theoretical and Practical Implications

The aim of this study was to explore how the hospitality and tourism industries navigated the challenges posed by the COVID-19 pandemic, using the three-R stakeholder collaboration framework as a guiding lens. Grounded theory was applied to analyze data from semi-structured, in-depth interviews, revealing a range of adaptive strategies that enabled tourism businesses to maintain operations and pursue recovery in the aftermath of the crisis.

To ensure alignment between theory and method, the three-R framework—recognizing, rationalizing, and refashioning—shaped both the data collection and analysis processes. In the design phase, the interview questions were explicitly structured to correspond with each stage of the framework (see Appendix A), encouraging participants to reflect on their experiences in a sequential and reflective manner. During the analytical phase, the three-Rs also informed the open and axial coding procedures, enabling the researcher to organize data around stakeholder responses at each phase of the crisis. This structured approach not only grounded the findings in stakeholder theory but also facilitated the development of a conceptual model linking theoretical insight to practical recovery strategies.

One of the most immediate and common responses to the pandemic was the recognition of evolving stakeholder needs. The pandemic exposed several vulnerabilities in the hospitality and tourism sector, including a lack of preparedness for health-related crises, weak financial resilience, and an over-reliance on traditional business models that were not equipped to handle large-scale operational disruptions. The hospitality industry, which relies heavily on customer interactions and physical presence, has faced significant operational challenges, including the need to implement new health protocols, reduce occupancy rates, and manage the financial strain of prolonged closures.

The businesses quickly adapted to the demands for heightened health and safety standards, which were critical for maintaining customer trust and complying with government regulations. This is consistent with prior research, which suggests that during crises, recognizing and addressing stakeholder concerns, particularly those related to safety, is vital for business continuity (Freeman, 1984; Lapointe, 2020). The interviewees articulated the need for swiftly implementing health and safety measures, such as installing hand sanitizers, enforcing mask mandates, and introducing plastic dividers in seating areas. These changes were necessary not only to align with regulatory requirements but also to address customers' heightened concerns about safety, as supported by similar studies (Zopiatis et al., 2021). Furthermore, there was a shift in customer demographics, with several businesses noting the transition from serving large tourist groups to smaller, more localized groups, such as families or domestic visitors. As international travel was restricted, many tourism service providers had to pivot toward local customers, aligning with research that emphasizes the importance of focusing on domestic markets during global crises (Canhoto & Wei, 2021).

Once businesses recognized the immediate needs and changes in the market, they rationalized strategic decisions to address these challenges. The rationalizing stage involved making difficult choices about cost-cutting, operational adjustments, and reallocating resources in ways that balanced short-term survival with long-term sustainability. This is consistent with the crisis management literature, which suggests that businesses must prioritize essential services and minimize costs during periods of uncertainty (Ritchie & Jiang, 2019). Financial support from governments and external bodies also played a key role in rationalizing decisions. Several businesses took advantage of government grants and small business loans to cover operational costs and maintain employment contracts. The use of financial support aligns with the existing literature, which highlights the importance of external funding in supporting tourism businesses during periods of

financial distress (Lapointe, 2020; World Economic Outlook, 2020). In addition, another aspect of rationalization involved the strategic use of employees in the decision-making process. Engaging stakeholders in this manner is consistent with stakeholder theory, which posits that businesses should incorporate the interests and input of key stakeholders to enhance decision-making processes (Freeman, 1984).

The pandemic forced tourism service providers to refashion their business models in innovative ways to remain competitive and responsive to changing market conditions. This refashioning typically involved offering new services, shifting to online or hybrid formats, and rethinking operational strategies to align with the post-pandemic landscape. In addition, businesses refashioned their service offers to attract local customers. This adaptive strategy demonstrates how businesses refashioned their target markets to align with the realities of restricted travel and limited international tourism. Prior studies have also shown that focusing on local or regional markets is an effective way for tourism businesses to recover during global disruptions (Ritchie & Jiang, 2019).

The pandemic has reshaped the understanding of tourism dynamics, particularly how external shocks, such as global health crises, can drastically alter industry operations. The accelerated adoption of digital platforms and hybrid events also opens up new avenues for theoretical exploration regarding technology's role in tourism. Moreover, the shift in preferences for more meaningful travel experiences suggests a need to evaluate traditional tourism models and consumer behavior theories, as new patterns of demand and consumption emerge. The emphasis on sustainability offers theoretical insights into how the industry can integrate local and global tourism practices to create more resilient and environmentally conscious models. Future research could explore how strategic responses varied by firm size, stakeholder roles, or sectoral contexts, such as MICE vs. hotels, offering a deeper understanding of contingency and differentiation.

This study has revealed several practical implications. First, the three-R framework (Dibb et al., 2014), which involves identifying key events, developing rational strategies, and refining them for long-term and sustainable management, provides a useful and practical approach for practitioners.

Second, travel demand underwent significant changes, with an increased focus on health-related and safety issues. These shifts were mirrored by changes in supply chains, which were reshaped by new regulations and protocols. Health and safety protocols have become essential tools for rebuilding consumer confidence and ensuring safe operations. Moreover, businesses can capitalize on the growing demand for culturally immersive and personalized travel experiences by offering niche services. On a practical level, businesses have been forced to adapt by shifting their focus toward domestic tourism and implementing cost-cutting measures to survive.

Third, the acceleration of digital platforms and hybrid event formats is a key shift, suggesting that businesses should integrate these innovations as part of their long-term operational strategies. After the COVID-19 pandemic, there was an increase in the utilization of technology, including contactless services, digital marketing, and virtual destinations. Online platforms have also played a key role in interaction between business-to-customer (B2C) and business-to-business (B2B) sectors. Virtual and hybrid events, as well as business meetings, serve as significant platforms for interaction and collaboration.

Fourth, sustainability has emerged as a critical focus, pushing businesses to promote regional tourism alongside international visitor attractions to create a more balanced approach. With disrupted global supply chains and restrictions on international travel, the hospitality and tourism industry focused on digital innovation and commitments to sustainability and regional travel. The findings reveal the acceleration of digital transformation and a heightened focus on regional tourism and regional revitalization in sustainable



management. Practitioners need to utilize digital technologies and digital platforms and promote regional tourism. Collaboration with SMEs in hospitality and tourism in rural areas can foster sustainable tourism practices.

Communication gaps and fluctuating numbers of confirmed COVID-19 cases in different countries decrease the reliability of travel policies between countries. Differing health protocols, visa requirements, and quarantine regulations were identified as challenging barriers. For example, the travel bubble policy was poorly executed, marking it as an inefficient solution. Low travel demand was driven by fear, psychological stress, and perceived safety and health-related risks. The focus on rapid recovery measures prioritized short-term plans, often overlooking long-term sustainability and resilience.

### *5.2. Limitations of the Study and Future Research Directions*

This study has several limitations. First, the geographic scope of the study was relatively narrow, and the sample size—though diverse in roles and sectors—was limited. As such, the findings may not fully capture the breadth of experiences or recovery strategies employed across different regional, cultural, or policy environments within the global tourism sector. Future research could expand the geographic scope to capture a broader range of responses to the pandemic and explore how different regional contexts shape recovery strategies.

Second, as a qualitative study, this research is inherently interpretive. The findings are shaped by interpretive processes that involve a degree of subjectivity. The development of themes through open, axial, and selective coding is inherently influenced by both participant narratives and the researcher's analytical perspective. Although credibility was enhanced through techniques such as member checking, analyst triangulation, and the use of MAXQDA software to organize and classify data, the complete elimination of interpretive bias remains unlikely. While qualitative methods allow for rich-in-depth insights, we acknowledge the potential for research subjectivity to influence data interpretation. To enhance the trustworthiness of our findings, we employed various approaches; however, the findings may not be generalizable to other contexts.

Third, this study was based on a small number of interviews. While the sample allowed for an in-depth exploration of tourism businesses' responses to the crisis, a larger sample size could provide more comprehensive insights into variations across different types of tourism providers. Future research could adopt a mixed methods approach, combining qualitative insights with survey-based quantitative analyses to enhance generalizability.

Fourth, this research concentrated primarily on short- to medium-term recovery responses. While valuable, these perspectives may not reflect the full evolution of business models and stakeholder dynamics over time. A longitudinal approach could provide a more comprehensive understanding of the lasting transformations brought about by the pandemic. Additionally, subsequent investigations might further benefit from focusing on how tourism businesses are adapting to the long-term effects of the pandemic, including shifts in consumer behavior, technological advancements, and new business models—to capture more nuanced recovery patterns and sector-specific challenges. Exploring the long-term influence of digital transformation, sustainability efforts, and stakeholder collaboration would also provide deeper insight into how the industry continues to adapt in the post-pandemic context. Moreover, future studies could critically examine how government policy interventions shape tourism recovery trajectories and contribute to sectoral resilience, particularly in economies highly dependent on international tourism.

Finally, while this study explored how tourism businesses navigated pandemic-related challenges, it did not explicitly examine the role of government policies in supporting tourism recovery. Future research could address some of the limitations identified in this

study by expanding the sample size, geographic scope, and timeframe. Moreover, future studies could explore how tourism businesses are adapting to the long-term effects of the pandemic, including shifts in consumer behavior, technological advancements, and new business models. Research could also investigate the role of government policies in supporting tourism recovery and resilience, particularly in regions that are heavily dependent on international tourism.

## 6. Conclusions

This study explored the recovery strategies adopted by tourism and hospitality service providers during the COVID-19 pandemic, applying the three-R stakeholder collaboration framework to analyze how organizations responded in different phases of the crisis. The findings reveal that tourism businesses did not follow a linear progression from recognition to refashioning; rather, they navigated the phases in overlapping and iterative ways, shaped by shifting stakeholder needs, resource constraints, and evolving public health measures.

The three-R framework—recognizing, rationalizing, and refashioning—proved effective in capturing how service providers engaged with diverse stakeholders to adapt to an uncertain environment. During the recognition phase, businesses prioritized understanding the immediate impacts of the crisis and the needs of employees, customers, and governments. In the rationalization phase, organizations adopted resource optimization strategies, implemented health and safety protocols, and sought financial support to stabilize operations. Finally, in the refashioning phase, many businesses reimaged their service models, invested in digital innovation, and redefined stakeholder relationships to build long-term resilience.

Importantly, this study highlights that stakeholder collaboration was not merely reactive but became a strategic tool for recovery and innovation. The ability to continuously engage and re-engage stakeholders allowed businesses to pivot, learn, and co-create solutions in real time. The empirical insights from this research contribute to advancing stakeholder theory by demonstrating the dynamic and iterative nature of stakeholder engagement in times of prolonged crisis.

By documenting these experiences, the study offers both theoretical and practical value. It provides a grounded model for understanding tourism crisis recovery and delivers actionable insights for industry practitioners seeking to design more adaptive and inclusive recovery strategies. Ultimately, this research underscores that building resilience in tourism requires more than operational fixes—it demands a sustained commitment to stakeholder collaboration, strategic flexibility, and long-term thinking.

**Author Contributions:** Conceptualization, J.M. and Y.-J.A.; methodology, J.M.; software, J.M.; validation, J.M., Y.-J.A. and S.Z.; formal analysis, J.M.; investigation, J.M.; data curation, J.M.; writing—original draft preparation, J.M.; writing—review and editing, J.M., Y.-J.A. and S.Z.; visualization, J.M.; supervision, Y.-J.A.; project administration, Y.-J.A.; funding acquisition, Y.-J.A. All authors have read and agreed to the published version of the manuscript.

**Funding:** This research was funded by the Ministry of Education of the Republic of Korea and the National Research Foundation of Korea (NRF-2022S1A5A8055434).

**Institutional Review Board Statement:** The study was conducted in accordance with the Declaration of Helsinki, and approved by the Institutional Review Board of Sejong University (protocol code SUIRB-HR-2023-007 and 27 April 2023).

**Informed Consent Statement:** Informed consent was obtained from all subjects involved in the study.

**Data Availability Statement:** Data are contained within the article.

**Conflicts of Interest:** The authors declare no conflicts of interest.

## Appendix A. Interview Questions

1. First part of the interview:
  - Tell me about yourself.
  - How would you describe tourism in your city/country?
2. Second part of the interview:
  - Tell me about your business before COVID-19.
  - Please describe what happened when COVID-19 began.
  - In your opinion, what was the biggest change imposed by COVID-19?
  - What can you tell me about the stakeholder collaboration?
  - What business policies have changed due to COVID-19?
  - What is your opinion about the travel bubble?
  - What recovery strategies did you use to recover from COVID-19?
  - What do you think is essential for long-term recovery from COVID-19?
  - What can you tell me about your business/workplace now?
  - What are your thoughts on going forward from here?

## References

- Aladag, O. F., Köseoglu, M. A., King, B., & Mehraliyev, F. (2020). Strategy implementation research in hospitality and tourism: Current status and future potential. *International Journal of Hospitality Management*, 88, 102556. [\[CrossRef\]](#) [\[PubMed\]](#)
- Almokdad, E., Kiatkawsin, K., & Kaseem, M. (2022). The role of COVID-19 vaccine perception, hope, and fear on the travel bubble program. *International Journal of Environmental Research and Public Health*, 19(14), 8714. [\[CrossRef\]](#) [\[PubMed\]](#)
- Baum, T., & Hai, N. T. T. (2020). Hospitality, tourism, human rights and the impact of COVID-19. *International Journal of Contemporary Hospitality Management*, 32(7), 2397–2407. [\[CrossRef\]](#)
- Birtch, T. A., Chiang, F. F. T., Cai, Z., & Wang, J. (2021). Am I choosing the right career? The implications of COVID-19 on the occupational attitudes of hospitality management students. *International Journal of Hospitality Management*, 95, 102931. [\[CrossRef\]](#) [\[PubMed\]](#)
- Brewer, P., & Sebby, A. G. (2021). The effect of online restaurant menus on consumers' purchase intentions during the COVID-19 pandemic. *International Journal of Hospitality Management*, 94, 102777. [\[CrossRef\]](#)
- Canhoto, A. I., & Wei, L. (2021). Stakeholders of the world, unite!: Hospitality in the time of COVID-19. *International Journal of Hospitality Management*, 95, 102922. [\[CrossRef\]](#)
- Chang, H. (S.), Capuozzo, B., Okumus, B., & Cho, M. (2021). Why cleaning the invisible in restaurants is important during COVID-19: A case study of indoor air quality of an open-kitchen restaurant. *International Journal of Hospitality Management*, 94, 102854. [\[CrossRef\]](#) [\[PubMed\]](#)
- Chen, J., Becken, S., & Stantic, B. (2023). Travel bubbles to maintain safe space for international travel during crisis—Emotions reflected in Twitter posts. *Current Issues in Tourism*, 26(15), 2479–2493. [\[CrossRef\]](#)
- Dibb, S., Ball, K., Canhoto, A., Daniel, E. M., Meadows, M., & Spiller, K. (2014). Taking responsibility for border security: Commercial interests in the face of e-borders. *Tourism Management*, 42, 50–61. [\[CrossRef\]](#)
- Duarte Alonso, A., Kok, S. K., Bressan, A., O'Shea, M., Sakellarios, N., Koresis, A., Buitrago Solis, M. A., & Santoni, L. J. (2020). COVID-19, aftermath, impacts, and hospitality firms: An international perspective. *International Journal of Hospitality Management*, 91, 102654. [\[CrossRef\]](#)
- Duro, J. A., Perez-Laborda, A., Turrion-Prats, J., & Fernández-Fernández, M. (2021). COVID-19 and tourism vulnerability. *Tourism Management Perspectives*, 38, 100819. [\[CrossRef\]](#) [\[PubMed\]](#)
- Filimonau, V. (2021). The prospects of waste management in the hospitality sector post COVID-19. *Resources, Conservation and Recycling*, 168, 105272. [\[CrossRef\]](#) [\[PubMed\]](#)
- Fountain, J., & Cradock-Henry, N. A. (2020). Recovery, risk and resilience: Post-disaster tourism experiences in Kaikōura, New Zealand. *Tourism Management Perspectives*, 35, 100695. [\[CrossRef\]](#)
- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Pitman, Indiana University.
- Fusté-Forné, F., & Michael, N. (2023). Limited tourism: Travel bubbles for a sustainable future. *Journal of Sustainable Tourism*, 31(1), 73–90. [\[CrossRef\]](#)
- Girish, V. G., Ko, M.-H., Lee, C.-K., Suess, C., & Park, Y.-N. (2023). Examining behavioural intentions to visit travel bubble destinations during the COVID-19 pandemic. *Current Issues in Tourism*, 26(21), 3483–3498. [\[CrossRef\]](#)

- Glaser, B. G., & Strauss, A. L. (1967). *The discovery of grounded theory: Strategies for qualitative research*. Aldine Pub. Co.
- Gössling, S., Scott, D., & Hall, C. M. (2020). Pandemics, tourism and global change: A rapid assessment of COVID-19. *Journal of Sustainable Tourism*, 29(1), 1–20. [CrossRef]
- Guba, E. G., & Lincoln, Y. S. (1994). Competing paradigms in qualitative research. In *Handbook of qualitative research* (pp. 105–117). Sage Publications, Inc.
- Herédia-Colaço, V., & Rodrigues, H. (2021). Hosting in turbulent times: Hoteliers' perceptions and strategies to recover from the COVID-19 pandemic. *International Journal of Hospitality Management*, 94, 102835. [CrossRef] [PubMed]
- Hermes, J. W. S., & Mainela, T. (2014). Mobilizing crisis management networks—Entrepreneurial behavior in turbulent contexts. *Industrial Marketing Management*, 43(6), 967–976. [CrossRef]
- Huang, A., De la Mora Velasco, E., Marsh, J., & Workman, H. (2021). COVID-19 and the future of work in the hospitality industry. *International Journal of Hospitality Management*, 97, 102986. [CrossRef]
- Huang, A., Makridis, C., Baker, M., Medeiros, M., & Guo, Z. (2020). Understanding the impact of COVID-19 intervention policies on the hospitality labor market. *International Journal of Hospitality Management*, 91, 102660. [CrossRef]
- Jiang, Y., & Ritchie, B. W. (2017). Disaster collaboration in tourism: Motives, impediments and success factors. *Journal of Hospitality and Tourism Management*, 31, 70–82. [CrossRef]
- Jiménez-Barreto, J., Loureiro, S., Braun, E., Sthapit, E., & Zenker, S. (2021). Use numbers not words! Communicating hotels' cleaning programs for COVID-19 from the brand perspective. *International Journal of Hospitality Management*, 94, 102872. [CrossRef] [PubMed]
- Joo, D., Xu, W., Lee, J., Lee, C.-K., & Woosnam, K. M. (2021). Residents' perceived risk, emotional solidarity, and support for tourism amidst the COVID-19 pandemic. *Journal of Destination Marketing & Management*, 19, 100553. [CrossRef]
- Kang, G. W., Piao, Z. (Z.), & Ko, J. Y. (2021). Descriptive or injunctive: How do restaurant customers react to the guidelines of COVID-19 prevention measures? The role of psychological reactance. *International Journal of Hospitality Management*, 95, 102934. [CrossRef]
- Kayumov, A., Ahn, Y., Kiatkawsin, K., Sutherland, I., & Zielinski, S. (2024). Service quality and customer loyalty in halal ethnic restaurants amid the COVID-19 pandemic: A study of halal Uzbekistan restaurants in South Korea. *Cogent Social Sciences*, 10(1), 2301814. [CrossRef]
- Kim, J. J., Kim, I., & Hwang, J. (2021). A change of perceived innovativeness for contactless food delivery services using drones after the outbreak of COVID-19. *International Journal of Hospitality Management*, 93, 102758. [CrossRef]
- Klinsrisuk, R., & Pechdin, W. (2022). Evidence from Thailand on easing COVID-19's international travel restrictions: An impact on economic production, household income, and sustainable tourism development. *Sustainability*, 14(6), 3423. [CrossRef]
- Kock, F., Nørfelt, A., Josiassen, A., Assaf, A. G., & Tsionas, M. G. (2020). Understanding the COVID-19 tourist psyche: The Evolutionary Tourism Paradigm. *Annals of Tourism Research*, 85, 103053. [CrossRef]
- Kostromitina, M., Keller, D., Cavusoglu, M., & Beloin, K. (2021). "His lack of a mask ruined everything." Restaurant customer satisfaction during the COVID-19 outbreak: An analysis of Yelp review texts and star-ratings. *International Journal of Hospitality Management*, 98, 103048. [CrossRef]
- Lapointe, D. (2020). Reconnecting tourism after COVID-19: The paradox of alterity in tourism areas. *Tourism Geographies*, 22(3), 633–638. [CrossRef]
- Li, X., Gong, J., Gao, B., & Yuan, P. (2021). Impacts of COVID-19 on tourists' destination preferences: Evidence from China. *Annals of Tourism Research*, 90, 103258. [CrossRef] [PubMed]
- Luo, J. M., & Lam, C. F. (2020). Travel anxiety, risk attitude and travel intentions towards "travel bubble" destinations in hong kong: Effect of the fear of COVID-19. *International Journal of Environmental Research and Public Health*, 17(21), 7859. [CrossRef] [PubMed]
- McKinsey & Company. (2020). *The week in charts: Charting the path to the next normal: A daily chart that helps explain a changing world—During the pandemic and beyond*. Available online: <https://www.mckinsey.com/featured-insights/sustainable-inclusive-growth/charts> (accessed on 23 January 2025).
- Min, J., Kim, J., & Yang, K. (2021). How generations differ in coping with a pandemic: The case of restaurant industry. *Journal of Hospitality and Tourism Management*, 48, 280–288. [CrossRef]
- OECD. (2020). *Tourism policy responses to the coronavirus (COVID-19)*. Available online: [https://www.oecd.org/en/publications/2020/06/tourism-policy-responses-to-the-coronavirus-covid-19\\_d5946dea.html](https://www.oecd.org/en/publications/2020/06/tourism-policy-responses-to-the-coronavirus-covid-19_d5946dea.html) (accessed on 4 April 2021).
- Peng, N., & Chen, A. (2021). Consumers' luxury restaurant reservation session abandonment behavior during the COVID-19 pandemic: The influence of luxury restaurant attachment, emotional ambivalence, and luxury consumption goals. *International Journal of Hospitality Management*, 94, 102891. [CrossRef] [PubMed]
- Pizam, A. (2021). The aftermath of the corona virus pandemic. *International Journal of Hospitality Management*, 95, 102909. [CrossRef]
- Prideaux, B., Thompson, M., & Pabel, A. (2020). Lessons from COVID-19 can prepare global tourism for the economic transformation needed to combat climate change. *Tourism Geographies*, 22(3), 667–678. [CrossRef]

- Rejan, K., & Ahn, Y. (2024). Challenges, experiences, and coping behaviors among SMEs in the adventure tourism industry after the COVID-19 pandemic: A case from Pokhara, Nepal. *Journal of Outdoor Recreation and Tourism*, 47, 100797. [CrossRef]
- Ritchie, B. W., & Jiang, Y. (2019). A review of research on tourism risk, crisis and disaster management: Launching the annals of tourism research curated collection on tourism risk, crisis and disaster management. *Annals of Tourism Research*, 79, 102812. [CrossRef]
- Rivera, M. A. (2020). Hitting the reset button for hospitality research in times of crisis: Covid19 and beyond. *International Journal of Hospitality Management*, 87, 102528. [CrossRef]
- Rivera, M., Kizildag, M., & Croes, R. (2021). COVID-19 and small lodging establishments: A break-even calibration analysis (CBA) model. *International Journal of Hospitality Management*, 94, 102814. [CrossRef]
- Shokhsanam, Z., & Ahn, Y. (2021). Employee service quality at Uzbekistani halal restaurants amid the COVID-19 pandemic. *Sustainability*, 13(10), 5712. [CrossRef]
- Sigala, M. (2020). Tourism and COVID-19: Impacts and implications for advancing and resetting industry and research. *Journal of Business Research*, 117, 312–321. [CrossRef] [PubMed]
- Simkus. (2023). *Snowball sampling method: Techniques & examples*. Available online: <https://www.simplypsychology.org/snowball-sampling.html> (accessed on 23 January 2025).
- Smart, K., Ma, E., Qu, H., & Ding, L. (2021). COVID-19 impacts, coping strategies, and management reflection: A lodging industry case. *International Journal of Hospitality Management*, 94, 102859. [CrossRef] [PubMed]
- Soliku, O., Kyiire, B., Mahama, A., & Kubio, C. (2021). Tourism amid COVID-19 pandemic: Impacts and implications for building resilience in the eco-tourism sector in Ghana's Savannah region. *Heliyon*, 7(9), e07892. [CrossRef] [PubMed]
- Strauss, A., & Corbin, J. (1990). *Basics of qualitative research: Grounded theory procedures and techniques* (2nd ed.). SAGE Publications, Inc.
- Suess, C., Maddock, J. E., Dogru, T., Mody, M., & Lee, S. (2022). Using the health belief model to examine travelers' willingness to vaccinate and support for vaccination requirements prior to travel. *Tourism Management*, 88, 104405. [CrossRef] [PubMed]
- Sun, Y.-Y., Sie, L., Faturay, F., Auwalin, I., & Wang, J. (2021). Who are vulnerable in a tourism crisis? A tourism employment vulnerability analysis for the COVID-19 management. *Journal of Hospitality and Tourism Management*, 49, 304–308. [CrossRef]
- Tse, A. C. B., So, S., & Sin, L. (2006). Crisis management and recovery: How restaurants in Hong Kong responded to SARS. *International Journal of Hospitality Management*, 25(1), 3–11. [CrossRef] [PubMed]
- UNWTO. (2020a). *COVID-19 and Tourism | 2020: A year in review*. Available online: <https://www.unwto.org/covid-19-and-tourism-2020> (accessed on 4 April 2021).
- UNWTO. (2020b). *International tourist numbers could fall 60–80% in 2020, UNWTO reports | UN tourism*. Available online: <https://www.unwto.org/news/covid-19-international-tourist-numbers-could-fall-60-80-in-2020> (accessed on 23 January 2025).
- UNWTO. (2023). *International tourism and COVID-19*. UNWTO. Available online: <https://www.unwto.org/tourism-data/international-tourism-and-covid-19> (accessed on 14 March 2024).
- Volgger, M., Taplin, R., & Aebli, A. (2021). Recovery of domestic tourism during the COVID-19 pandemic: An experimental comparison of interventions. *Journal of Hospitality and Tourism Management*, 48, 428–440. [CrossRef]
- WEF. (2021). *World economic forum annual meeting davos 2020*. World Economic Forum. Available online: <https://www.weforum.org/events/world-economic-forum-annual-meeting-2020/> (accessed on 30 January 2021).
- Wells, C. R., Sah, P., Moghadas, S. M., Pandey, A., Shoukat, A., Wang, Y., Wang, Z., Meyers, L. A., Singer, B. H., & Galvani, A. P. (2020). Impact of international travel and border control measures on the global spread of the novel 2019 coronavirus outbreak. *Proceedings of the National Academy of Sciences*, 117(13), 7504–7509. [CrossRef]
- WHO. (2021). *Coronavirus disease 19 (COVID-19)*. WHO. Available online: [https://www.who.int/health-topics/coronavirus#tab=tab\\_1](https://www.who.int/health-topics/coronavirus#tab=tab_1) (accessed on 4 April 2021).
- World Bank. (2020). *Decisive action in an unprecedented crisis*. World Bank. Available online: <https://www.worldbank.org/en/news/feature/2020/04/17/decisive-action-in-an-unprecedented-crisis> (accessed on 23 January 2025).
- World Economic Outlook. (2020). *World economic outlook—All issues*. IMF. Available online: <https://www.imf.org/en/Publications/WEO> (accessed on 23 January 2025).
- Yang, M., Han, C., Cui, Y., & Zhao, Y. (2021). COVID-19 and mobility in tourism cities: A statistical change-point detection approach. *Journal of Hospitality and Tourism Management*, 47, 256–261. [CrossRef]
- Yang, Y., Ruan, Q., Huang, S. (S.), Lan, T., & Wang, Y. (2021). Impact of the COVID-19 outbreak on tourists' real-time on-site emotional experience in reopened tourism destinations. *Journal of Hospitality and Tourism Management*, 48, 390–394. [CrossRef]
- Yin, J., & Ni, Y. (2021). COVID-19 event strength, psychological safety, and avoidance coping behaviors for employees in the tourism industry. *Journal of Hospitality and Tourism Management*, 47, 431–442. [CrossRef]
- Yu, J.-H., Lin, H.-H., Lo, Y.-C., Tseng, K.-C., & Hsu, C.-H. (2021). Is the travel bubble under COVID-19 a feasible idea or not? *International Journal of Environmental Research and Public Health*, 18(11), 5717. [CrossRef] [PubMed]



- Zhang, H., Song, H., Wen, L., & Liu, C. (2021). Forecasting tourism recovery amid COVID-19. *Annals of Tourism Research*, 87, 103149. [\[CrossRef\]](#)
- Zopiatis, A., Pericleous, K., & Theofanous, Y. (2021). COVID-19 and hospitality and tourism research: An integrative review. *Journal of Hospitality and Tourism Management*, 48, 275–279. [\[CrossRef\]](#)

**Disclaimer/Publisher’s Note:** The statements, opinions and data contained in all publications are solely those of the individual author(s) and contributor(s) and not of MDPI and/or the editor(s). MDPI and/or the editor(s) disclaim responsibility for any injury to people or property resulting from any ideas, methods, instructions or products referred to in the content.