

Exploring How the Hotel Businesses Faced Covid 19 Case Study: Hotel Businesses in East Nusa Tenggara Province Indonesia

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Abstract. This research aims to explore how the hotel businesses in East Nusa Tenggara Province faced Covid-19 through the perspective of the hotel management. Case study methodology was used in this research with document analysis and interview as data collection tools. The interview data was analyzed using thematic analysis method to find general themes of how the hotel businesses faced Covid-19 pandemic. Loss revenue was the main impact of Covid-19 pandemic as a result of declining of occupancy rates and the absence of government events due to travel and activities restrictions of government policies. However, to keep surviving, the hotel management created a new marketing strategy by focusing on local guests as well as applying high standard of health protocols. The hotel industry also received financial support from the government and financial aid for the employee through cash transfer. Due to the limitation of research time and restrictions, this research only focus on hotel businesses located in Kupang City. Therefore, the result of this study cannot be generalized to all hotel businesses which located in other regions in East Nusa Tenggara Province. This research contributes to enrich business management study specifically the business strategy of hotel and hospitality management during Covid-19 pandemic.

Keywords: Covid-19; Business Strategy; Hotel Businesses; Case Study; Impact

1 Introduction

Coronavirus (COVID-19) is an infectious disease caused by the SARS-CoV-2 virus. The virus first appeared in late December 2019 in the Wuhan area of China. In a short time of about two months, the virus began to spread to various parts of the country in Asia, Europe, Australia, America and Africa, resulting in a very high number of infected cases and many people died (Davahli, et.al, 2020). This condition makes the World Health Organization (WHO) on March 11, 2020 announced Covid-19 as a world pandemic (Bartik et.al., 2020, Nuruddin et al., 2020; Sumarni, 2020; Kristiutami & Rahardjo, 2021). In Indonesia, Covid-19 cases were found in March 2020 by the government after reports of two 31-year-olds and a 64-year-old mother infected with the coronavirus (detik.com, 2020). After that, the spread of the corona virus in Indonesia became uncontrolled. As of August 31, 2021, there were

4,089,801 cases, with 3,760,497 patients declared cured and 133,023 dead (covid19.go.id, 2021). Not only Jakarta, this virus spread to all provinces in Indonesia and resulted in a fairly high death rate. In East Nusa Tenggara Province, in the end of August, the number of positive cases is 59.449, recovered 55.020 and death 1.189 (Kompas.com, 2021). The number is very high for a small province like East Nusa Tenggara province.

To reduce the rate of corona virus spread, the government began to take various policies that are also carried out almost all over the world, namely community lockdowns, social distancing, stay-at-home orders, also travel and mobility restrictions (Gursoy & Chi, 2020) and the implementation of health protocols. In carrying out health protocols, the public is required to wear masks that comply with health standards, use disinfectants, hand sanitizers, wash their hands frequently, maintain distance, and mass vaccination (Ministry of Health). Mass vaccination is expected to form community immunity so that the rate of spread of this virus can be suppressed. The policies taken by government inevitably have an impact on all sectors not only has an impact on public health, but also affects the education sector, people's social life and Indonesia's economic condition. This is because with the restrictions, the business activities of each business are disrupted and even become paralyzed. One of the disrupted business is the hospitality industry. This condition occurs due to restrictions on community activities and working from home, as well as travel restrictions. Travel restrictions bring changes and have a significant impact on the hotel such as a decrease in the number of guests, as well as the absence of activities or events at the Hotel. These factors caused hotels to lose their main revenue and start thinking about what changes they should make to cope with the impact of the Covid-19 pandemic. This is because in certain areas, many hotels end up having to close their operations (Davahli, et.al, 2020; Gursoy and Chi, 2020).

This problem also happens to the hospitality business in East Nusa Tenggara (NTT) especially in Kupang City as the capital city of East Nusa Tenggara Province. NTT Tourism officer reported that the number of tourists who came to NTT in 2019 was 1.4 million people or up 14% compared to 2018. Many national activities both in the field of education and tourism are carried out in NTT by involving large numbers of participants from various regions. However, existing policies and this difficult uncertainty condition has made the number of tourists decreased drastically where until July 2020 tourist visits to NTT only ± 130,000 people (NTTPembaruan.com, 2020). This resulted in decreasing of revenue for the hospitality business as a place of accommodation, so that the economic development of the business became very slow. The uncertainty condition as a question of when the pandemic will end and as an effort to survive, hotel industry in Kupang city must find the right way to remain operational and can survive in these difficult conditions. This is important to do consider that Kupang city is a transit city to various tourist destinations in NTT and as a place to carry out various national and provincial level of activities or events.

However, there is little to no literature that has studied how the hotel industry in Kupang City, East Nusa Tenggara Province experienced with Covid-19 pandemic. Several existing literature has looked the impact of Covid-19 to hotel industry in Bandung (Kristiutami & Rahardjo, 2021), hotel businesses in Bali (Nuruddin, et.al, 2020) and in Jakarta (Diayudha, 2020). Based on the description above, this research identified a gap in existing literature that can be addressed by providing research on exploring the impact of the Covid-19 pandemic on hospitality businesses in Kupang city, East Nusa Tenggara Province, Indonesia. This research investigated how the hotel business in Kupang City faced Covid-19 by looking more details on what are the impact of Covid-19 on hotel businesses, what business strategies that hotel management be able to do for survive, and what are the government support for the hospitality industry during the pandemic.

2 Literature Review

This section provides the review of literature that are relevant to this research.

2.1 Hotel

2.1.1 Definition, Function, and Role

According to Indonesian Dictionary, Hotel is a large-spaced building that is used as a place to stay and a place to eat people who are on travelling; Commercially managed for accommodation, provided for everyone to obtain services, lodging, dining and drinking. Further, Hotel is business accommodation or a company that provides lodging services, providers of food and drinks, and room facilities for people who travel and are able to pay a reasonable amount in accordance with the services received without any special agreement (Sujana, 2015). Based on the definition above, the features of hotel are: (1) commercial building; (2) has many rooms for accomodation; (3) provide food and drinks; (4) provide other services which needed by the guest. In general, the function of the hotel can be divided into two, namely the main function and supporting function (Suyitno, 2019). The explanation of these two functions is as follow:

- a. The main function of hotel is to provide the need of guest with shelters, food, refreshment, facilities and entertainment.
- b. The second function is more as additional function which mainly to support events or activities which held in hotel such as MICE (Meeting, Incentive, Convention and Exhibition), wedding, and other entertainment events. Related to this, the function of hotel is to provide facilities like sound system, meeting room, food and beverage and other needs.

The main and additional functions can be served in the same time or separately depends on the guest needs and request. According to Suyitno (2019) the important role of hotel are:

- a. To enhance people's industries. This role can be realized by fulfilling the hotel's need for equipment and supplies to support service businesses to guests, such as furniture, food and beverage ingredients, clothing materials, machinery, cleaning equipment, which produced by the people's industry.
- b. To create job opportunities, where workers from various educational backgrounds and experiences are employed in various sections and positions.
- c. To educate and give training. The hotel provides extensive opportunities, both for new and existing employees to improve their knowledge and skills, also provides opportunities for students to do apprenticeship or practical work.
- d. To increase the regional income
- e. To improve relations between nations where the hotel can become one of the official places to held an international meetings, or conferences or to serve guests from other countries

2.1.2 Hotel in Kupang City

Kupang city is a small city located in East Nusa Tenggara province. As a capital city of East Nusa Tenggara province, it could be said that Kupang city become as a centre of economic and government activities. Therefore, many government activities (MICE) has conducted in Kupang nationally or locally. Untill 2019, Kupang city has more than 60 hotels

with different class of hotel (BPS Kota Kupang, 2019). There are only around 10 star hotels where only have one four-star hotel, six three-star hotels and other for two-star hotel, and the rest are non-star hotel. As Kupang is not the main tourism destination so many hotel guests are participants from government events or from local customers. As a result the main revenue is coming for government or other activities or events not from the room.

2.2 Business Strategy

2.2.1 Definition of Strategy

Strategy derived from the Greek word 'Strategos' which consists of two words i.e 'Stratos' which means military and 'Ag' which means to lead (David, 2010). Therefore, strategy is an action to lead something. In other words, strategy is a tool to achieve a goal or an action that manager have to take for achieving one or more the organization goals (Rangkuti, 2006). For example, in the economic world, strategy is defined as how to beat competitors, how to dominate the market and so on. Strategies are choices about how best to achieve the organization's mission. According to Hunger and Wheelen (2001), strategy is used for 3 organizational goals they are (a). Decision support; (b) Coordination and communication channels; (c) As a concept.

2.2.2 Types of Strategy

Hunger and Wheelen (2001) explained that there are three types of strategy:

- a. Management strategy
The management strategy is consist of strategy development, such as product development, fixing price and market development.
- b. Investment strategy
This strategy aims to survive by investing resources.
- c. Business strategy
This is also known as functional business strategy because focus on management function such as marketing strategy, distribution and organizational strategy. For, marketing strategy, there are several factors to consider: (1) market segmentation; (2) market demands and needs; (3) marketing; (4) products and offer; (5) Value and satisfaction; (6) mix marketing; (7) networking

2.2.3 Level of Strategy

There are three level of strategy based on Hunger and Wheelen (2001):

- a. Corporate strategy
Describes the overall direction of the company regarding the company's attitude towards the direction of growth and business management, product lines, to achieve a balance of product and service portfolios.
- b. Business strategy
Also called as a competitive strategy which developed at the division level to emphasize and to improve the competitive position of the company's products or services in the specific industry or market segment served by the division.
- c. Functional strategy

The primary focus of this strategy is to maximize the resource productivity, and to develop strategies for improving performances of functional departments.

3 Methodology

This study uses a qualitative research method with case study methodology aims to explore the impact of Covid-19 on hotel businesses in Kota Kupang, East Nusa Tenggara Province, Indonesia. Case study is used because it is an in-depth investigation method which able to answer explorative key research questions, in a real life context by focusing on the case itself and by using multiple data collection methods (Creswell, 2007).

3.1 Data Collection

The data collection was conducted in May - July 2021 using the following methods:

a) Document analysis

Document analysis is “a systematic procedure for reviewing or evaluating documents both printed and electronic material” (Bowen, 2009). For this study, documents such as hotels profile, the government policies relate to Covid-19 prevention document were analysed to have a whole picture of hotel condition and how the government policies affect the hotel strategy in facing the Covid-19 pandemic.

b) Interviews

For this study, interviews were conducted offline by following a high standard of health protocols. The interviews were recorded by the lead author using MP3 recorder and was further used for data analysis.

3.2 Participants

The participants were three-stars recognized hotels in Kupang city, East Nusa Tenggara Province, Indonesia. Most of the three-star hotel has standard facilities such as rooms in different types, meeting rooms and convention center, restaurants, and swimming pool. All hotels are function mainly for accommodation and do the additional function for MICE (Meeting, Incentive, Convention and Exhibition). However, the main income is generating from additional function that is MICE. Out of six hotels, there were only four management hotels who volunteered to involve in this study. To keep the ethics between research subject and research object thus the participants data are kept anonymous so in this study the participants are referred as Par1, Par2, Par3 and Par4.

3.3 Data Analysis

Data analysis for this study was thematic analysis. The interview data was transcribed then was analysed manually using thematic analysis method, to find the general themes of the impact of Covid-19 on Hotel industry in Kupang city. Thematic analysis was chosen because it is widely-used in qualitative data analysis to identify patterns among the dataset for addressing questions related to people’s views or perceptions and (The University of Auckland, n.d).

4 Results and Discussions

This section explains relevant findings about exploring how the Hotel Businesses in Kupang City, East Nusa Tenggara Province Indonesia faced Covid-19 pandemic. There are three main themes related to the research aims i.e loss of revenue, government policies, and hotel strategy. Each theme is discussed in detail in the following sections.

Theme 1: Loss of revenue

All participants revealed that the direct impact on hotels due to the COVID-19 pandemic was the decline in income or revenue caused by travel restrictions and activity restrictions, therefore hotels only depend on their main function, namely preparing accommodation (rooms).

Par 1: *During this pandemic, hotel income is only from accommodation (rooms).*

Par 2: *The hotel is still operating, but the amount of revenue is decreasing.*

Par 3: *When there is a restriction or lockdown, the hotel only depends on the room.*

Par 4: *When PPKM is applied, any activities are not allowed, then we only expect from the room only*

Furthermore, as there is no events to be held, the hotel only relies on room sales. In fact, as described earlier, Kupang City is not a tourist destination. It is more as a transit city so it is very difficult if the hotel only depends on the room sales. Most of the hotels in Kupang City depend on government events either local or national levels.

Par 1: *In Kupang, many events that held in hotels are government events. However, due to the pandemic, we are following the procedures and government recommendation, if the government prohibit events then there will be no events. [...] but before pandemic, we cooperated with the church and still served weddings, only because of the pandemic then everything was canceled according to the government's recommendation.*

Par 2: *Before pandemic, we had more government events. During this pandemic, with any restrictions either travel restrictions or activities restriction then there is no government events are held.*

Par 3: *In Kupang City, many events hold in hotel are government events. Based on the restriction policy then there is no government events and/or wedding events.*

Par 4: *In the early days of PPKM, we couldn't hold events at all. [...] but after the PPKM was relaxed a bit, we started to have activities. [...] and usually the activities are carried out by the government [...] there are more governments....while the private sector is limited. Even for weddings, we haven't dared to open them yet because we just followed the government's rules.*

Although the only source of hotel income is from accommodation (room sale), it can be said that it is not very helpful. This is because, with activity restrictions and travel restrictions, it affects the number of guests who come to stay at the hotel. The occupancy rates decreased by 70-80% compared to normal times or before the pandemic

Par 1: *Before the pandemic, the occupancy rates was around 70-100%, but in pandemic time the average of occupancy no more than 25% per day*

Par 2: *During the pandemic the number of guests decreased significantly so that the occupancy rates decreased to 75-80% from before the pandemic*

Par 3: *Our occupancy rates during pandemic is under 50%*

Par 4: *The occupancy rates very low, in average is only about 15-17% per month.*

Based on the results above, we can see that the main impact of covid-19 on hotel businesses is loss of revenue. Due to any restrictions, hotel can only depends on their main business that is room for accommodation. There is no more activities because of stay-at-home orders as well as travel restrictions. This leads to declining of occupancy rates which all participants mentioned that their occupancy rates were very low. This finding is similar to what happen globally and nationally. Gursoy and Chi (2020) states that hotel occupancies and revenues were sharply declining because of restriction policies and stay-at-home orders. In U.S from February 2020 to August 2020, over half of the hotel industries' staff still unemployed and many rooms unoccupied which result in hotels have lost room revenue (Davahli, et.al, 2020). Further, Yao (2020) stated that the hotel business in China has experienced a dramatic decline either for hotel revenue or occupancy rates even reach a freezing point. Similarly, in Hongkong, the hotel industry was also hit by a drop in hotel customers that was unprecedented (Hung, et.al, 2018). This global condition also happens in Indonesia, nationally. Where Sumarni (2020) stated that hotel occupancy has decreased by 40 percent, which has a direct impact on the continuity of the hotel business. For instance, from a research conducting on the Omega hotel network in Jakarta, Diayudha (2020) concludes that there was a significant decrease in the occupancy rate within a week than usual.

A similar situation happened in Bandung, one of the four-star hotels, Grand Asrilia, experienced a drastic decline in occupancy rates and events. The decline in the occupancy rate is felt by the hotel considering that operational needs must continue to run (Kristiutami & Raharjo, 2021). Further, in Bali, as a province or tourism center area, there was a vacancy of up to 80%, which has resulted in a very drastic decrease in hotel occupancy, where at the beginning of March 2020, the average of occupancy was only 10-30% (Nuruddin et al., 2020). Besides the declining of occupancy rates, hotel management also complained that the absence of events had a major impact on hotel revenues due to a decline in demand for meeting rooms (Kristiutami & Raharjo, 2021; Diayudha, 2020). From the description above, it can be concluded that the conditions that occur on hotels industry in Kupang City are similar to hotel conditions in other cities in Indonesia and even the world. This is because the restrictions policies, hotels only depend on the room for their business because all activities, both government activities and other activities that are local or national do not exist. Even though it only depends on the room, the hotel also can't expect much because real conditions say that the occupancy rate has also decreased to 80% from conditions before the pandemic. In fact, hotels in Kupang City only depends on transit guests and/or guests whose participating in activities either locally or nationally. This is automatically affects the revenue of the hotels, and this is the biggest impact on the entire hotel industry during the COVID-19 pandemic.

Theme 2: Government policies

The second theme is government policies, which consist of three sub themes, firstly is enforcement of restrictions on community activities (PPKM); secondly is health protocols (CHSE) and thirdly is financial support.

Sub theme 1: Enforcement of Restrictions on Community Activities (PPKM)

To reduce the rate of spread of Covid-19, the Indonesian government is following the steps of other countries by restricting community activities by applying Enforcement of

Restrictions on Community Activities or PPKM in Bahasa. However, this is one of the factors that makes the hotel business in Kupang City worse.

Par 1: *Hotels must still held an event, because the hotel has definitely implemented the health protocols in accordance with CHSE standards*

Par 2: *Although there is a limit on local guests, we really hope that government events will still exist*

Par 3: *We hope the PPKM can be revoked because hotel is actually not depends on rooms but from events. Therefore we really hope that the events still exist while still adhering to the health procedures.*

Par 4: *PPKM is actually affect the number of guest. Though we offer a cheaper room price, but because of PPKM, the guests will follow the government policy.....*

Sub theme 2: Applying CHSE

CHSE is a program of the Ministry of Tourism and Creative Economy in the form of implementing health protocols based on Cleanliness, Health, Safety, and Environment Sustainability. All participants said that all of them already have CHSE certificates and until now they are really committed to implementing health protocols in accordance with CHSE guidelines.

Par 1: *We have the CHSE certificate and already applied the health protocols such as, the guest on our hotel must show swab test result before check-in and for local guest must show vaccine certificate. [...] the guest must wash their hands or use hand sanitizer and follow the temperature measure before check-in....*

Par 2: *For health procedures, it is in accordance with the standards and we also have a CHSE certificate. [...] We also require staff who are still willing to work at our hotel to be vaccinated.....so almost all staff are fully vaccinated.*

Par 3: *There is a CHSE certificate, in fact we were chosen to be an example of the implementation of hotel health procedures in Kupang City. [...] For the staff themselves, all have been vaccinated because if they are not vaccinated, they are not allowed to work.*

Par 4: *Yes we have CHSE. [...] we really applied the health protocols and we oblige the staf who are still want to work must be vaccinated completely.*

Sub theme 3: Financial support

Par 1: *We received a government grant, which the amount is differ depends on the amount of taxes paid [...] we also have financial support for employees from government*

Par 2: *We had financial support such a grant fund from the government but only once in last year.*

Par 3: *The government has provided a financial support in term of grant fund as well as financial aid for our employees.*

Par 4: *Ye, we received a grant fund last year but there is no financial support from the government this year and there was a financial aid for our staff last year*

The second theme is more related to the policies issued by the government in tackling the spread of Covid-19. The policies that have taken are firstly is health protocols such as wearing mask, frequently washing hands or use hand sanitizers, using disinfectant, also social

distancing (Ministry of Health, 2020). Secondly is large scale social restrictions to prevent the crowd so people are ordered to stay-at-home, study-from-home, working-from-home, activity restrictions and travel restrictions. The large scale social restrictions now is known as Enforcement of Restrictions on Community Activities (PPKM). Lastly, Ministry of Tourism and Creative Economy has issued a CHSE programme that must be followed by the hospitality industry in Indonesia to ensure that the industry have applied health protocols and fulfilled the hygiene standard (Ministry of Tourism and Creative Economy, 2020). According to the findings of the study, all hotels have previously obtained a CHSE certificate and have adopted strict health protocols. This is done because it is certain that all visitors will require assurance regarding hotel hygiene in order to feel safe and comfortable. Even, all staff have vaccinated. Globally, the similar policies have applied. In china, for example, despite the fact that the Covid-19 was more contagious than SARS efforts such as the statewide lockdown and travel bans considerably slowed and controlled the virus's spread, and ultimately helped to manage the covid-19 outbreak (Chen et.al, 2020).

Additionally, nowadays, the guests prefer to seek hotel with hygiene conditions (Yao, 2020). As a result almost all hotels, ensure that all hotel staff follow the existing procedures by wearing masks, and carrying out hygiene standards (Nuruddin, 2020). Besides, health protocols regulation, Government also provided financial support for the hotel industry. In general, government financial support regarded as the most crucial factor in the industry for surviving during the pandemic (Bartik et.al., 2020). However, the hotel industry still needs other form of financial support such as reducing electricity and water costs or tax relaxation (Nuruddin, 2020). Besides providing financial aid for the hotel industry, Indonesian government also give financial support for the hotel employee through cash transfer. This is a form of contribution that is beneficial to the community (Sumarni, 2020). In conclusion, the government has shown their responsibility to help the hotel industry during Covid-19 pandemic by providing grant fund for the hotels though the amount is different based on the revenue tax paid by the hotels. However, this financial support only given once in last year, however we can see that the hotel industry struggle to face the pandemic. Therefore, it is important that government consider any kinds of financial support in order to assist the hotel industry keep surviving. Furthermore, as the low of occupancy rates is caused by activities restrictions (PPKM), so government must also re-evaluate the policy by loose the restriction or by excusing the hotel to held events but with highly supervised health protocols standard. Because, the income of many hotels in Kupang city is generating from additional function of hotel that is MICE (Meeting, Incentives, Convention, Exhibition).

Theme 3: Hotel Strategy

This theme provided a business strategy that have taken by the hotel management to help them survive during Covid-19 pandemic.

Sub theme 1: Marketing strategy

Due to declining of revenues, hotels must start developing new strategies to adapt to the existing difficult conditions and to continue to survive during the Covid-19 pandemic. For this reason, the hotel management does several things, one of which is by doing room promos.

Par 2: We have room price promos so we do hope can attract local guests [...] in addition, swimming pool facilities is included in room rental so the guests who want to access the pool must rent a room

Par 3: *We do a room promo [...] take advantage of the group guests. We have a partnership with a company that has group guests, usually only for one day of transit in Kupang.*

Par 4: *We have made room promos several times, which add additional facilities such as breakfast and pool access.*

Although there are participants who say there is no special promo for rooms, it is implicitly said that room prices will be adjusted according to demand. If not many stay, then they can lower the price. If many stay, then they will apply the normal price.

Par 1: *There is no special promos because we always adjust room prices according to demand...If demand decreases, then the price is lowered. If conditions are good and demand is increasing, then the price will be according to the normal price.*

In addition to do room promos, the hotel also takes advantage of other facilities, including a restaurant and swimming pool, to generate income.

Par 1: *Swimming pool and restaurant are still open by following health procedures where the number of people is limited to only 10 people to follow, social distancing rules.*

Par 2: *We create a promo for restaurant or food and beverage [...] our swimming pool is not opened for public, we only open for the guest staying at our hotel. Therefore, our customers who want access to swimming pool must stay at least one night in our hotel.*

Par 3: *We make promos on prices at restaurants and we make variations on our food menu then we prepare in small boxes for snacks for the guest staying at our hotel. The swimming pool is still open to the public, especially private swimming classes*

Par 4: *We do a promo on our food and beverage also we open a small stall in the yard, in front of our hotel special for takeaway food and snacks.*

Sub theme 2: Reducing of working days

Par 1: *Not dismissing employees but there is a policy for every employee to take unpaid leave for 12 working days [...] as there is no any events then we dismiss our casual workers or daily workers.*

Par 2: *Hotel management applied reducing of working days rules.*

Par 3: *We are not dismiss our employee but we reduce the working days*

Par 4: *On our hotel, the management create a policy to reduce working days, where we only working for 20 days...[...] the management also dismiss our daily workers as there is no events held on our hotel.*

Sub theme 3: Saving operational fee

This sub theme described that most of hotel management saving operational fee such as electricity and water fee. Though, there are not many guest staying at hotel and no events, they still have to pay electricity and water costs therefore the hotel management asks the staff to be more economical.

Par 1: *We limit the use of electricity and water, because there are no activities and no special deductions for electricity and water.*

Par 3: *We always advise employees to conserve energy and water because we are still responsible for the costs.*

To survive in this uncertainty condition, hotel management are expected to create substantial changes on their business strategy, such as change the marketing strategy, saving operational budget, and reduce the working days of employee (Kristiutami & Raharjo, 2021).

The first thing they have to do is by creating a new marketing strategy. Room promos are one way to survive, and that's the most possible thing to do. Anguera-Torrell, et.al (2020) argues that to increase the occupancy rates during pandemic, the hotel management may reduce the average of daily room prices to attract the local consumers. To do this, Kristiutami & Raharjo (2021) suggest that the hotel management may use Fix Fee Pricing strategy to lower the room prices based on purchasing power condition. To do more, the hotel management can make a new market segment which focus on local guest who required to travel and need a quality affordable, quality place to stay (Kristiutami & Raharjo, 2021). It is more about knowing and strengthened our local consumers (Breier et.al, 2021). In addition to room promo, another strategy which can be taken by hotel management is to maximize the use of their facilities such as restaurant through food and beverage services.

Like what have been said by the participant that they have make a variety on their new menu and sell it online. It is similar to what hotels in Jakarta did, where they serve hospital catering and sell food online (Diayudha, 2020) and provide take-away or delivery order for their food and beverage service (Davahli et al., 2020). As the revenue is decline sharply, hotel management can reduce the use of electricity and water so they can saving up the bill for electricity, water, and other operational costs (Nuruddin, 2020). Although, the hotel's income is declining, hotels in Kupang city do not layoff their staff but they create a policy to reduce the employee working days. This is happen similarly in almost hotel management in Indonesia. For example in Bali, the employee has two working days and five days off (Nuruddin, 2020). Another example is by giving unpaid leave for the employee and layoff the casual or daily worker as there is no events in Hotel (Sumarni, 2020). From the description above, it could be conclude that hotel management in Kupang city has applied the business strategy to cope with the difficult uncertainty situation caused of Covid-19 pandemic.

They has changed their marketing strategy by considering market segmentation, market demands and needs, value and satisfaction as well as mix marketing also networking (Hunger & Wheelen, 2001). From market segmentation they targeted local customers or local guests by providing more room promos. From the market demands and needs aspect, the four-participants has provided high standard of health protocols by having CHSE certificate. They guarantee that all hotels staff are healthy and all health protocols or procedures are applied. It is also means that hotel management has fulfilled the value and satisfaction of the guests. Because nowadays, the customer may change their preference hotel to stay by seeking a hygiene hotel o they can feel safer and more comfortable (Yao, 2020). Next, from the mix marketing factor, the hotel management has created differentiation on their food and beverage service which they offer take-away food or snack from their restaurant by creating a variation on menu. This means that they have read their customer preferences or customer needs as well. Though, the number of infectious case still decline, customers now prefer to eat their food at home. Even, the hotel can also showing or documented the food processing procedures so the customers will feel sure that their food are safety (Davahli, et.al 2020). From the networking aspect, the hotel management can keep cooperating with other hospitality company in order to have more transit guests. Though they only stay for one night but it can help to increase the hotel income.

5 Conclusion

Since the Coronavirus (Covid-19) first appeared in late December 2019 in the Wuhan area of China, the spread of infectious disease was uncontrollably. Not only in China, this virus

began to spread to various parts of the country in Asia, Europe, Australia, America and Africa, resulting in a very high number of infected cases and many people died. In order to reduce the rate of corona virus spread, various policies has taken by the government, namely community lockdowns, social distancing, stay-at-home orders, borders closure also travel and mobility restrictions as well as the implementation of health protocols. The policies taken by government affected all sectors from public health, education sector, social life and economic sector. This is because with the restrictions, the business activities of each business are disrupted and even become paralyzed. One of the disrupted business is the hospitality industry. The main impact of Covid-19 pandemic to hotel industry in Kupang city is revenue losses as a result of occupancy rates declining. This situation imposed the hotel management to create a new marketing strategy to survive by offering room promos, reducing staff working days, and saving operational fee. Fortunately, government provided financial support for the hotel industry, though only given once but this showed that the government responsibility. Additionally, there were also financial aid for the employee through cash transfer. However, some hotels management hope that the government can re-evaluate the PPKM policy because it gives direct impact on the absence of activities or events in hotel.

Limitation and Study Forward

The limitations of this research are firstly, due to travel restrictions, researcher could not obtain data from other hotel management in different region. Secondly, the restriction of the sample where the participants were only from three-star hotel in Kupang city. As a result this study cannot be generalize to all hotels in East Nusa Tenggara Province. As a result, for future study, number of participants (hotel management) must be added especially from other region in East Nusa Tenggara Province. Further, this study only see from one perspective that is from hotel management perspective. Thus, it is important to investigate this research from government perspective so we can have a comprehensive description how the government support the hospitality industry during Covid-19 pandemic.

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