Self-Adjustment Strategies Of International Chain Hotels In Surabaya During The New Normal Era

Sheidy Yudhiasta 1)

1) Tourism Study Program, Universitas Pembangunan Nasional Veteran Jawa Timur

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The Covid-19 pandemic severely impacted Indonesia's tourism industry, resulting in a sharp decline in hotel room occupancy rates in Surabaya. To recover, hotels adopted strategies. This article examines how hotels affiliated with international brand networks coped with the pandemic. The study focuses on Quest Hotel and Holiday Inn Express Surabaya CenterPoint, both renowned for their star ratings and business hotel concept in the city centre. Research revealed a significant drop in room occupancy rates during the pandemic. Strategies included strict adherence to health protocols, salary adjustments without altering service charge calculations, limited use of hotel facilities, showcasing health and cleanliness certifications on promotional materials, flexible booking periods, room price promotions, and non-room product sales. These measures aimed to prioritize guest safety, increase revenue, and adjust to the pandemic's impact. Implementing these adaptations, the hotels aimed to position themselves for recovery and success in the new normal era.

Keywords:
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Correspondence Address:
Tourism Study Program
Universitas Pembangunan Nasional "Veteran" Jawa Timur
Jl. Rungkut Madya No. 1 Surabaya
Email: sheidy.par@upnjatim.ac.id

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**Introduction**

In March 2020, Indonesia was shocked by the discovery of the first confirmed Covid-19 patient (R, et al., 2020). The case was founded in Depok four months after the first Covid-19 case in Wuhan, China (Nursofwa et al., 2020). The spread of positive Covid-19 cases became more widespread throughout Indonesia, including Surabaya. Surabaya was even designated as a black zone for Covid-19 spread in June due to reaching 5,132 positive cases (CNBC Indonesia, 2020). In March 2020, the government quickly issued the Large-Scale Social Restrictions (PSBB) policy to break the chain of Covid-19 transmission (Nasruddin & Haq, 2020). In East Java, the PSBB policy was implemented in April 2020 in 3 regions: Surabaya, Sidoarjo, and Gresik. However, implementing the PSBB policy certainly had significant impacts, especially on the tourism sector and its supporting sectors such as transportation, accommodation, MSMEs, and other services. The tourism sector was severely affected, as evidenced by the significant decrease in domestic and international tourist activities and visits to various tourist destinations (Nawawi, 2021).

The tourism sector, especially the hospitality industry, heavily depends on tourist activities. The hospitality industry, both local and international chains, was further hit by the issuance of Minister of Transportation Regulation Number 25 of 2020 concerning the Control of Covid-19 during the Idul Fitri 1441 H Homecoming Period. The regulation included a ban on international flights from April 24 to May 31, 2020 (UDIH BPK RI, 2020). The hotel occupancy rate in Surabaya in April was only 12.3% (Ningsih, 2020). The decrease in hotel occupancy rate naturally impacted the job sustainability of hotel employees. In March 2020, most employees furloughed in East Java were from the hotel sector, accounting for 32.34% (Sakti, 2020). The situation was worsened by the difficulty in planning and calculating the financial support needed for affected tourism workers due to the lack of technology support to map data on the workforce in tourism-related industries such as tour and travel businesses, accommodation and restaurant services, and other tourism-related businesses (Sugihamretha, 2020).

The alarming condition for the hospitality industry continued until the end of 2020. Although the occupancy rate in Surabaya slightly increased at the end of 2020 by 20-30%, it was still far from the usual 90-100% occupancy rate before the Covid-19 outbreak (Hakim, 2021). To help the tourism sector regain public trust and improve its brand image, the Ministry of Tourism and Creative Economy issued the CHSE (Cleanliness, Health, Safety, Environment) certification policy in the field of tourism and creative economy. This certification was given to tourism businesses to strengthen their health protocols and regain public trust, making visitors feel safe and comfortable when visiting tourist destinations. The CHSE certification targets tourist attractions, tourist villages, homestays, hotels, restaurants, MICE venues, golf courses, rafting facilities, and diving businesses (Widhiastuti et al., 2022).

Not yet recovered from the previous condition, in July 2021, Surabaya experienced a surge in Covid-19 cases during the second wave. The number of active confirmed Covid-19 cases surged to 10,472, putting Surabaya in the red zone of Covid-19 spread (Setiyawan et al., 2021). The government quickly issued policies to address the situation by issuing Instruction of the Minister of Home Affairs Number 15 of 2021 concerning implementing Emergency Community Activity Restrictions for Corona Virus Disease 2019 in the Java and Bali Regions. Based on this policy, several regulations in Surabaya were adjusted. Several streets were closed during the emergency PPKM, such as Darmo Street, Pemuda Street, Tunjungan Street, and Ahmad Yani Street, which were closed from 6 p.m. to 5 a.m. The impact of this policy was reduced mobility in Surabaya (Dzulfikri, 2021).

The Surabaya hospitality industry was once again confronted with the issue of declining revenue from room sales, MICE events, and restaurants. The government has made efforts to help reduce the burden on the hospitality industry by providing fiscal incentives, such as exempting Value Added Tax (VAT) that the government bore for the July to August tax period. In the 2021 National Economic Recovery Program (PEN), the government allocated funds of IDR 62.8 trillion to provide tax incentives to businesses (Santoso, 2021).

The struggle for the Surabaya hospitality industry continues as the PPKM is extended. The extension of the PPKM from August 24 to 30, 2021, brought fresh air to the Surabaya
hospitality industry as the status of Surabaya became Level 3. The easing of several policies, such as the reopening of shopping centers with restricted operating hours, permission for dining in restaurants, and the reopening of cinemas, followed the reduction in the PPKM level. The easing of these policies positively impacted the Surabaya hospitality industry, leading to an increase in room occupancy rates to 40% (Ginanjar, 2021).

The PPKM level in Surabaya gradually decreased. Until October 19, 2021, the Instruction of the Minister of Home Affairs Number 53 of 2021 declared Surabaya at Level 1 (Roosa, 2021). The decrease in the PPKM level and the improvement of the city's condition marked the momentum of economic recovery. The hotel occupancy rate gradually increased, and more MICE activities were carried out. However, the Surabaya city government warned against excessive euphoria, which could potentially lead to the third wave of Covid-19 (CNN Indonesia, 2021).

Based on the government's advice, hotels in Surabaya immediately implemented strategies to increase hotel revenue while ensuring no recurrence of a massive Covid-19 spread that could trigger the third wave. The same goes for hotels in international chains, where every policy issued is centralized on the central network regulations. Regulatory centralization is carried out to ensure the proper management and standards of hotel facilities are maintained well (Salain, 2015).

Based on the above exposure, this research aims to analyze the strategies used by international chain hotels in Surabaya during the pandemic and the strategies applied to adapt to the new normal era. The research subjects focus on Quest Hotel Surabaya and Holiday Inn Express Surabaya CenterPoint.

**Literature Review**

The Covid-19 pandemic has caused a total crisis in the tourism industry in East Java, including the hospitality sector. As a crisis just encountered, research on the impact of the Covid-19 pandemic on the hospitality industry still needs to be completed. Most of the news about the impact of the Covid-19 pandemic on the hospitality industry can be found in the mass media. However, experts have generally conducted many studies on the relationship between the crisis and tourism.

The Covid-19 outbreak, a surprising phenomenon since 2019, should be a valuable lesson for the global community (Jamal & Budke, 2020). This is due to the possibility of outbreaks and other pandemic conditions that can emerge at any time. The causes are easy access to various tourist destinations and increasing travel. Therefore, problems caused by outbreaks must be anticipated by paying attention to health facilities and providing accurate information regarding the outbreak's impact on residents and tourists.

During the pandemic, residents encouraged younger populations to contribute more to risk management (Qiu et al., 2020). Younger populations are considered more adept at using digital media and the internet than older generations. In this regard, governments need to involve the younger generation in post-pandemic crisis recovery efforts by harnessing digital technology, as young populations are believed to have better abilities to obtain up-to-date pandemic information directly. Thus, during the Covid-19 pandemic, the government must maximize the use of digital technology by the younger generation.

Exposure to the impact of the Covid-19 pandemic is also provided by Gössling, Scott, & Hall (2021). According to Gössling et al., in facing the pandemic, when vaccines are not yet available, and medical capacities are still limited to deal with the disease, alternative solutions that can be taken include implementing non-medical efforts. One of the efforts that can be made is restricting global travel, urging people to stay at home, and limiting community mobility and public gatherings (Gössling et al., 2021).

The negative impact experienced by the tourism and hospitality industries also occurred during the Severe Acute Respiratory Syndrome (SARS) outbreak in 2005. Kim et al. (2005) revealed in their study on the outbreak in Korea that it harmed the hospitality industry in Korea. For six months, the hotel industry in Korea made great efforts to reduce hotel operational costs and conducted educational programs to increase health awareness and train hotel employees in cleanliness equipment operation (Kim et al., 2005).

Related to the impact of the SARS outbreak on the tourism and hospitality industries, Lo et al. (2006) stated that it harmed the hospitality industry in Hong Kong. The hotel industry immediately took steps to adapt to the SARS
outbreak. The management made innovations to handle their crisis (Lo et al., 2006).

Crisis management and implementation plans must be prepared to remain vigilant in facing difficult situations and conditions. There is a need for a well-trained, specialized team to make effective and innovative decisions in handling crises.

Research Method
The method used in this research is a qualitative method with a case study approach. The qualitative method is used because it encompasses contextual conditions, such as social, environmental, and institutional conditions in which community life takes place. It is driven by a desire to explain these events through applied concepts (Yin, 2015). Therefore, with this method, the impact of the Covid-19 pandemic on the hotels that are the focus of the research, survival strategies, and adaptation strategies during the new normal era can be known.

This study focuses on two internationally networked hotels that are willing to be used as research objects, namely Quest Hotel Surabaya, part of Archipelago International, and Holiday Inn Express Surabaya CenterPoint, part of the InterContinental Hotel Group. International chain hotels have centralized policies and rely on experiential knowledge in determining strategies, so the formulated strategies can be used as references and adapted to the hotels' conditions (Mahsar, 2021). The reason for choosing these hotels as research objects is based on their representation of star classifications. Quest Hotel Surabaya is a 3-star hotel, and Holiday Inn Express Surabaya CenterPoint is a 4-star hotel. Both hotels also represent the business type of hotel located in the central business area of Surabaya.

The data sources were collected using purposive sampling. Purposive sampling is a data source sampling technique based on considerations of individuals deemed to have the most understanding of what the researchers expect (Sugiyono, 2018). The chosen informants are policy-makers and ordinary Sales & Marketing and Human Resource employees. The informants were selected based on their knowledge and experience relevant to the objectives of this research.

The data collected in this research consist of primary and secondary data. Primary data was obtained through in-depth interviews and observations. The interviews were conducted using a semi-structured approach, where guidelines were prepared to guide the interviews. Semi-structured interviews were conducted in this study, where the prepared interview guidelines guided the interviews. Meanwhile, secondary data was obtained through tourism webinars, documents, or information searches about the hotels that were the focus of the research.

The observation method used in this research is non-participant observation, which involves observing without being involved or not being part of the social environment being observed (Sugiyono, 2018). The data analysis technique in this research uses analysis technique, according to Miles & Huberman, which includes data collection, data reduction, data presentation, and drawing conclusions and verification (Moleong, 2018).

Results and Discussion
Condition of hotels before the Covid-19 pandemic
a. Quest Hotel Surabaya

Quest Hotel Surabaya is a 3-star hotel located on Jalan Ronggolawe, Surabaya. It is part of Archipelago International and has 119 rooms. Five types of rooms are designed in a modern contemporary style, namely Superior, Deluxe, Suite, Executive Suite, and Darmo Suite. This hotel has advantages and is located in the city center of Surabaya and surrounded by office buildings. Before the Covid-19 pandemic, the occupancy rate of Quest Hotel rooms reached 90% - 100% on weekdays and 100% on weekends. The segments that filled the hotel rooms during weekdays were the corporate and government segments, while the family segment dominated the hotel during weekends (Melly, interview on November 2, 2021).

Apart from rooms, meeting rooms are other facilities that strengthen the hotel's advantages. Four meeting rooms are equipped with standard meeting facilities (projector, LED screens, mic, sound system, flipchart, and meeting kit). The largest meeting room can accommodate up to 200 participants. Before Covid-19, the available meeting rooms were almost always fully occupied by activities from corporate and government segments. During weekends, when corporate and government segments rarely held events, the hotel's meeting rooms were often
used for special events such as birthdays and weddings. The hotel also provided weekend activities for the family segment, such as Kids' Cooking Class. The hotel also earned revenue from other facilities such as the swimming pool & bar, spa, café, and fitness center (Melly, interview on November 2, 2021).

b. Holiday Inn Express Surabaya CenterPoint

Holiday Inn Express Surabaya CenterPoint is part of the InterContinental Hotel Group (IHG). This hotel, located on Jalan Kedungdoro Surabaya, is surrounded by office buildings and is very close to the second-largest shopping center in Indonesia, Tunjungan Plaza (Idris, 2020). A culinary center is located right across the hotel, making it convenient for guests to explore culinary delights. With this advantage, the hotel has become one of the preferred business hotels. Moreover, Holiday Inn Express Surabaya CenterPoint is the only IHG property in Surabaya, making it a choice for IHG loyalty members worldwide visiting Surabaya.

Before being affected by Covid-19, this hotel with 232 rooms had an occupancy rate of 70% - 100%. Even during low occupancy, the room occupancy rate remained at around 70%. The segments that filled the hotel's rooms came from Free Individual Travelers (FIT), corporate, and government. Many FIT segments were IHG members seeking to accumulate loyalty points, which could be earned from IHG properties worldwide (Management team, interview on November 1, 2021).

Apart from rooms, the hotel also has six meeting rooms. There is one meeting room in the Lobby area, four meeting rooms on the Mezzanine floor, and one meeting room with city-view access on the 19th floor. The largest meeting room can accommodate up to 300 participants. During weekdays, the meeting rooms were used mainly by corporate and government parties. During weekends, the meeting rooms were also used for special events such as birthdays and religious activities. Another uniqueness of this hotel is the availability of a self-laundry room, where guests can enjoy the sensation of doing laundry using advanced washing machines operated with coins (Management team, interview on November 1, 2021).

Condition of hotels during the Covid-19 pandemic

a. Quest Hotel Surabaya

When news about the coronavirus entering Indonesia emerged, activities at Quest Hotel Surabaya were still running as usual. The hotel continued to accept room reservations and MICE (Meetings, Incentives, Conferences, and Exhibitions) activities while closely following the developments from the government. After the implementation of the Large-Scale Social Restrictions (PSBB) policy by the government, many hotels closed and suspended their operational activities.

However, Quest Hotel Surabaya remained open while implementing strict health protocols to safeguard the well-being of its employees. Despite staying operational, the hotel's room occupancy declined significantly. The usual room occupancy rate of 90% - 100% dropped to 8%, with only ten rooms occupied. Room reservations that were previously confirmed gradually got canceled. Not only room bookings but also MICE activities and special events such as weddings and birthday parties were canceled. Most guests were concerned about the risk of being exposed to the Covid-19 virus (Melly, interview on November 2, 2021). The decline in room occupancy harmed hotel employees. To reduce operational costs, the management implemented unpaid leave for employees during March and April. After that, the management decided to reemploy all the staff but with a salary deduction based on the revenue generated, which was determined by the management (Indah, interview on November 2, 2021).

b. Holiday Inn Express Surabaya CenterPoint

Holiday Inn Express Surabaya CenterPoint is the only IHG brand located in Surabaya. This becomes an advantage since IHG has a highly loyal membership base, and international travelers with loyalty to IHG membership would choose to stay at Holiday Inn Express Surabaya CenterPoint. The number of international guests visiting this hotel had already declined since the emergence of the Covid-19 outbreak, even before the virus entered Indonesia. In April, the forecast dropped sharply. Moreover, with the government's implementation of the PSBB policy, the mobility of travelers was halted. The room occupancy rate plummeted to 5%, with only about five rooms occupied. Room and MICE bookings
were heavily canceled. The hotel attempted to offer rescheduling options for room and MICE reservations, but many travelers still canceled their bookings (Management team, interview on November 1, 2021).

The decline in occupancy had financial repercussions for the hotel. The hotel implemented a rotating shift schedule for employees every two weeks. However, due to the ongoing unfavorable conditions and the need to cut operational costs, the Sales & Marketing department and other back-office departments were temporarily deactivated for three months. Even the Head of Department (HoD) only worked two times a week. Contract-based employees whose contracts ended in April and May were not extended. The salary calculation was given daily, but there were no changes to the method of distributing service charges. Service Charge was still given with a calculation of 70% pro-rata and 30% based on each employee’s points (Management team, interview on November 1, 2021).

**Strategies for adaptation in the new normal era**

a. Quest Hotel Surabaya

When the Covid-19 virus spread in Indonesia, the management immediately formulated strategies. The first strategy was to ensure the health and safety of all hotel employees. Archipelago International mandated all its hotel brands to conduct rapid tests for all employees. Quest Hotel also implemented this recommendation by conducting regular rapid tests and issuing a "Covid-19 tested" stamp. The stamp was placed in several areas of the hotel, such as the lobby and restaurant, and included in promotional materials uploaded on social media.

After the discovery of the Covid-19 vaccine, Archipelago International also urged all its hotel brands to conduct mass vaccinations. The management then changed the stamp to "All Employee Vaccinated." Archipelago International implemented several globally standardized health and cleanliness protocols to regain public trust. Changes were made, such as installing acrylic at the check-in counter, providing masks and gloves for all employees, offering hand sanitizers, and enforcing physical distancing. By implementing strict health and cleanliness protocols, Archipelago International received the Safe Travel certification issued by the World Travel & Tourism Council (WTTC). Quest Hotel also obtained the CHSE (Cleanliness, Health, Safety, Environment) certification, which is a certification in the tourism and creative economy sector issued by the Ministry of Tourism and Creative Economy. The Safe Travel and CHSE stamps were included in all promotional materials uploaded on social media.

Following Archipelago International's guidance, Quest Hotel is committed to offering flexibility in changing room reservations and MICE activities. This flexibility prevented guests from canceling bookings and requesting refunds, allowing the hotel to avoid lost business. The management implemented downsizing to save energy and reduce operational costs, such as deactivate 2 out of 3 elevators. Additionally, back-office employees were required to stop their activities promptly at 4 p.m. to allow electricity shutdown in the back-office area. The hotel also adopted digitalization strategies to reduce physical contact between hotel staff and guests. The check-in process, which previously used paper, was adjusted to utilize mobile self-check-in. The mobile check-in method is applied to all guests regardless of their booking method. Room service and food & beverage product orders were also adapted using a barcode scanning system. This method accelerated the process and provided greater convenience and safety for the front office team and guests.

Entering the new normal era, where occupancy rates rose to around 70% - 80%, the management launched promotions to increase hotel revenue. The promotions included both room and non-room offers. The hotel introduced the "Pay Now Stay Later" promotion for room sales, allowing guests to choose their
check-in dates, valid for one year from the booking date. The price offered for this promotion ranged from Rp. 300,000 to Rp. 350,000, while the regular room rate was Rp. 500,000.

Additionally, the management targeted the family segment to increase weekend occupancy. They combined the executive suite and superior rooms and named the combined room type "Darmo Suite." This spacious room type was suitable for family stays on weekends. Non-room products were introduced as hotel occupancy had not fully recovered. The strategy included the sale of lunch boxes and bento meals. The unique feature of this program was that hotel employees were responsible for delivery services. This approach aimed to maintain good relations between the hotel and guests. The program was well-received by Quest Hotel's customers, as during the Covid-19 pandemic, people tended to trust food products provided by hotels due to the assurance of health and cleanliness. Furthermore, having hotel employees deliver the food made the guests feel special.

a. Holiday Inn Express Surabaya CenterPoint

Before the Covid-19 pandemic, Holiday Inn Express Surabaya CenterPoint had implemented the IHG Way of Clean, a cleanliness standard issued by IHG headquarters to be applied across all hotels under the IHG network. The IHG Way of Clean comprised the IHG Way of Clean 5-S Cleaning Program, IHG Way of Deep Clean Program, and IHG Way of Preventative Maintenance Program. The IHG Way of Clean 5-S Cleaning Program involved Survey, Service, Shine, Stage, and Self-Inspect stages. It was applied to public areas, the lobby, elevators, staircases, corridors, public restrooms, meeting rooms, the gym, laundry room, and retail shop.

However, following the global Covid-19 outbreak, IHG adjusted its cleanliness standard to IHG Clean Promise. In collaboration with Ecolab and Diversey, leading companies in technology and cleanliness services, IHG made several adjustments related to Covid-19 virus prevention. These adjustments included reducing contact with guests, requiring employees to wear masks and gloves, installing acrylics at the check-in counter, periodic disinfection of frequently touched areas, and implementing a color-coded system for cleaning equipment to avoid contamination. The IHG Clean Promise stamp was always included in promotional materials uploaded to social media by all IHG brands, including Holiday Inn Express Surabaya CenterPoint. The stamp was issued to gain travelers' trust while staying at Holiday Inn Express Surabaya CenterPoint.

The hotel also received the CHSE certification, which is reviewed annually by an evaluation team. CHSE certification banners were displayed in the hotel lobby and included in photos or videos uploaded to social media.

The hotel also implemented digitalization strategies in the food & beverage sector to reduce physical contact with guests. Guests could order food and drinks by scanning a barcode. Before the pandemic, IHG had specific standards for promotional activities for its brands. However, during the pandemic, IHG provided policy flexibility to its Covid-19-affected brands to conduct promotional activities. This was done to help brands withstand the impact of Covid-19 and recover quickly. One form of policy flexibility IHG gave to Holiday Inn Express Surabaya CenterPoint was room pricing determination. The minimum pricing system at IHG is known as the best flexible rate (BFR). The standard BFR for Holiday Inn Express brands is Rp.500,000, but IHG allowed Holiday Inn Express Surabaya CenterPoint to sell rooms below the BFR rate during the Covid-19 pandemic. The hotel utilized this flexibility to offer various room sales promotions. Some of the room offers included the room-only promotion priced at Rp. 350,000, the Pay Now Stay Later promotion with a validation period of 1 year from the booking date, and the 6-hour room usage promotion for Rp. 250,000. These programs led to an increase in room occupancy to 60% - 80%.

Figure 2. Promotional Room Rate Poster to Boost Sale

Source: Holiday Inn Express Surabaya Facebook Page, 2023
According to IHG standards, brands were not allowed to participate in promotions on online travel agents (OTAs) such as Traveloka or Tiket.com in normal conditions before the pandemic. However, when the Covid-19 virus became a global pandemic, this policy was relaxed by IHG to allow brands to increase revenue. Based on this relaxation, the management of Holiday Inn Express Surabaya CenterPoint participated in OTA promotions, such as the epic sale program on Traveloka and the online ticket week on Tiket.com. Food & Beverage products were also included in third-party GrabFood, GoFood, and DealJava promotions. To increase hotel revenue from the corporate segment, the management launched a program that bundled rooms and dinners for each corporate guest staying at the hotel. The dinner was provided as a bento delivered to the guest's room. This program aimed to maintain good relations with guests.

Based on the analysis of these hotels, the hospitality industry has undergone a dramatic transformation. Hotels that are part of international chains have experienced significant impacts from the decline in demand and changes in customer behavior. Hotels have adopted several careful and innovative self-adjustment strategies to address these challenges.

Hotels have enhanced health and hygiene protocols in unprecedented ways. Stricter cleanliness standards, including regular cleaning and sterilization, have become the new norm. Guests can now confidently choose hotels that have obtained health and hygiene certifications as their accommodation of choice.

Furthermore, flexibility in cancellation and reservation policies has become key. Hotels have responded to the needs of customers who may need to change their plans suddenly by introducing more customer-friendly cancellation policies. This policy provides a sense of security to guests and encourages them to make reservations.

The adoption of technology and digitization has become the foundation of self-adjustment strategies. Hotels have implemented self-check-in, online payment systems, and digital communication to reduce physical contact between guests and staff. The technology not only enhances safety but also improves operational efficiency.

In addition to revenue from rooms, hotels have sought additional sources of income. This strategy includes providing innovative food and beverage services with options for in-room delivery or takeaway meal packages. Some hotels have even hosted virtual events and rented out their facilities for online meetings.

Employee safety is also a top priority. Hotels have provided health and hygiene training to their employees and ensured they are equipped with appropriate personal protective equipment. This training creates a safer working environment and helps prevent the spread of the virus.

Regarding marketing and branding, hotels have adjusted their strategies to reflect their commitment to health and hygiene. Messages about the actions taken by hotels to protect guests have become the focus of their marketing campaigns.

Partnerships with third parties, such as food delivery service providers or local tour organizers, have helped hotels provide added value to their guests. It has also helped generate additional revenue.

During this self-adjustment process, hotels have continued to carefully monitor the development of the COVID-19 situation and respond quickly to changes. They have demonstrated remarkable resilience and adaptability in the face of rapid and unexpected changes.

With these careful and innovative self-adjustment strategies, hotels have survived and grown in the challenging post-COVID-19 era. They have shown that with perseverance and creativity, the hospitality business can thrive in situations full of uncertainty.

Conclusion

The Covid-19 pandemic has paralyzed the tourism sector, and the hospitality industry closely related to tourism has also been severely affected by a sharp decline in room occupancy rates. Hotel occupancy rates in Surabaya, which previously reached 90% - 100%, plummeted to only 12.3%. This situation forced the hotel sector to design survival strategies to adapt to the crisis at hand quickly. Especially for hotels that are part of international brand networks, the strategies designed must align with the central network policy standards. These strategy adjustments were carried out by two hotels selected as the focus of this study, namely Quest.
Hotel Surabaya, part of Archipelago International, and Holiday Inn Express Surabaya CenterPoint, part of the InterContinental Hotel Group.

There are eight strategies implemented by both hotels in this study: (1) Downsizing to reduce operational costs, such as operating only one elevator and turning off the electricity in certain hotel areas at specific times; (2) Implementing global standard health and hygiene protocols; (3) Obtaining health and hygiene certification programs issued by both the government and international institutions, and displaying the certification logos in photos and videos uploaded on social media. This is done to help travelers confidently make accommodation choices, knowing that the hotel has implemented global cleanliness standards and that their health will be ensured during their stay; (4) Adjusting the employee salary calculation system based on hotel revenue while maintaining the service charge calculation procedure. This will be applied until the hotel's financial situation stabilizes; (5) Implementing digitalization programs to reduce physical contact between hotel staff and guests. Digitalization programs include self-mobile check-in and online ordering of Food & Beverage products; (6) Offering promotional room rates at discounted prices with a "Pay Now Stay Later" concept, allowing the reservation to be valid for up to one year from the booking date; (7) Selling non-room products such as lunch boxes and bundled dinners with room reservations; and (8) Maintaining good relations with Free Individual Traveler (FIT) and corporate segment guests in the hope that the hotel will continue to be their preferred choice for accommodation during their travels.

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