

Hotel Strategy Facing The Covid-19 Pandemic (Case Study: The Lovina Bali Resort)

Putu Dio Artha Pratama¹, Elga Astri Yuniar², Ni Nyoman Kerti Yasa³

^{1,2,3} Program Magister Manajemen, FEB Universitas Udayana, Bali, Indonesia

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Abstract: The Covid-19 pandemic has brought many changes to the world. One of the sectors directly affected is tourism. The impact on the tourism sector is due to the implementation of a travel ban policy and a large-scale social restriction policy, resulting in a decrease in domestic and foreign tourists. One that is closely related to the tourism sector is hospitality. This study aims to examine the management strategy of The Lovina Bali Resort in the Covid-19 pandemic situation. This research used descriptive qualitative methods with virtual interview techniques and a literature study. The informants selected in this study were HRD also as General Affairs. As a result, the strategy implemented by the hotel, in this case, The Lovina Bali Resort, is a generic service and communication strategy. This strategy is expected to be a reference for other hotels to survive during the Covid-19 pandemic.

Keywords: Hotel, Strategic Management, Covid-19 Pandemic.

I. INTRODUCTION

Since the beginning of 2020, the whole world has been hit by the Covid-19 virus. Indonesia has been affected by this outbreak since March 2, 2019 [11] [28]. According to [18], Covid-19 is a collection of viruses that can infect the respiratory system. This virus often causes mild respiratory infections, such as the flu. This virus can also cause severe respiratory infections, such as lung infections (pneumonia). The spread of Covid-19 in Indonesia is increasingly widespread, and the number of exposed cases is increasing daily. The impact of the Covid-19 crisis has changed people's lives, and they must face new challenges in daily life [5][33]. The Covid-19 pandemic has had many changes in the world, starting from the weakening of the economy, implementing new habits, changing the education system, and so on. One of the affected economic sectors is tourism. Tourism is defined as a journey from one place to another, carried out individually or in groups to find balance or harmony and happiness with the environment becoming a social, cultural, natural, and scientific dimension [16]. The impact of the tourism sector is due to the implementation of policies prohibiting foreign nationals from visiting their countries and large-scale social restrictions policies, resulting in a decrease in domestic and foreign tourists. One closely related to the tourism sector is hospitality, which feels the impact of the current pandemic conditions. Marketing strategies carried out before the Covid-19 pandemic can be said to be effective in attracting hotel guests; adjustments must be made during the pandemic to restore public confidence in the tourism sector especially in hotels [27].

The policies implemented in Indonesia caused tourist attractions and hotels as the tourism sector to experience a decline. According to data from the Association of Indonesian Hotels and Restaurants, during March 2020, the decline in hotel visitors fell by almost 60 to 70 percent, which caused hotel revenues to fall sharply [30]. Based on a Hotels News Now report, the hotel sector has lost 5 million workers since February 2021, which is many times the global calculation [23]. According to [24], with the higher competition in the hospitality world, the hotel is also required to continue to advance and increase its consumers even during the Covid-19 pandemic crisis so that the hotel can benefit from its strategy. This pandemic has heavily impacted the hospitality industry; thousands of hotels have been forced to close due to difficulty surviving the situation with the lack of visitors, which is in line with the lack of income [22]. Thus, businesses in all travel and tourism sectors, including transportation services, hotels, entertainment, and restaurants, will be struck [29]. Data shows that there are 28,243 residential hotel and lodging business units in Indonesia, and 1,642 are closed [3].

The magnitude of the impact due to the Covid-19 pandemic must be overcome together by tackling and preventing, as an effort to overcome and prevent the government from making Large-Scale Social Restrictions (PSBB) policies and implementing health protocols such as maintaining distance, maintaining hand hygiene and wearing masks to the chain of the spread of the Covid-19 virus [4] and related to the government's policy, the island of Bali, as a tourist island closes all tourist and entertainment places as an effort to prevent the spread of the Covid-19 virus [3].

Very little research has focused on the hospitality industry, especially on coping with the epidemic and crisis. Hospitality industry stakeholders are now seeking organizational strategies for crisis management practices in response to the pandemic [12]. The Lovina Bali Resort is one of the four-star hospitality industries in the Buleleng area, which has been affected by the Covid-19 pandemic. The Lovina has made various efforts to manage hotel business strategies to survive this pandemic. Therefore, this study has a purpose: to find out the strategies carried out by The Lovina Bali Resort in dealing with the Covid-19 Pandemic.

II. LITERATURE REVIEW

Management is a process or framework that involves guiding or directing a group of people toward organizational goals or tangible goals. Management is an activity, the implementation of which is called management, while the implementer is called the manager or manager. Strategy is a plan about what an organization wants to achieve or what it wants to be in the future (direction) and how to achieve the desired state (route). Strategy is a general term for forming systematics that must be created in organizational management [6]. According to [32] strategy is a tool to achieve company goals about long-term goals, follow-up programs, and resource allocation priorities [9]. Then, the notion or definition of strategic management in the management science literature has a broad scope, and no one definition is considered standard. That is why the definition of strategic management expands depending on one's understanding or interpretation [13]. According to [21] strategic management is a process to help organizations identify what they want to achieve and how they should achieve valuable results, while according to [19] strategic management is defined as a set of decisions and actions that result in the formulation and implementation of plans designed to achieve company goals. Based on some of the definitions above, strategic management is the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its goals.

The central management in business is how to build and improve the company's position in long-term business competition. Moreover, the most crucial goal of strategic management procedures is to help businesses be successful by competitively distinguishing themselves from other businesses and allowing them to take advantage of their inner strengths and outer opportunities while reducing their weaknesses and external threats. In this case, strategic implementation translates strategic formulation into positive actions by establishing programs, determining budgets, and making procedures. In addition, implementation is critical in the strategic management process, is the last step in the strategic management process, and appears after the strategy is formulated [15]. According to [31], five principles need to be met, including 1) providing answers or reactions to changes that are happening, 2) containing steps and approaches in dealing with competition, 3) creating quality competitive capabilities and abilities, 4) stating strategic initiatives from each functional department, 5) placing the primary strategy of the company's operational activities.

There are several forms of narrowing strategic management, including generic, service, and communication. Generic strategy is a strategy introduced by Michael Porter which discusses how companies pursue competitive advantage in the entire scope of their chosen market. According to Porter, if a company wants to increase its business in an increasingly fierce competition, companies must choose the principle of doing business, namely products with high prices or products with low costs, not both. Based on this principle, Porter stated that there are three principles of generic strategy, namely Differentiation Strategy, Overall Cost Leadership, and Focus [10].

Service operations strategy plays a vital role in achieving a balance between consistency and adaptability by determining the intended behavior of individual employees according to various work processes [25]. In practice, providing exemplary service to consumers is not easy, considering the many obstacles that will be faced both from within and outside the company. Efforts to provide optimal service to consumers must be taken seriously by considering the primary and supporting factors. The main influencing factor is human resources. The role of humans (employees) who serve consumers is the main factor because only with humans can consumers communicate directly and openly. Then the facilities and infrastructure used must also be able to support what humans have done, and the quality of the products offered must have advantages over competing products.

[8] suggest that the communication strategy is divided into three main theories; first, Put strategy, where the communication strategy in this section is focused on reaching the public, which aims to direct the audience to be able to see the product, consider it, then enter the company network. Second, the Push strategy, this communication strategy focuses on the performance capabilities of its employees; this strategy leads to the realization of strengths to encourage loyalty and work commitment. Moreover, Third Pull Strategy, a communication strategy to maintain the company's image and the process, is directed at maintaining relationships with the company and customers [14]. The communication strategy has three goals of change: changing awareness, attention, and loyalty. The purpose of a communication strategy as a way to build awareness must pay attention to things such as understanding the communication process, message clarity, persuasion power, and the completeness of the message [18].

III. RESERCH METHODS

The researcher uses a qualitative approach to determine the strategies The Lovina Bali Resort is implementing in dealing with the current pandemic. This study uses a qualitative approach, namely collecting data in a natural setting to interpret the phenomena where the researcher is the critical instrument [2]. This study further explains what activities or situations take place to study strategic management at The Lovina Bali Resort during the Covid-19 pandemic.

The data collection methods used interviews and literature studies, while the observation method was not used in this study considering the ongoing pandemic situation. Determination of informants was carried out by the purposive sampling method; Sugiyono explained [26] that the purposive sampling method is a sample collection technique by considering certain things. The informants selected in this study were HRD, who doubled as General Affairs at The Lovina Bali Resort.

IV. RESULT AND DISCUSSION

The Covid-19 pandemic has significantly impacted the hotel industry in Indonesia; the drastic decline in hotel occupancy has forced many hotels to go out of business because income is unable to cover operational costs. The collapse of the hotel has affected several employees in their place of work as well; the employees were forced to be expelled or temporarily laid off by the company due to the lack of income to pay employee salaries. Therefore, the researcher interviewed HRD, who serves as General Affairs at The Lovina Bali Resort. Based on interviews conducted by researchers, they captured several strategic management implemented by The Lovina Bali Resort to survive the Covid-19 pandemic, including generic strategies, service strategies, and communication strategies.

In the generic strategy, three strategies are analyzed. Namely, cost leadership (low cost) is a strategy that emphasizes efforts to produce the same standard product in all aspects with a meager cost per unit. In this case, The Lovina Bali Resort reduces the selling price of the room up to 60% of the regular price. In addition, The Lovina also reduced staff by hiring half of its employees. This is considered to be able to reduce operational costs and increase profits. Then is a differentiation strategy or product differentiation; this strategy encourages companies to be able to find their uniqueness in the target market. The uniqueness of these prioritized products (goods and services) allows a company to attract the most significant interest from its potential consumers. The Lovina Bali Resort differentiates itself by providing unique promos for those who book through travel agents; these promos include room discounts, spa discounts, complimentary breakfast, and so on. In addition, the location of The Lovina Bali Resort is in the middle of the city and directly faces the beach. Next is the focus strategy to build a competitive advantage in a narrower market segment. HRD and General Affairs, The Lovina Bali Resort, focus on implementing strict health protocol standards for employees and guests staying at the hotel so that guests who will stay at the hotel feel safer and by their needs and expectations.

Service operations strategy plays a vital role in achieving a balance between consistency and adaptability by determining the intended behavior of individual employees according to various work processes [25]. The Lovina Bali Resort adopts an attitude of hospitality in its services which all its employees implement. The implementation is carried out in the form of being responsive in meeting the needs of visitors, such as requiring additional information or services by providing telephones in each room so that visitors do not have to bother going to the receptionist and requests are processed faster. In addition, to obtain customer satisfaction, The Lovina Bali Resort implements a service strategy by continuously improving hotel services to visitors. These services include buggy cars for visitors to visit restaurants and dolphin tours provided by local boats right on the beach behind the hotel.

Strategy is the different stages of optimal response to new challenges the company may face, either as a result of previous steps or due to external pressures. Communication strategy is the ability to choose the use of communication to build

basic commonalities among people in the organization [20]. According to Abdullah [1], one of the success factors in doing business is communication; this is important because, with good communication, businesses can sell their products better and can also avoid misunderstandings between the two parties. The Lovina Bali Resort communicates with agents who provide special discounts (special rates) so that the hotel can provide exceptional services to customers at prices that are much cheaper than everyday situations. Communication was also built by The Lovina Bali Resort to employees and management so that they always emphasize saving costs. In addition, The Lovina also maintains good communication with potential customers on social media, in the form of promotions both on Facebook and Instagram. In addition to promotions, The Lovina Bali Resort also opens long-distance communication via social media, email, and telephone, which a friendly receptionist or customer service will serve. Communication strategies can also improve customer relationships and further consumer social responsibility, which is also the responsibility of tourism or the [7].

V. CONCLUSION

The Lovina Bali Resort is one of the four-star hospitality industries in the Buleleng area that has been affected by the Covid-19 pandemic; The Lovina has made various efforts to manage hotel business strategies to survive in this pandemic situation, and the strategy implemented by The Lovina Bali Resort is a generic strategy that is emphasizing on low costs, service strategies that focus on customer satisfaction and communication strategies to travel agents so that they can offer special prices to visitors with full service.

For The Lovina Bali Resort, it is recommended to provide an official Whatsapp to make it easier for potential customers to communicate; this is because WhatsApp is one of the accessible chat platforms and is widely used worldwide. Further researchers are advised to deepen each indicator or use other indicators to research so that the data obtained is more complex and completes this research.

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