

# We are IntechOpen, the world's leading publisher of Open Access books Built by scientists, for scientists

6,500

Open access books available

176,000

International authors and editors

190M

Downloads

Our authors are among the

154

Countries delivered to

TOP 1%

most cited scientists

12.2%

Contributors from top 500 universities



WEB OF SCIENCE™

Selection of our books indexed in the Book Citation Index  
in Web of Science™ Core Collection (BKCI)

Interested in publishing with us?  
Contact [book.department@intechopen.com](mailto:book.department@intechopen.com)

Numbers displayed above are based on latest data collected.  
For more information visit [www.intechopen.com](http://www.intechopen.com)



## Chapter

# The Impact of Pandemic Crisis on Hotel and Time-Sharing Accommodations in Greece

*Konstantinos Varvaropoulos, Spyros Avdimiotis  
and Charalampos Vazouras*

## Abstract

This study aims at providing a comprehensive overview of the time-sharing accommodations and hotels, based on the view obtained from the pandemic health restrictions. Numerous areas were evaluated, including cancellations, rebooking, resumption of operations, hygiene measures, customer attraction practices, strategy adjustment and perception of competitors' activities, advantages and disadvantages. Focus is given on identifying the differences and similarities in the above areas, when comparing both forms of accommodation. Due to the nature of the subject and the lack of previous relative research, the qualitative research methodology is adopted. This has been achieved via the conduction of interviews, in a sample consisting of ten hotels and ten sharing-type accommodation businesses in various Greek regions. As for the results, cancellations were significant across the entire sample. However, hotels had a lower cancellation rate on average, as well as a higher level of rebooking, with almost all members in the sample reopening. Important disparities were observed in the approach to sanitary measures, as hotels achieved full consensus concerning their adoption and their necessity. Additional differences have been observed on marketing strategies, with the time-sharing accommodations being based more on price-competition. Finally, the contrasting strengths and weaknesses of each accommodation type are being examined.

**Keywords:** tourist accommodation, Greece, hospitality sector, sharing economy, pandemic crisis

## 1. Introduction

Recent pandemic crisis significantly affected everyday life, and a great number of businesses were not allowed to operate or operated under a special regime (e.g. servicing only take away) [1]. The purpose of this study is to record the reactions of host units to the effects of the pandemic of the SARS-CoV-2 virus, taking into account the measures preventing the spread of the virus [2]. This is because in addition to outlining how to deal with the effects of the crisis, it is quite possible that the practices may differ depending on the type of accommodation (traditional form such as hotels and sharing type like cottages).

For Greek economy, tourism plays an important role as the participation of tourist sector in Gross Domestic Product of 2018 amounts exactly the 30.9%. Additionally, € 15.7 billion inflows into Greece from inbound tourism covering a significant part of the trade deficit [3].

Very little is known regarding the effect of pandemic on domestic hospitality sector. Research studies on the above effect are quite rare, as the lion's share belongs to e-learning [4, 5] and e-commerce [6, 7]. Consequently, the examination of the effect on hospitality industry, especially the comparison with sharing-type accommodations, is an unexplored scientific era. Through this research, cancelation and rebooking rates, new reservations, hygiene measures, pricing promotion policies, actions of competitors, and strategy realignment, both of hotel units and sharing-type accommodations, were evaluated.

Both accommodation types, hotels and sharing type, had distinct advantages and disadvantages against pandemic crisis, following different policies. Sharing economy accommodations were more flexible, while their pricing policy was not accurately predicted by hotels. Furthermore, both types of accommodation do not recognize each other as a direct competitor. Consequently, the current study comes to frame researches on hospitality industries of other countries [8–10], as well as to deal with sharing economy accommodations for the first time.

This paper is organized into four chapters. Unit 2 will provide the theoretical foundation concerning sharing economy and pandemic crisis of SARS-CoV2. Next section pictures the adopted research methodology, taking into consideration the research approaches and presenting the sample and selected research tool. In unit 4, a discussion of the survey results is described. Last but not least, the final chapter is a brief presentation of research findings and comments, limitations, and proposals of future research.

## **2. Literature review**

### **2.1 Time-sharing economy**

Since 2008, when the sharing economy emerged in the United States of America [11] as a concept and not as a practice, research efforts have been made on its impact on the economy. Given that the above practices extend to a great number of economic activities, such as hospitality and transportation, taking into account the multifaceted interactions it creates between units of the economy, economic or not, it is necessary to have a diverse and individualized approach.

Today, almost a decade later, it is viewed as an ever-growing economic, technological, and social phenomenon [12], with the current valuation of the peer-to-peer economy exceeding \$75 billion [13]. The rapid expansion of sharing economy is due to the combination of two factors, technology and the financial crisis (Schor & [11]).

The “sharing economy,” as practice it is not something modern. It could be characterized as an instinctive trading practice [14]. The original concept used was “collaborative consumption,” which was introduced by Rachel Botsman, but was soon replaced, as the term “sharing economy” prevailed in 2010 [11].

It is an undeniable fact that tourism has been greatly influenced by the practices of the sharing economy, as several aspects of it are directly related to areas where the sharing economy has developed rapidly. It is therefore easily understood that the tourism economy is the most appropriate field of research, as it combines different services in the tourist destination such as accommodation, transport, and catering [14].

Nevertheless, it should be noted that the spread of sharing in tourism is not the same across all services. To be more specific, a number of services are particularly widespread, while some others are relatively unknown. In particular, in a study by Stors & Kagermeier [15] in German cities, it emerged that while 1/3 of the tourist sample has made some kind of accommodation reservation, and only one in nine has received a free tour from a local.

In the sharing economy, there is a triangular relationship between the parties involved, i.e. the service provider, the recipient, and the relevant platform. However, in the case of tourism, two more parties are involved [14]. The first has to do with the government and market regulatory authorities such as the Hellenic Tourism Organization and the Independent Public Revenue Authority. The second category of stakeholders is none other than the traditional competitors, with the most typical example being hotels and rooms for rent.

In the context of dealing with the phenomenon and regulation of the sharing economy within the tourism economy, three different approaches have been proposed, prohibition, laissez-faire, and finally restriction [14]. The second approach is also the most flexible, imposing some additional fees on the accommodation. The approach of quantitative and/or qualitative restrictions is the most popular and has been proposed for implementation (with different limits over time) in Greece. More specifically, in an attempt to establish the first regulatory framework for the provision of accommodation within the sharing economy, the following restrictions were proposed but never implemented:

1. The property owner must be a person and not a corporation.
2. The permitted number of properties for short-term rental per owner is 2.
3. The maximum number of rental days is 90 per year, with the number being limited to 60 if it concerns islands with a population of less than 10,000 inhabitants.
4. The maximum income from short-term rentals must not exceed €12,000 per year.
5. The only provision is bed linen.

In the case of exceeding even one of the above limits, the exploitation ceased to be considered as operating within the framework of the “sharing economy,” as a result of which it is treated as a business activity, with the main impact being the obligation to create a business, with all that entails (e.g. bookkeeping, VAT charge, etc.). In fact, it was planned to add additional criteria per region. However, this proposal has not been implemented to date.

## **2.2 SARS-CoV-2 crisis**

The beginning of the recent pandemic crisis is located in 2019, in the city of Wuhan, Hubei Province in China, with the appearance of hitherto unknown cases of pneumonia [16]. The virus that was identified by the scientists was named SARS-CoV-2 and belongs to the wider family of coronaviruses, such as SARS and MERS. The disease was named COVID-19 and despite worldwide efforts to reduce it and quickly spread worldwide [16].

In the recent past, tourism industry has been significantly affected by a wide range of crises such as terrorism (9/11), weather events (e.g. Hurricane Katrina), and epidemics (e.g. SARS) [17]. Regarding the 2004 tsunami, Henderson [18] estimates that 67.2% of arrivals fell in the first half of the following year, a decline that led to the collapse of 500 businesses and the loss of 3000 jobs. Focusing on the case of SARS, the ancestor of the recent virus, it was estimated that 3000,000 workers lost their jobs in Asia, while China, Hong Kong, Vietnam, and Singapore lost more than \$ 20 billion of GDP [19]. At this point, it is crucial to mention that COVID pandemic was the reason for the largest decrease in international tourist arrivals since World War II. The parallel of the recent pandemic with SARS presents significant weaknesses, as its impact on the tourism industry could not be considered global.

The hotel industry was strongly affected and was immediately called upon to face the unexpected challenge [20]. For instance, in the beginning of the pandemic, hotel occupancy in China Mainland dropped from 70% to just 17% within 2 weeks [21]. According to the Hellenic Chamber of Hotels [22], the reduction in the number of bookings compared to 2019 ranges from 72–92% to 58–83% in 12 months and seasonal hotels, resulting losses more than half billion euros. Moreover, within the above framework, jobs are expected to decrease by 38,234.

Nevertheless, the emergence of a crisis, in addition to the adverse consequences, could also have beneficial effects on tourism industry. More specifically, it strengthens domestic tourism, facilitates modernization, disseminates digital transactions [23], and finally, could provide an opportunity for a destination to be restructured, transformed, and presented with a new alternative tourism proposal (e.g. saturated destinations have exceeded their carrying capacity).

### **3. Research methodology**

#### **3.1 Research approach**

Two different research approaches have prevailed in the scientific community, which represent two different approaches. From a chronological point of view, there is the quantitative approach which is also known as positivism, while the second is the qualitative approach and is also known as interpretivism [24].

According to Kvale [25], the most important difference between the above methods lies in the fact that while positivism adopting a quantitative perspective calculates the frequency of observations to lead to the formulation of laws, interpretivism as a qualitative methodology analyzes each phenomenon separately, giving emphasis on its unique features in order to formulate broader conclusions.

At this point, it is useful to mention that at the end of the 20th century, the third alternative research methodology was developed, criticism. This methodology, attempting to address the weaknesses of each existing method, tries to combine their elements. More specifically, according to criticism, the data can be both collected and created, while they are then processed through a repeated statistical model, so that through tests the research hypothesis can be confirmed or rejected [26].

As for the selected research methodology, interpretivism and the qualitative approach are the ideal solution. Initially, criticism, although accompanied by strong optimism, is a relatively modern method with limited empirical application. This fact makes his choice both problematic and dangerous. From then on, the modern nature of the research object and the absence of previous research lead to the rejection of

positivism and the quantitative approach. Consequently, through interpretivism, the initial approach to the object of research is attempted in order to understand the characteristics of the phenomenon and formulate inductive generalizations.

### **3.2 The sample**

In the case of the present research, the population consists of all hotels and sharing-type accommodations within the Greek territory. Taking into consideration that gathering data from the entire population is impossible, the characteristics we are interested in will be collected from a part of the population, which is called sample. In fact, these characteristics are in the research variables [27].

The research sample consists of 10 hotel units of various stars and 10 sharing economy accommodations. For each accommodation, either the owner or the manager will be asked.

Given that specific individuals from the hotel industry and sharing accommodations were approached for the research, the sampling is characterized as purposive. The selection of a sample from a network of acquaintances rests on two axes. The first has to do with creating a climate of trust in order to collect as detailed and reliable data as possible. The second has to do with unfavorable timing and the possibility of nonresponse. Finally, the sample is presented in detail in the appendix.

### **3.3 Research tool**

As already noted above, the qualitative research approach is adopted. The research tool chosen is that of the structured interview. The advantages provided by the structured interview for the implementation of this research can be presented as follows [28]:

1. It allows respondents to speak in their own words about any issue that is important to them.
2. It can be insightful as it provides causal inferences.
3. It propels the rise of unexpected data.
4. It allows observation of elements such as tone of voice.
5. It allows the gathering of inside and confidential information due to personal contact and the eventual development of a climate of trust.

A comparative advantage of the interview over other research tools is that the interview, beyond the control of the research case, may indicate new hypotheses, while supporting the identification of variables and connections, which may not have been taken into account [29].

More specifically, through the structured interview, the questions are subsequently determined but provide the researcher with the opportunity to deviate partially during its process. This is based on the fact that it provides the necessary freedom, but within a predetermined framework [29]. In this way, on the one hand, the open approach to the research question is combined, while avoiding the risk of disorienting the interview.

The interview questions include the descriptive image of the sample, objective data regarding the interviewee's job position, subjective data such as opinions, and

finally behavioral data regarding actions within specific circumstances. The ultimate goal of interviews is to allow the sample members to develop their positions and articulate their concerns and beliefs.

## **4. Results**

### **4.1 Cancellation of bookings**

Both at hotel units and sharing-type accommodation, cancellations were almost total. To be more specific, cancellations in 4 of 10 hotels in the sample examined were total, while 1 hotel unit did not have a reservation until March; therefore, it was not affected. In the rest of the hotels, cancellations ranged from 50 to 90%, with the lowest percentage recorded in two units on the island of Tinos. In all cases, the hotels' remaining reservations concerned individual travelers and mostly Greeks, while tour operators canceled all their reservations.

As for sharing-type accommodation, the situation was no better. Almost the entire sample experienced cancellations of 80–100% of summer bookings. In fact, the cancellations took place massively with the outbreak of the pandemic, as they took place within just 10–15 days of March. An exception was an accommodation in the Regional Unit of Lassithi, which recorded cancellations of around 10%, while in an accommodation in the Regional Unit of Halkidiki there was no reservation until the outbreak of the pandemic.

The devastating effect of the pandemic on the hospitality sector is a fact, as it led to the cancellation of almost all bookings. More hotels lost 100% of their bookings in relation to sharing-type accommodation, while bulk bookings by tour operators were canceled in their entirety. Characteristic of the remaining bookings in both types of accommodation is that they concerned individual tourists in the overwhelming majority from within the country.

### **4.2 Rebooking**

The tendency to rebook seems to vary significantly between hotel units, with rebooking ranging from 0 to 40%. In contrast, the range of rebooking in sharing-type accommodation is lower.

In particular, two hotels in the sample, located in the city of Trikala, despite the fact that they had returned the advance payments from the beginning and considered the reservations as lost, saw about one in three cancellations come back. This fact is largely due to business customers and not tourists. On the other hand, in the two hotel units on the island of Tinos and one in Elati Trikala, no cancellation was “revived.” Regarding the reservations of two hotel units located on the island of Skiathos, there were some that moved booking dates to later. In the units of the Regional Unit of Thessaloniki, rebookings were minimal, exclusively of individual travelers and did not exceed 10%.

In sharing-type accommodations, there has been some rebooking interest, but repossessions have either not been completed or have been minimal. In the entire survey sample, rebooking did not exceed 10% of cancellations, while some of them were either moved to autumn or summer of 2021. It is again worth noting that most of the rebookings concerned the accommodation located in the Lassithi Regional Unit, which recorded the fewest cancellations.

With numbered exceptions, the majority of the sample, regardless of type, did not detect a significant trend for rebookings. More specifically, on a percentage basis, rebooking in 18 of the 20 accommodations did not exceed 10%.

### **4.3 Reservations after the end of restrictions**

The lifting of restrictions increased bookings as expected, but not satisfactory for both hotel units and sharing-type accommodations.

Only in one of the hotels in the sample, bookings did not show significant differences from previous years. Nevertheless, it should be noted that this is a mountain hotel, outside of the high tourist season, and therefore the bookings were very few anyway. From then on, almost the entire sample agrees that proportionally there was rudimentary demand, but this is due on the one hand to the compression of the season and on the other hand that from the zero bookings that were left, achieving any occupancy is a significant increase. The bookings of most of the hotels in the sample were not enough to generate profits, as the units were operating at break-even at best. It is important to point out that in two hotel units on the island of Tinos, although the bookings were less than in previous years, they were considered satisfactory, recording to a certain extent an unexpected replacement of some of the losses of older, possibly more cautious customers, by younger ones.

Regarding sharing-type accommodation, there was interest, but this rarely transformed into bookings. In fact, although in percentage terms bookings increased significantly after the lifting of the measures, in absolute terms and compared to the corresponding months of 2019, the situation was clearly more unfavorable. The smallest deviation compared to previous years was recorded again in the accommodation of the Lassithi Regional Unit. It should be noted that the course of bookings was associated with borders' opening and in the case of Halkidiki with the land borders. At the same time, there was a tendency for last-minute bookings, which for most accommodations was unprecedented.

Taking the above into consideration, it is obvious that after the lifting of the measures, there was a clear upward trend in bookings, which, however, did not approach the figures of earlier years and is not considered satisfactory by the vast majority of accommodations, regardless of type.

### **4.4 Opening after the lifting of measures**

The majority of the accommodations in the sample were made available to the public with the lifting of the restrictions.

Nine of the 10 hotels opened normally and depending on whether they are seasonal or 12-month accommodation. Just one hotel in the Regional Unit of Thessaloniki decided to remain closed for the entire summer. However, it should be noted that in this particular case, the management of the unit decided to proceed with a partial renovation, while any reservations would be transferred to a unit of the same business group without causing any problem.

Regarding the opening date, all sharing-type accommodations were available to the public from the first day the suspension was lifted. In fact, the accommodations were available even if they did not have a reservation to serve immediately.

It is obvious that essentially the whole sample, regardless of whether they are hotels or sharing-type accommodations, were available from the first day after the restrictions' period. The one exception that was recorded and concerns a hotel is not



solely due to limited bookings but to taking advantage of the situation and treating it as an opportunity for renovation.

#### **4.5 Additional hygiene measures**

Additional hygiene measures are an important area of differentiation between hotels and sharing-type accommodations.

First of all, as a matter of fact those hotels were obliged to implement a specific health protocol, they were asked to take additional measures. However, the majority of hotels stated that several of the protocol's measures were already in place, while almost all of them voluntarily took additional measures. Apt examples were the exclusive use of cleaners approved by the National Organization of Medicines, the more regular change of substrates and the higher than the specified washing temperature of bed linen, the use of UV technology sterilizers and fogging disinfection machines and the personal protection equipment of the staff. At this point, it is vital to note that there have been reports of other hotels partially deviating from the protocol due to customer pressure (how breakfast is served and frequency of cleaning).

On the side of sharing-type accommodation, significant differences are observed. The majority of accommodations used stronger, professional cleaners and did more thorough cleaning, but without anything specialized. Two properties took several additional measures such as using a steam cleaner and sterilizer, providing gloves, masks, and disinfectants to customers. In fact, one of them tried to optionally implement the hotel protocol. On the other hand, three accommodations did not implement any additional measures. Finally, it should be noted that a significant number of accommodations either provided the possibility or implemented check-in and check-out procedures without personal contact. In addition, some did not allow consecutive bookings, leaving the accommodation empty for a few days.

Considering the above, it is more than obvious that hotel units proceeded in taking more measures compared to sharing-type accommodations. In fact, most hotels were not satisfied with observing the mandatory governmental protocol but also took additional measures to protect the health of customers, employees, and the reputation of the company. On the contrary, and given the absence of a specific health protocol, no special measures were applied to sharing-type accommodations, apart from two exceptions that worked in the same contexts as hotels, while three of them did not receive any additional measures compared to the summer of 2019.

#### **4.6 Perceptions on the existence of mandatory measures**

Regarding the existence of mandatory health measures such as the hygiene protocol for hotels, a more general acceptance of them is recorded. However, acceptance seems to stem from different factors and have different intensity.

All hotels have a positive attitude toward the existence of a sanitary operating protocol. In fact, a significant number of the sample stated that some of the measures were observed anyway, while the existence of additional measures such as measuring the temperature of customers upon entering the hotel unit was suggested. The vast majority of hotels seek to maintain part of the health protocol even after the end of the pandemic, as despite the cost and time, it creates value for the industry, protects employees and customers, and differentiates professionals from opportunists in the industry. On the contrary, there have been complaints from customers, especially in the area of serving breakfast. The question of the universality of the application of the

measures was also raised, as their noncompliance by other hotel units increases the discomfort of customers and creates an issue of unfair competition.

Sharing-type accommodation is also moving positively toward the existence of measures to protect health. However, two accommodations seem to be unaware of the details of the existence of a health protocol, possibly because it does not directly concern them, while two others treat them neutrally and possibly more strictly than they should. A property considers them necessary due to the situation but considers that since there are no consecutive bookings, their feasibility is limited. On the other hand, almost half of sharing-type accommodations in the sample deal with the existence of a hygiene protocol with greater interest, taking its existence for granted. In fact, it is emphasized that the existence of a sanitary framework should have already been provided by accommodations themselves and that it should not have been imposed by the government. The accommodations that are more interested in the existence of sanitary measures cannot be geographically related, as one is located in the Regional Unit of Lassithi, one in Thessaloniki, and two in Halkidiki.

The above results could be justified analytically. The sample absolutely agrees on the adoption of health measures. Hotel units that operate as corporations show greater interest in the existence and observance of hygiene protocols, as they believe that in this way they are upgrading the quality of the industry's services and protecting their own businesses. On the other hand, sharing form accommodations, given that they are not required to adopt any protocol and most of them do not operate with purely business criteria, are presented more neutrally. However, it should be underlined that a significant number of them recognize the necessity of the measures, both from a health and reliability point of view.

#### **4.7 Price reduction**

Reducing the nightly rate as a tool to attract customers is another point of differentiation between hotels and sharing-type accommodations.

The majority of hotel units in the sample stated that they will not reduce their prices. The above decision is based on the increase in costs brought about by the observance of the hygiene protocol but also on the already low prices (either as a result of the crisis or due to the point of the season). Instead of reducing prices, hotels seem to focus on different types of policies to attract customers. As for the hotels that will proceed with price reductions, they are all located in island areas, two on the island of Tinos and two on the island of Skiathos. The first ones adopt a price reduction of up to 20%, during the first period of opening and exclusively for the cheapest rooms, leaving the suites and seaside rooms at the same prices as 2019. On the contrary, on the island of Skiathos, the price reduction approaches 50%, recognizing that this decision contradicts the rest of the competitors, seeking increased occupancy and low-profit margin.

Regarding sharing-type accommodation, the vast majority (7 out of 10) reduced their prices, which in most cases ranged between 10% and 20%. One accommodation that did not reduce prices, based on Lassithi Regional Unit, focused on last-minute discounts and special offers in order to limit the days when the accommodation will remain empty. Finally, only two accommodations in the Halkidiki Regional Unit did not proceed with any price reduction, considering their prices to be low anyway and demand to be negligible.

The above results show a clear indirect or direct decrease in prices in both types of accommodation. The price reductions in hotel units were made mainly in

accommodations located on islands, while in some cases they were not universal for all rooms. On the other hand, almost all sharing-type properties saw a small or slightly larger decrease in prices. The above differentiation is estimated to be linked to the inelasticity of fixed costs of the hotels (e.g. rents and labor) as well as the cost of implementing the health protocol. The above factors do not exist in sharing economy accommodations, thus allowing for an easier reduction in nightly rates.

#### **4.8 Other customer attraction actions**

As it has already mentioned, price reduction is a point of differentiation between the two different types of accommodation. In fact, the inelasticity of prices in hotel units is usually accompanied by other methods to attract customers.

To be more specific, considering the impossibility of a significant price reduction, the majority of the hotels in the sample implemented new methods of attraction. Apt examples are special offers such as late check-out and the addition of a free night for bookings greater than a minimum limit (e.g. for three nights an additional one at the same price). A number of hotels focused on the flexibility of reservations and the provision of facilities to change them as well as the highlighting of health measures. Most of the four- and five-star accommodations focused on achieving direct bookings through direct domestic advertising, while one hotel attempted to enter new markets by participating in public tenders with minimal profit to achieve occupancy and by displaying on sharing-type accommodation platforms. Finally, one hotel unit limited the promotion abroad as on the one hand it considered it pointless and on the other hand there was fear for the safety of the remaining customers and employees.

Regarding sharing economy accommodations, the great majority, limit themselves to price reduction and do not adopt alternative customer attraction practices. More specifically, only three properties focused on more intensive use of social media (e.g. Facebook Marketplace) and one went for last-minute promotions. A significant number of properties considered demand to be limited anyway, resulting in no reason to advertise, while in several cases properties stated that they do not operate purely as a business and do not apply other marketing tools beyond price, image, and positive comments on the platforms.

Taking the above into consideration and in combination with the previous subsection, it is clear that hotel units focused more on alternative methods of attracting customers (e.g. special offers and participation in competitions), while sharing-type accommodations operating less entrepreneurially is limited to lower prices and accept the loss of this year's season more easily.

#### **4.9 Perception of competitors' actions**

The perception of the movements of the competition is a key factor in the formulation of corporate strategy. In the present case, accommodations appear to have a relatively accurate picture of the competition, with the exception of hotel units that expected significant reductions in shared accommodation prices, but this was not proven by the results.

Most hotel units consider that their direct competitors (other hotels) either did not reduce prices or reduced them only slightly. However, there are some exceptions, as there are hotel units with many stars or specific areas (e.g. Sporades), where the reduction in prices was more intense. However, the majority of hotel owners and managers agree that the reduction in prices should not have paid much and could be

more a panic move than a strategic choice. At the same time, it is believed that several four- and five-star hotels have chosen not to operate.

Regarding sharing-type accommodations, there is a wider picture that has put the weight on reducing prices by lacking firm policies, following a more aggressive and possibly opportunistic policy. At this point, however, it must be emphasized that the majority of the sample of hotel units do not consider sharing-type accommodations as direct competitors, while they believe that hotels are the regulators of market prices. On the contrary, the owners and operators of sharing-type accommodations consider that they are competitors of “rooms for rent” due to the nature of their “product.”

Sharing-type properties claim that hotels have made smaller or even no price reductions, while some have decided to remain close. They even claim that hotel units are based on cleanliness and hygiene as well as special offers. They also believe that several hotels turn to repeat bookings of past customers taking advantage of the existing relationship and some attractive offer.

As for sharing-type accommodations’ view of competition among themselves, antagonism on price per night is assumed, as this is afforded due to cost. On the other hand, there is a tendency to limit the supply of this type of accommodation, either due to their change to long-term leases or due to owner-occupation.

Taking the above into consideration, it is accepted that hotel units did not proceed with significant price reductions, especially compared to sharing economy properties. But, despite the belief that the second one will proceed with large price reductions, the results differ. It is therefore quite possible that the opinion prevails both among hotels and among sharing-type accommodations about large reductions in the prices of sharing economy rents, but an opinion which is not confirmed in practice by the sample. Also, the sharing-type accommodations claim that there is a decrease in supply, which in this case is confirmed by their own practices (e.g. increased owner-occupancy and long-term renting).

#### **4.10 Strategy realignment**

Both hotels and sharing-type accommodations proceeded to readjust their strategy. Nevertheless, strategy change seems to differ.

For the majority of the hotels, the change in strategy is connected with the implementation of the hygiene protocol in their wider operation, while a significant number of them reduced costs in order to make their operation sustainable. It should also be noted that the hotels turned their attention to direct bookings and especially to domestic tourism as well as strengthening the visibility of their corporate identity, with an emphasis on health and cleanliness. There were also cases of more intense changes such as the interruption of operations, the service of “relative” hotel units that did not open after the end of restrictions, participation in public tenders, and presence on sharing economy platforms.

In terms of strategy, the great majority of sharing economy properties made notable changes. Firstly, one in three properties stated that their summer strategy was not static but was changing according to recent conditions. Focusing on the changes, three accommodations increased the period of summer expropriation, since they considered the given situation to be an opportunity for alternative exploitation of their property. On the other hand, two accommodations in the Regional Unit of Halkidiki chose the lease for a medium-term period (1 and 2 months), while a third in the Regional Unit of Thessaloniki turned to an annual lease, in order to return to the short-term rental market after the end of the pandemic crisis. Smaller changes in

strategy concern pricing policy, more flexible booking policy, and visibility (strengthening direct targeted online visibility).

From the above, it can be concluded that pandemic crisis brought vital changes in accommodations' strategy. However, changes differ significantly between the two types of accommodations. The changes in the hotels are linked to the mandatory implementation of the hygiene protocol, the change of the target market, while there are also important changes such as the suspension of corporate operation. On the contrary, sharing-type accommodations focused on pricing policy and different use of the property, something that could not happen in hotels. A common component, however, is the emphasis on direct domestic bookings.

#### **4.11 Competitive advantages: disadvantages**

Regarding the competitive advantages and disadvantages of hotels and sharing-type accommodations, there is a consensus among them.

Hotel units consider as their comparative advantages the existence of a hygiene protocol, their guaranteed application due to the controls carried out, the sense of professional handling of cleanliness and hygiene (even if this means refusing a reservation), respect for the customer, and the reputation. A number of hotels also mention the existence of prices and offers that make the stay financially feasible, compared to previous years.

On the other hand, the weak points that hotels recognize in relation to sharing-type accommodation are the mandatory contact with foreign people (employees and other residents), the entry of a third party (cleaning lady) into the room, the inability to compete on price due to costs, most restrictions (e.g. wearing a mask in public areas) as well as the impossibility of complete isolation.

Following the mentioned trend, sharing economy accommodations consider as their competitive advantage the possibility of complete isolation of guests and the lack of contact with third parties. There is no interaction with employees and other residents, and there are no common areas with the risk of overcrowding, while residents can even dine in a space fully controlled by them or take advantage of specific amenities such as a private beach. Within the above context, part of the sample recognizes as an advantage the possibility of renting for a longer period (e.g. a month or the entire summer season), offering a "different product" to customers who want their "own" holiday home.

On the other hand, as disadvantages seems to be the reduced resources and the lack of specialized staff (e.g. cleaners), the absence of any hygiene protocol sets a common denominator for everyone, limited services (e.g. breakfast in a box), the uncertainty regarding the level of cleanliness and disinfection, and finally the lack of economies of scale which limits the possibilities of accommodation (e.g. it is unprofitable to purchase specialized disinfection machines for the operation of only one house).

#### **4.12 Additional comments**

There are two main concerns of hotel units regarding the recent pandemic. The first has to do with the attitude of the state in the event of a case of infections despite the observance of all the required measures. The protection of the hotel's reputation and its support in a possible suspension of its operation are important issues for a hotel unit which, despite the adoption of measures even stricter than the protocol, is faced with virus cases. A wider fear was even observed, for the health of the workers and the reputation of the company.

The second concern is related to the existence of behaviors contrary to the imposed protection measures. The discomfort of customers for specific measures such as the way breakfast is served or the additional services expected from a high-star hotel is amplified in case of experiences in corresponding hotels that circumvented the measures. Consequently, the existence of a hygiene protocol turns from an advantage of the sector into a tool of unfair competition, and there is an underlying risk of deregulation of the sector's market.

One point of view that may need more extensive study is the geographical factor of the destination. It has been underlined by an accommodation as a factor influencing bookings, pricing policy, or attraction methods. This observation may have some basis if we consider that some destinations rely on foreign tourism (e.g. northern Greece and visitors from Balkan countries), while access to other destinations could not be achieved exclusively by a private car but requires the use of "dangerous" for health public transport (e.g. islands accessible by planes and ships).

## **5. Conclusions: limitations: proposals**

### **5.1 Conclusions**

The results of the survey, as presented in the previous section, lead to some interesting conclusions regarding the recent pandemic crisis and how hotels and sharing-type accommodations were dealing with it.

First of all, summer bookings were almost entirely canceled during March. In the great majority of sharing-type accommodation, cancellations ranged between 80% and 100%, with only one exception (10% in Lassithi Regional Unit). On the contrary, in terms of hotels, more cases of cancellations of all reservations were recorded. Furthermore, significant fluctuations were observed in the rest sample, with some hotel units having lost only half of their summer reservations (two hotels on the island of Tinos). In general, hotels that mostly cooperated with tour operators were more exposed to the risk of cancellations, while most of the remaining bookings made from individual domestic tourists. This is probably also the reason why sharing economy properties, despite the fact that they had the majority of higher cancellation rates, did not experience total cancellations.

Regarding rebookings, hotel units recorded on average higher rebooking rates, which in certain cases approached 40%. Conversely, rebookings fluctuated at lower levels for sharing economy accommodation. The above can be explained as the highest rebookings were presented in city hotel units and concerned business customers and not tourists.

Bookings after the end of limitation measures, especially in some areas such as Halkidiki Regional Unit, fluctuated at low levels inextricably linked to the opening of the land borders. The only cases where the course of bookings was deemed satisfactory were the hotels on the island of Tinos and sharing-type accommodation in the Regional Unit of Lassithi, accommodation which also recorded the lowest percentage of cancellations. This fact possibly reveals a differentiation of the effect of the pandemic according to the geographical location of the destination.

Despite the existence of significant cancellations, only one hotel from the entire sample did not open after the limitations were lifted, with the great majority of properties taking advantage of the remaining season. But it should be noted that the only case of accommodation that was not put into operation concerns a case of renovation, having already found a way to serve its customers.

In the field of health measures, the hotel units showed greater homogeneity in their responses, most obviously due to the existence of the hygiene protocol. In fact, in most of the hotels in the sample, some meters of hygiene protocol were already being implemented. The professional treatment of accommodation seems to have played a vital role, as these are businesses that wish to protect their reputation. On the other hand, in sharing-type accommodation, significant differences in measures were observed. The absence of any meter as well as the different treatment of the accommodations by the owners-managers led to significant discrepancies. In particular, there were sharing-type accommodations that took measures parallel to those of the hotel hygiene protocol, but also accommodations that did not take any additional measures compared to previous years.

Focusing on hygiene protocol, hotel units were strongly positive about its implementation, with some of them wishing not only to take additional measures but also to indefinitely extend its implementation. Nevertheless, there was also concern, as incidents of selective application of the protocol to competitors were recorded. These incidents lead to unfair competition and nullification of any advantage the protocol offers to the industry. On the contrary, sharing economy accommodation also showed a general positive attitude toward the adoption of a protocol, however, with significant differences. Some accommodations consider the existence of a protocol necessary for them as well in order to upgrade the “industry,” while some others present themselves more neutrally.

An important area of differentiation between hotels and sharing-type accommodations is pricing policy. The majority of hotels did not proceed with any price reduction, as the increase in operating costs due to the protocol combined with the decrease in demand made it prohibitive. Any small declines were mainly related to specific room types and the period immediately after the restrictive measures were lifted. The greatest price reductions were recorded in islands (Tinos up to 20% and Skiathos up to 50%) and are likely to be linked to accessibility and customer mix (individuals and tourist packages). On the other hand, almost all sharing-type accommodations decreased their prices between 10% and 20%. Obviously, the greater elasticity of costs in sharing accommodation has enabled owner-managers to proceed with price reductions.

The reluctance of hotels to reduce prices seems to propel them to adopt different ways of customer attraction such as special offers. More specifically, hotel units chose to implement special offers such as late check-out, greater flexibility in bookings, and the offer of additional free nights, depending on the days of initial booking. At the same time and realizing the trend as reflected in the remaining bookings, the hotels focused their advertising within the country, targeting individual bookings. On the other hand, sharing economy accommodations seem to have limited themselves to price reduction, while a small number of them increased social media usage. It could be said that sharing economy properties accepted this year’s tourist season as lost, reduced prices to get what they could, unlike hotels which characterized by a more professional approach.

Regarding antagonists’ actions, hotel units assumed, and it seems correctly that their direct competitors (e.g. other hotels) will not proceed with price reductions or will only slightly reduce them. In fact, even for the cases where there were large reductions, they believe that they are panicked and took ineffective decisions. On the contrary, although they do not face sharing-type properties as direct competitors, they expected, wrongly as it appears from the results, significant reductions. On the other hand, sharing-type accommodations assumed that competition with other accommodations of the same type will be based on price. As for hotels, they recognized that they have limited possibilities to reduce prices, as well as a considerable

number of them, especially seasonal, will not operate. Nevertheless, last one was not verified by research.

Changes in strategy were also clearly observed, which were even more intense in the cases of sharing-type accommodation. Hotel units focused on hygiene, cleanliness, and corporate identity, while there were also some more radical changes such as the presence on sharing platforms and participation for the first time in public tenders. In contrast, several sharing form properties have completely changed their strategy. The above changes achieved by entering into monthly and longer rents or by increasing owner-occupancy not only by the owners themselves but also by relatives. It is obvious that the flexibility of operation of sharing economy accommodations compared to hotels, and the more “opportunistic” operation of the majority of them, led to the vital changes mentioned above.

Finally, regarding the comparative advantages of hotels, these are the existence and guaranteed implementation of the hygiene protocol, the professional approach to cleanliness, the available resources, the reputation, the customers’ sense of security, the respect he receives, and the existence offers that were not provided in the past. On the other hand, sharing-type accommodations in the midst of a pandemic had to demonstrate competitive prices, the possibility of complete isolation, flexibility in renting (e.g. renting for the whole summer and using it as a family holiday home) as well as greater comfort (use of common areas without restrictions such as the garden or the private beach).

## **5.2 Limitations**

The limitations of the research are directly related to the chosen methodology and the research tool of interviews.

Firstly, random selection of the sample through existing personal contacts, in order to achieve the maximum response rate and its relatively limited number, are quite likely not to accurately represent the population. For instance, most shared accommodation is located in the Halkidiki Regional Unit. On the other hand, hotels are located in the Regional Units of Thessaloniki, Trikala, Magnesia, Sporades, and Cyclades. From the above, it is obvious that maximum possible dispersion of the sample is not achieved.

The second limitation has to do with remote interviewing. Although the tele-conference method was preferred, where this was not possible, the interview was conducted via telephone call. This limited the interviewer’s ability to detect reactions such as body posture, which would have been an apt evident via live contact.

Finally, the low assessment of their role by a significant part of the owner-managers of sharing-type accommodations led to more limited time interviews compared to hotel owner-managers. The above is explained, given that a view of less coordinated and organized operation was identified. As a consequence, answers are concise and there is a lesser degree of their documentation and interaction.

## **5.3 Proposals**

Taking into account the above, it is obvious that the current research constitutes an initial basis for further investigation of the subject. More specifically, the research is proposed to be extended to accommodations of regional units beyond the selected ones, enlarging the sample. In this way, a more complete picture of the entire Greek territory will be achieved.



Furthermore, as the amount of the price reduction of sharing economy accommodations is lower in the sample than the recorded perception of hotels, it is proposed to carry out a quantitative research on the size of the price reduction due to the pandemic in sharing-type accommodation, in order to examine the hypothesis and to confirm or reject the formed perception. It would be particularly useful for hotel sector to understand more effectively the pricing policy of sharing accommodations, even if they do not consider them as direct competitors.

In addition to the above, based on the responses collected from hotels and the significant variation in price reduction, it is suggested to investigate whether there is a correlation between rate of price reduction and factors such as geographic region, seasonality, and customer mix (e.g. individual or massive). This as factors like means of transport is likely to affect the demand for specific destinations. Moreover, it could be helpful for hotel sector to evaluate the effect on prices of reliance on intermediaries (e.g. tour operators).

Finally, as health crisis remained in the summer of 2021, it would be interesting to repeat the survey, with the accommodations having already gained valuable experience during the summer of 2020 and possibly having decided to readjust their practices.

## **A. Appendix**

Hotels participated in the research and make up the corresponding sample are the following:

1. La Piscine Exclusive Art Hotel \*\*\*\*\* in Skiathos island.
2. Skiathos Avaton Hotel\*\*\*\* in Skiathos island.
3. Imperial Palace\*\*\*\* in Thessaloniki.
4. Imperial Plus\*\*\*\* in Thessaloniki.
5. Panhellenion\*\*\* in Trikala.
6. Trikala River House\*\*\* in Trikala.
7. Aktaion Hotel\*\*\* in Afissos, Magnesia.
8. Posidonio\*\* in Tinos island.
9. Venus Minimal Hotel\*\* in Tinos island.
10. Mikri Arktos\*\* in Elati, Trikala

Accordingly, the 10 shared short-term rental accommodations are as follows:

1. \*Room11\* in Thessaloniki.
2. Scandinavian #102 in Thessaloniki.

3. Ground floor country house in Geoponika, Halkidiki.
4. First floor country house in Geoponika, Halkidiki.
5. Beach House in Siviri, Halkidiki.
6. Cozy Apartment in Poseidi, Halkidiki.
7. Apartment with magnificent sunset view in Hanioti in Hanioti, Halkidiki.
8. Achinos Luxury Accommodation in Pefkohori, Halkidiki.
9. Traditional Stone House in Kotronas, Laconia.
10. Beachfront Villa Kirvas in Koutsounari, Lasithi, Crete island.

IntechOpen


### **Author details**

Konstantinos Varvaropoulos\*, Spyros Avdimiotis and Charalampos Vazouras  
International Hellenic University, Thessaloniki, Greece

\*Address all correspondence to: [k.varvaropoulos@outlook.com](mailto:k.varvaropoulos@outlook.com)

### **IntechOpen**

---

© 2023 The Author(s). Licensee IntechOpen. Distributed under the terms of the Creative Commons Attribution - NonCommercial 4.0 License (<https://creativecommons.org/licenses/by-nc/4.0/>), which permits use, distribution and reproduction for non-commercial purposes, provided the original is properly cited. 

## References

- [1] Bartik A, Bertrand M, Cullen Z, Glaeser E, Luca M, Stanton C. How are small businesses adjusting to COVID-19? Early evidence from a survey. HKS Working Paper No. RWP20-012, University of Chicago, Becker Friedman Institute for Economics Working Paper No. 2020-42. DOI: 10.3386/w26989
- [2] Haug N, Geyrhofer L, Londei A, Dervic E, Desvars-Larive A, Loreto V, et al. Ranking the effectiveness of worldwide COVID-19 government interventions. *Nature Human Behaviour*. 2020;4(12):1303-1312. DOI: 10.1038/s41562-020-01009-0
- [3] Ikkos A, Koutsos S. Η συμβολή του Τουρισμού στην ελληνική οικονομία το 2018 [The contribution of Tourism in the Greek economy in 2018]. Athens: The Greek Tourism Confederation (S.E.T.E.); 2020
- [4] Maatuk A, Elberkawi E, Aljawarneh S, Rashaideh H, Alharbi H. The COVID-19 pandemic and E-learning: Challenges and opportunities from the perspective of students and instructors. *Journal of Computing in Higher Education*. 2022;34:21-38. DOI: 10.1007/s12528-021-09274-2
- [5] Ebner M, Schön S, Braun C, Koschutnig-Ebner M, Grigoriadis Y, Haas M, et al. COVID-19 epidemic as E-learning boost? Chronological development and effects at an Austrian university against the background of the concept of “E-learning readiness”. *Future Internet*. 2020;12(6):94-113. DOI: 10.3390/fi12060094
- [6] Jílková P, Králová P. Digital consumer behaviour and eCommerce trends during the COVID-19 crisis. *International Advances in Economic Research*. 2021;27:83-85. DOI: 10.1007/s11294-021-09817-4
- [7] Susmitha K. Impact of COVID 19 on E-commerce. *Journal of Interdisciplinary Cycle Research*. 2021;12(9):1161-1165. DOI: 10.13140/RG.2.2.20236.85127
- [8] Burhan M, Salam M, Hamdan O, Tariq H. Crisis management in the hospitality sector SMEs in Pakistan during COVID-19. *International Journal of Hospitality Management*. 2021;98:1-12. DOI: 10.1016/j.ijhm.2021.103037
- [9] Rodriguez-Antón J, Alonso-Almeida M. COVID-19 impacts and recovery strategies: The case of the hospitality industry in Spain. *Sustainability*. 2020;12(20):1-17. DOI: 10.3390/su12208599
- [10] Karim W, Haque A, Anis Z, Ulfy M. The movement control order (MCO) for COVID-19 crisis and its impact on tourism and hospitality sector in Malaysia. *International Tourism and Hospitality Journal*. 2020;3(2):1-7. DOI: 10.37227/ithj-2020-02-09
- [11] Schor J, Cansoy M. The sharing economy. In: Wherry F, Woodward I, editors. *The Oxford Handbook of Consumption*. Oxford: Oxford University Press; 2019. pp. 51-74. DOI: 10.1093/oxfordhb/9780190695583.001.0001
- [12] Hamari J, Sjöklint M, Ukkonen A. The sharing economy: Why people participate in collaborative consumption. *Journal of the Association for Information Science and Technology*. 2015;67(9):2047-2059. DOI: 10.1002/asi.23552
- [13] Allen D. The sharing economy. *Institute of Public Affairs Review: A Quarterly Review of Politics and Public Affairs*. 2015;67(3):24-27
- [14] Avdimiotis A, Poulaki I. Airbnb impact and regulation issues through destination life cycle concept.

- International Journal of Culture, Tourism and Hospitality research. 2019;**13**(4):458-472. DOI: 10.1108/IJCTHR-03-2019-0044
- [15] Stors N, Kagermeier A. Share economy in metropolitan tourism: The role of authenticity. In: Tózsai I, Zátóri A, editors. *Metropolitan Tourism Experience Development*. Budapest: Department of Economic Geography and Future Studies. Corvinus University of Budapest; 2015. pp. 90-103
- [16] Sohrabi C, Alsafi Z, O'Neil N, Khan M, Kerwan A, Al-Jabir A, et al. World Health Organization declares global emergency: A review of the 2019 novel coronavirus (COVID-19). *International Journal of Surgery*. 2020;**76**:71-76. DOI: 10.1016/j.ijssu.2020.02.034
- [17] Kuo H, Chi-Chung C, Wei-Chun T, Lan-Fen J, Bing-Wen H. Assessing impacts of SARS and avian flu on international tourism demand to Asia. *Tourism Management*. 2008;**29**(5):917-928. DOI: 10.1016/j.tourman.2007.10.006
- [18] Henderson J. Corporate social responsibility and tourism: Hotel companies in Phuket, Thailand, after the Indian Ocean tsunami. *Hospital Management*. 2007;**26**:228-239. DOI: 10.1016/j.ijhm.2006.02.001
- [19] World Travel and Tourism Council (W.T.T.C.). *Special SARS Analysis: Impact of Travel and Tourism (Hong Kong, China, Singapore and Vietnam Reports)*. London: W.T.T.C; 2003
- [20] Gursoy D, Chi C. Effects of COVID-19 pandemic on hospitality industry: Review of the current situations and a research agenda. *Journal of Hospitality Marketing & Management*. 2020;**29**(5):527-529. DOI: 10.1080/19368623.2020.1788231
- [21] Hospitality and Catering News. *Coronavirus: 80% Of Chinese hotel rooms empty*. 2020. Available from: <https://www.hospitalityandcateringnews.com/2020/02/coronavirus-80-chinese-hotel-roomsempy/> [Accessed: January 9, 2021]
- [22] Research Institute for Tourism. *Έρευνα Συγκυρίας & Επιπτώσεις από τον COVID-19 στην Ελληνική Ξενοδοχία [Situation Research & Impacts of COVID-19 in the Greek Hotels]*. Athens: Hellenic Chamber of Hotels; 2020
- [23] Pateli A, Kourouthanassis P, Nikopoulou M, Chasapi G. Digital transformation for resilient tourism: Evidence from the Greek hospitality industry. In: Christou E, Fotiadis A, editors. *Reviving Tourism, in the Post-Pandemic Era*. Thessaloniki: International Hellenic University; 2022. pp. 69-80. DOI: 10.5281/zenodo.6428590
- [24] Sociology WT. *Work and Industry*. 4th ed. London: Routledge; 2003. p. 328. DOI: 10.4324/9780203103043
- [25] Kvale S. Interviews, an introduction to qualitative research interviewing. *American Journal of Evaluation*. 1996;**19**(2):267-270. DOI: 10.1016/S1098-2140(99)80208-2
- [26] Hallebone E, Priest J. *Business and Management Research: Paradigms and Practices*. Hampshire: Palgrave Macmillan; 2009. p. 252. DOI: 10.1007/978-1-137-11078-7
- [27] Kokolakis G, Spiliotis I. *Εισαγωγή στη Θεωρία Πιθανοτήτων και Στατιστική [Introduction to Probability Theory and Statistics]*. Athens: Simeon; 1999. p. 368
- [28] Gratton C, Jones I. *Research Methods for Sport Studies*. London: Routledge; 2003. p. 304. DOI: 10.4324/9780203380567
- [29] Cohen L, Manion L. *Research Methods in Education*. 6th ed. London: Routledge; 2007. p. 656. DOI: 10.4324/9780203029053