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STRATEGIES APPLIED BY ACCOMMODATION SERVICE BUSINESS IN WEST SUMATERA TO OVERCOME THE CRISIS OF COVID-19 PANDEMIC

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ABSTRACT

This research aims to formulate strategies applied by accommodation service providers in West Sumatra in coping with the Covid-19 pandemic. The limitation in the mobilization or traveling that was imposed to break the chain of Covid-19 infection had brought the accommodation services on its knees in all regions including West Sumatra. Strategies formulated by means of SWOT (Strength, Weakness, Opportunity, Threat) analysis; by minimizing the weaknesses and threat, and boosting existing strength and opportunities. The gathering of research data was conducted through interviews with several stakeholders in the accommodation services business by applying purposive sampling method. The gathered data was then descriptively analysed by considering the strength, weakness, opportunity, and threat owned by the accommodation services in West Sumatra in order to formulate strategies in coping with the Covid-19 pandemic. The results of the research indicated that several strategies were applicable for implementation by the accommodation services in West Sumatra, i.e. the short, medium, and long-term strategies for the sustainability of the business.

Keywords: Business accommodation services strategies, swot analysis, Covid-19 pandemic

INTRODUCTION

Tourism has been the source of state's revenue. In 2019, tourism sector provided the second largest contribution to the income of the state. The tourism business that serves as the drive to the tourism activities provides multiplier effect to various other sectors. Tourism activities directly employ approximately 10% (13 million workers) from the total figure of national work force in 2019. Viewed from

the business field, the accommodation, food and beverage services contributed 7% (8.5 million workers) from the total figure national work force (Revindo et al, 2020). The outbreak of the Covid-19 pandemic affects all global activities, including the tourism activities. The number of tourists undergoes freefall due to the travel restriction in all modes of transportation; land, sea, and air. The freefall even got worse as the large-scale social restriction (Indonesian: *Pembatasan Sosial Berskala Besar*, PSBB) is imposed as a measure to break the chain of Covid-19 infection. Global tourism business including those in Indonesia are thus affected by the condition.

As one of key tourist destinations in Indonesia, West Sumatra also experiences the impact of the pandemic outbreak. Actors of tourism business in the province are hit hard by the condition. According to the Chair of the Association of Hotels and Restaurants of Indonesia (*Perhimpunan Hotel dan Restoran Indonesia*, PHRI) of West Sumatra, 26 out of 110 active-member hotels have chosen temporary closure as a measure to cope with the condition. Most of the hotels are located in Padang city while some others are located in numerous key areas such as Bukittinggi, Tanah Datar, Padang Panjang, Agam, and Mentawai. The closure pushed the businesses to come to the layoff of some 250 workers (kompas.id, April 8 2020). The following is the list of the temporarily-closed hotels in West Sumatra:

No	Hotel Location	Hotel Name
1	Padang	1. Amaris Hotel 2. Deivan Hotel 3. Edotel Bundo Kandung 4. Hangtuah Hotel 5. Hotel Garuda 6. HW Hotel 7. Musafir Inn 8. Premier Basko Hotel 9. Rangkayo Basa Hotel 10. Rocky Plaza Hotel 11. Sriwijaya Hotel 12. The Abidin Hotel 13. New D'dhave Hotel 14. D'dhave Hotel 15. Hotel Ranah Bundo 16. Pangeran City Hotel
2	Bukittinggi	1. Grand Royal Denai 2. Lima's Hotel 3. Royal Denai Hotel 4. Royal Denai View Hotel
3	Padang Panjang	1. Mifan Water Park 2. Rangkayo Basa Hotel

4	Tanah Datar	Emersia Hotel Batusangkar
5	Agam	Parkside Nuansa Maninjau
6	Mentawai	Kingfisher Resort

Source: Perhimpunan Hotel dan Restoran Indonesia of West Sumatera, as of April 7 2020

This condition significantly impacted the operational and growth of accommodation service businesses in West Sumatra, and this shall directly affect the workers of the accommodation services. The situation may lead to devastation of the service institutions as well as the workers, products, services, financial situation and reputation. Considering the ongoing condition, it is imperative to find strategies for actors of tourism sector in how to cope with the crisis resulted by the pandemic, especially for those in West Sumatra so they could minimize the impact of the crisis and may resuscitate from it once the storm has passed.

Crisis, according to Prayudi (2008) is a major and unpredictable event that has the potential to have negative impact. The event may damage the organization and workers, products, services, financial situation, and reputation. According to Jacques (2009) crisis may create enduring and damaging issues. Consequently, organizations that remain in the conventional post-crisis management risks failure in the process of handling long-term post-crisis management process.

Apart from strategy, expertise in crisis management is required in coping with the condition. Henderson (2007) defines:

Crisis management is a term which describes the responses to a crisis by organizations affected and their attempts to exercise some control over its progress and outcomes. It can be conceived of as a special campaign in which human, financial and other available resources are made use of in order to combat a situation of great difficulty. The ultimate aims are to overcome the dangers posed by the crisis and minimize damage.

Crisis management is based on how to meet the crisis (crisis bargaining and negotiation), making decisions during the crisis (crisis decision making), and observe the development of crisis (crisis dynamics). The management is responsible to find problem solvers of the crisis by implementing possible crisis management strategies (Iriantara, 2004). The main objective of crisis management is to take systematized measures and prevention to ensure that the potentially negative impact of a problem or crisis to either the name or image of the organization can be controlled and confined as much as possible, making the attrition of the company's reputation is the greatest danger of a crisis (Koster, & Norton, 2004). According to Kasali (1994), there are three generic strategies that can be implemented in dealing with crisis, i.e.:

1. Defensive Strategy

Implemented when the coverage of the issue is yet specific on the individuals, products, or companies. Measures that may be taken include buying some time,

doing nothing, and strongly brace one's self.

2. Adaptive Strategy

Implemented when the issue or its symptom is noticeable, both addressing general and specific issues. The impact of the issue is usually growing and if left unchecked, the issue will get out of hand. The measures taken include change in policy, modification of operational aspects, compromises, and straightening up the image.

3. Dynamic Strategy

Implemented when the coverage of the issue has led to specificity about a product, individual, or company. It takes anticipatory steps that neutralize the atmosphere and return the issue to a positive direction. Measures that can be taken are new investment, selling shares, launching new products, revoking the circulation of old products, holding power, and raising new issues to divert public attention.

Bong, et al. (2019) explain that AICST (APEC Internal Center for Sustainable Tourism) proposes four phases of risk and crisis management handling that include 4 Rs (Reduction, Readiness, Response, Recovery) i.e.:

1. Program planning to minimize risks (*Reduction*) that consists of:
 - a. Crisis Awareness: the preparation of programs that create awareness of the risks of disaster of various possible happenings.
 - b. Political Awareness: the creation of close relationship with security details and local police as well as local government's agencies that are directly related to the issues of safety, security, and comfort of tourists.
 - c. Standard Operating Procedures related to the security, safety, and comfort on the environment of tourism sites, both for the sake of service provided to the tourists and the company's workers including the surrounding community.
2. Preparation of Readiness Program (Readiness) that include:
 - a. Crisis Management Plan: readiness that is initiated with comprehensive and realistic planning, including adequate budget and supporting facilities as well as trained manpower.
 - b. Tourism Planning: the planning of various tourism programs and the planning of risk and crisis management are inseparable.
 - c. Health and Safety Measures: the extent of risks during a crisis and disaster must be estimated in the planning of risk management.
3. Response Preparation Program (*Response*) that includes:
 - a. Emergency Response Procedure: readiness as well as emergency response procedures.
 - b. Investigation: research on the sources of each crisis and disaster whenever any unexpected adversity occurs.
 - c. Family Assistance and Communication: preparation of communication centre whenever a disaster hits so the families of the victims may be well-informed and the communication to the press may be centered and controlled.

4. Program for the return to the previous condition (*Recovery*) which consists of:
 - a. Business Continuity Plan, planning for the recovery of the tourism organization and local government so community may return to its original activities within a predetermined timeframe and return of investment.
 - b. Human resources and Debriefing, coordination of officials during the recovery program so it is controllable and well-managed.

The research aims to formulate strategies of accommodation service business of West Sumatra in coping with the Covid-19 pandemic. At the beginning of Covid-19 Pandemic, based on the report from Association of Hotel and Restaurant of Indonesia of West Sumatera, most of the accommodation service was temporarily closed due to the mobility limitation applied by the government to prevent the spread of COVID-19 Pandemic. The managers of the accommodation service had imposed strategies to survive from the condition, however it was needed sharp analysis to overcome the problems in broader scope. Not many papers researched this kind of topic, so that the result of the research could contribute to the stakeholders of the accommodation service business particularly for West Sumatera Region. The study on the strategies that can be performed by the accommodation services is divided into 3 phases; short-term, medium-term and long-term strategies. The division of term in the analysis was intended to classify the urgency of the action strategy to conduct as it will be useful to project potential actions that accommodation business actors may take for the present as well as the future so accommodation service may experience revitalization in the aftermath of the pandemic.

METHODOLOGY

The research applies qualitative method. The informers of the research were selected by means of purposive sampling method, i.e. stipulating informers based on certain considerations that presumably will be able to contribute to the achievement of the objectives of the research. The data gathered are obtained from stakeholders in the accommodation services business in West Sumatra pertaining the information on the strategies of the accommodation business in coping with the pandemic crisis. The accommodation services business are limited to the hotels located in Padang and Bukittinggi based on the report from Association of Hotel and Restaurant of Indonesia of West Sumatera. The data are obtained by applying interview technique to the informers who are hotel managers using phone and whatsapp application due to the pandemic situation. Questions asked are about the internal factors of strengths and weaknesses as well as questions about the external factors (opportunities and threats).

Data analysis in the research is conducted descriptively through data reduction process, presentation and verification. The gathered data are then processed by means of SWOT analysis technique in the form of matrix. SWOT matrix used to formulate strategies performed by hotel managers in West Sumatra in coping with Covid-19 pandemic crisis, by minimizing the weaknesses and threats and maximizing the existing strengths and opportunities.

According to Rangkuti (2006) SWOT matrix can clearly describe how the opportunities and external threats encountered by companies are adjustable to the strengths and weaknesses they possess. The matrix may generate four possible alternative strategies, i.e.: SO (Strength and Opportunity) strategies. This is the strategy created by utilizing all strengths to seize and use opportunities to the farthest extent. ST (Strength and Threats) strategy is the strategy in utilizing the strengths possessed to overcome threats. WO (Weakness and Opportunity) strategy is the strategy applied based on the utilization of existing opportunities by minimizing existing weaknesses. WT (Weakness and Threats) strategy is the strategy based on defensive actions and attempts to minimize existing weaknesses and avoid threats. After the four sets of alternative strategy are obtained, they will then be categorized into short-term, medium-term, and long-term strategies.

RESULT AND DISCUSSION

Data gathering is conducted through interviews with some informers who are managers of hotels in West Sumatra. The gathering obtained information on the strengths, weaknesses, opportunities and threats possessed by accommodation service providers (hotels) in West Sumatra.

The factors of strengths and weaknesses of accommodation service providers in West Sumatra are listed in the following table:

Strengths – S
<ol style="list-style-type: none"> 1. Attention to health protocol in the hotel area, so guests would feel safe and comfortable. 2. Improving the hygiene of the hotel. 3. Constant attempt and always maintain the solidity of team. 4. High sense of workers' loyalty. 5. The preparedness of hotels in implementing service standard that complies with Covid-19 SOP. 6. Improve promotional activities through creative ways. 7. Creating innovation of new products by maintaining attention to the Covid-19 health protocol.

Weaknesses – W
<ol style="list-style-type: none"> 1. Located within Covid-19 cluster area. 2. Poor rate of occupancy and the large figure of expenditures (financial problem) 3. Possibility of being abandoned by costumers upon failure to implement Covid-19 health protocol. 4. The number of tourists visiting West Sumatra has declined.

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| 5. The number of events at the hotel has declined due to the Covid-19 pandemic. |
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The factors of opportunities and threats are listed in the following table:

Opportunities – O
<ol style="list-style-type: none"> 1. The regional government has reopened access for guests coming from outside West Sumatra. 2. The demand of staycation for community members who are bored by PSBB. 3. Diversification of business in the form of sales of F&B products in packs/takeaways. 4. The situation has improved and events are starting to be held in hotels by maintaining the implementation of Covid-19 health protocol.

Threats – T
<ol style="list-style-type: none"> 1. Government policies are subject to constant changes depending on the condition. 2. The magnitude of threats of Covid-19 pandemic if the pandemic remains for a long time to the hotel, especially in terms of the aspects of finance and workers' well-being. 3. The growth of hotel income is poor hence contributes to the unfair competition by lowering rates to unreasonable level.

Data on the strengths, weaknesses, opportunities and threats obtained from several hotels in West Sumatra are then processed by conducting the SWOT analysis, using a matrix to obtain 4 alternative strategies, namely the SO (Strength and Opportunity) strategy, WO (Weakness and Opportunity), ST (Strength and Threat) and WT (Weakness and Threat) as shown in the following table:

Table 1.
SWOT ANALYSIS OF ACCOMMODATION SERVICES
IN WEST SUMATRA

<p style="text-align: center;">IFE</p> <p style="text-align: center;">EFE</p>	<p>Strength (S)</p> <p>S1. Paying attention to the health protocol in the hotel area, so that guests feel safe and comfortable.</p> <p>S2. Improving hotel's cleanliness.</p> <p>S3. Continuous efforts to maintain team cohesion.</p> <p>S4. Loyal employees.</p> <p>S5. Hotel's readiness in implementing service standards in accordance with COVID-19 health protocol.</p> <p>S6. Conducting more creative promotional activities.</p> <p>S7. Creating new product innovations that are in accordance with the COVID-19 Health Protocol.</p>	<p>Weakness (W)</p> <p>W1. Located in the COVID 19 cluster area.</p> <p>W2. Low occupancy and large expenses (financial problems).</p> <p>W3. It is very likely for the customers to leave if hotel doesn't implement the COVID-19 health protocol.</p> <p>W4. The number of tourist visits to West Sumatra has been declining.</p> <p>W5. Reduced number of events being held at hotels due to the pandemic.</p>
<p>OPPORTUNITY (O)</p> <p>O1. The local government has reopened access for tourists from outside of West Sumatra.</p> <p>O2. A need for "staycation" for people saturated with the PSBB.</p> <p>O3. Diversification of business such as selling takeaway F&B products.</p> <p>O4. Overall situation is starting to improve</p>	<p>(SO)</p> <p>1. Continue to carry out the COVID-19 health protocol in hotel service operations to accommodate guests' staying needs.</p> <p>2. Product innovation such as selling food and beverages by complying to health protocols.</p> <p>3. Optimizing human resources and motivating hotel team to remain solid to</p>	<p>(WO)</p> <p>1. Conducting campaigns with the aim of assuring guests of the safety of visiting and staying at the hotel.</p> <p>2. Taking advantage of government policies to optimize hotel revenue by promoting available products.</p> <p>3. Control the implementation of health protocols regularly.</p>

and events have started to be held at hotels again by implementing the COVID-19 health protocol.	<p>increase employee loyalty and maintaining the quality of service to guests.</p> <p>4. Making use of the facilities owned by the hotel to provide excellent service to guests.</p> <p>5. Maximizing promotional activities through online media in creative ways</p> <p>6. Creating new products such as special self-isolation package and event package by limiting the capacity according to health protocols</p>	4. Creating event package products that complies to health protocols.
<p>THREAT (T)</p> <p>T1. Changes to government policies depending on current conditions.</p> <p>T2. The pandemic can be threatening to the hotels if it lasts for a long time, especially regarding financial aspects and employee welfare.</p> <p>T3. Low income growth resulting in unhealthy competition by lowering prices unreasonably.</p>	<p>(ST)</p> <p>1. Coordinating with the government regarding related policies.</p> <p>2. Consolidating with association to establish policies, operational standards and promotions during the pandemic.</p>	<p>(WT)</p> <p>1. Optimizing the local market by conducting promotion to agencies / industries with the potential to hold events at hotels.</p>

Source: Compiled by Author, 2020

a. SO (Strength and Opportunity) Strategy

1. Maintaining the implementation of COVID-19 health protocol in hotel service operations to accommodate guests' staying needs.

2. Creating new products, such as sales of food and beverages by complying with health protocols.
3. Optimizing human resources and motivating the team to remain solid in order to increase employee loyalty and maintain the quality of service to guests.
4. Making use of the hotel facilities to provide excellent service to guests.
5. Maximizing creative online promotion.
6. Creating new products such as special self-isolation package and event package by limiting the capacity according to health protocols.

b. WO (Weakness and Opportunity) Strategy

1. Conducting campaigns with the aim of convincing guests about the safety of visiting and staying at hotels.
2. Taking advantage of government policies to optimize hotel revenue by promoting available products.
3. Controlling the implementation of health protocols regularly.
4. Creating event package products that complies to health protocols.

c. ST (Strength and Thread) Strategy

1. Coordinating with the government regarding related policies.
2. Consolidating with hotel association to establish policies, operational standards and promotions during the pandemic.

d. WT (Strength and Thread) Strategy

1. Optimizing the local market by conducting promotion to agencies / industries with the potential to hold events at hotels.

Based on the four alternative strategies that have been formulated for accommodation service businesses in West Sumatra during the COVID-19 pandemic, these strategies are grouped into three, i.e. short-term, medium-term and long-term strategies, as described below:

1. Short term strategy

- a. Continue to carry out the COVID-19 health protocol in hotel service operations to accommodate guests' needs.
- b. Optimizing human resources and motivating the team to remain solid in order to increase employee loyalty and maintain the quality of service to guests.

- c. Making use of the hotel facilities to provide excellent service to guests.

2. Medium term strategy

- a. Innovation such as sales of food and beverages by complying to health protocols.
- b. Maximizing creative online promotion.
- c. Conducting campaigns with the aim of convincing guests about the safety of visiting and staying at hotels.
- d. Controlling the implementation of health protocols regularly.
- e. Optimizing the local market by conducting promotion to agencies/industries with the potential to hold events at hotels.

3. Long term strategy

- a. Creating new products such as special self-isolation package and event package by limiting the capacity according to health protocols.
- b. Taking advantage of government policies to optimize hotel revenue by promoting available products.
- c. Creating event package products that complies to health protocols.
- d. Coordinating with the government regarding related policies.
- e. Consolidating with hotel association to establish policies, operational standards and promotions during the pandemic.

The above strategies are grouped to short term, medium term and long term by referring to the 4R (Reduction, Readiness, Response, Recovery) risk and crisis management handling, according to The AICST (APEC International Center for Sustainable Tourism) in Bong et al, 2019. The grouping in short term strategies were categorized based on the concept of Reduction and Response since the quick actions urgently imposed to the real condition. Then, the medium term strategies were grouped based on the Readiness concept due to the implementation of accommodation services operational actions to conduct. Long term strategies were categorized based on the concept of Recovery to sustain the business for the future.

CONCLUSION

Based on the results of the SWOT analysis, it can be concluded that accommodation service businesses in West Sumatra can carry out short-term strategies to evaluate and improve the company's internal quality in providing their

best services to guests while still complying with health protocols. Furthermore, medium-term strategies include optimizing the potential local market and conducting campaigns with the aim of convincing guests about the safety of visiting and staying at hotels. Another medium-term strategy is by controlling the implementation of health protocols regularly and by creating innovative new products relevant to the business' core product, as well as maximizing creative online promotion. Long-term strategies include coordinating with the government and consolidating with hotel association to establish policies, operational standards and promotions during the pandemic, as well as making innovations such as special self-isolation package and event package by limiting the capacity according to health protocols.

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