

Covid-19 and motel supply chain resilience

Dr Muhammad Umar, Lecturer, Global Value Chains and Trade **

Dr Rizwan Ahmad, Lecturer, School of Applied Business***

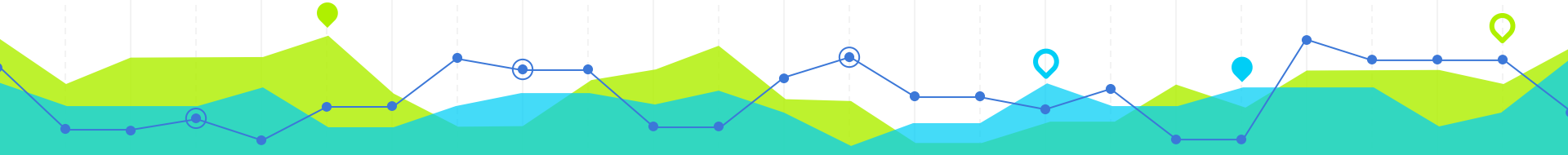
Dr Robert Radics, Senior Lecturer, Global Value Chains and Trade **

**Department of Global Value Chains and Trade, Lincoln University, New Zealand

***School of Applied Business, Unitec, New Zealand

Agenda

- ✓ Motel supply chain and Covid-19
- ✓ Research methodology
- ✓ Findings and results
- ✓ Feedback & Questions



Background and research objectives

Why motel supply chain?

- Pre-Covid
 - Significant contributor to New Zealand (NZ) economy
 - 3.9 million in late 2019 (Stats, 2017)
- Post-Covid
 - 70% hotels were closed
 - 90% drop in revenue (Hamilton, 2021; TourismNZ, 2020)
 - Recovery to pre-covid numbers are not expected until 2023 (IATA, 2020)



Background and research objectives

Research objectives

1. What are the major supply chain coordination and bottleneck issues in hotel supply chains?
2. Understanding response and recovery strategies with supply chain resilience - agility, adaptability and alignment



Literature Review

Motel supply chains

Tourism supply chains: a **network of tourism** related organizations (X. Zhang, Song, & Huang, 2009)

Scope of this study: Hotels are important nodes

- Accommodation to the customers
- Sub networks within larger tourism supply network (Al-Aomar & Hussain, 2017; Fredendall & Hill, 2000)
- Critical node in the case of Covid-19



Literature Review

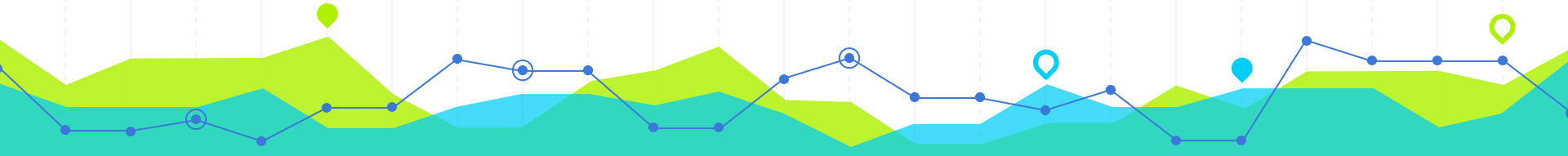
Supply Chain Resilience

SCRES Capabilities – Flexibility (sourcing, process, order fulfilment), Redundancy, Collaboration, Visibility, Agility, Information sharing, Culture & HRM

SCRES Characteristics – Control, Coherence & Connectedness, Cost effectiveness, Speed of recovery

Most cited capabilities – Agility, adaptability and alignment

(Blackhurst, Dunn, & Craighead, 2011; Hohenstein, Feisel, Hartmann, & Giunipero, 2015; Jüttner & Maklan, 2011; Pettit, 2008; Ponomarov & Holcomb, 2009; Sheffi & Rice Jr, 2005)



Research Highlights

Research Highlights

- **Case study** approach (Eisenhardt, 1989; Meredith, 1998; Yin, 2009)
- **Data collection**
 - 26 Motels (14 from Coromandel and 12 from Akaroa)
- **Data analysis**
 - Coding Processes - Three step coding processes (Miles, Huberman, and Saldaña, 2014)
 - Categorisation and Coding
 - Cross Case Analysis



Findings and Results

Recommended interventions/strategies



Results

Management/SC issues and bottlenecks

- Demand related issues

- Low demand
- Seasonal demand
- Unreliable forecast

- Buying behaviour

- Shift in demand from international to local tourists
- Changes in buying behaviour – Local tourists
- Pricing pressure from the market

- Operational/SC issues

- Inventory management – high inventory
- Financial constraints
- Supplier related disruptions



Response/Recovery strategies

Response and recovery strategies		SC resilience components		
Major themes	Sub-codes	Agility	Adaptability	Alignment
Demand-related decisions	Balance between domestic and international tourists			
	Shift in demand to a different market segment			
	Targeting returning customers-loyalty			
	Booking behaviour changed - walk-in tourists			
	Weekend travel			
Pricing strategy	Competitive pricing			
	Increase prices with value added services			
Product/service-related strategies	Brand building			
	Quickly updated products/services			
Operations strategies	Controlling the budget			
	Quick decision making			
	Inventory-related decisions – Long-term to short-term focus			

Response/Recovery strategies

Response and recovery strategies		SC resilience components		
Major themes	Sub-codes	Agility	Adaptability	Alignment
Supplier-related strategies	Collaboration with competitors	■		■
	Buying on hold	■		
	Change of lot size	■		
	Change of supplier to local suppliers		■	■
	Frequent delivers		■	
	Suppliers provided discounts			■
Collaboration with key stakeholders	Promotion by local business association			■
	Diverse advertisement		■	
	Tourism Industry conference			■
	Promote as a tourist place - Tourist NZ			■
	Building relationships with key stakeholders		■	

Academic and Practical Contributions

Academic

- Supply chain resilience
- Covid-19 research
- Understanding response

Practical

- Practical strategies of SC managers, Governments & policy makers

Emerging Themes

- Collaboration with key stakeholders
- Silver lining

THANK YOU

Questions?

