

STRATEGY ANALYSIS TO FACE HOTEL COMPETITION IN THE NEW NORMAL COVID 19 ERA (Case study on Sinabung Hills Berastagi)

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ABSTRACT

The purpose of this study is to analyze strategies to face hotel competition in the new normal Covid-19 era at Sinabung Hills Berastagi Hotel and to determine the extent to which the strategy carried out by the management has an impact on the company. The research method used in this study is descriptive/qualitative techniques that describe the description of promotional data conducted by Sinabung Hills Berastagi Hotel during the new normal, using observation guidelines, interviews, and documentation. The results showed that Sinabung Hills Berastagi Hotel conducted a strategy to reduce operational expenditure and also provide discounted promos to attract customers. Promotional Media used are email, Whatsapp, and also online ordering applications. From the promotional media used, online booking applications show more of a good impact on the company.

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1. INTRODUCTION

The hotel industry, as part of the tourism industry, is experiencing heavy pressure during this pandemic. The lack of income is not proportional to the number of expenses. PSBB and fears of contracting the coronavirus are the main reasons for the decline in tourist trips and hotel occupancy. Sinabung Hills, Berastagi as one of the hospitality industries affected by Covid-19, is trying to survive amid the current difficult situation. During the current pandemic, every company is rearranging its strategy to be able to survive.

With the number of similar competitors, it is very interesting to investigate further the phenomenon that occurs and how the right strategy of Sinabung hotel is competing to maintain or provide a better or superior stay experience compared to competitors. However, it needs to be underlined that the advantages or advantages of the hotel are not necessarily a guarantee that the Hotel Sinabung, Berastagi will be able to continue to survive amid the covid 19 pandemic or post-pandemic, where the competition in the hotel industry is currently very tight. But at least the strategy can provide a target or picture for the sustainability of the hotel.

Although the competitor Sinabung hotel is experiencing the same thing, the hotel Sinabung which is a long-standing hotel should be able to implement an appropriate strategy to see the condition of the company in the Future (the Future) about the strengths, weaknesses, opportunities, and threats. So this hotel can still survive and be strong in competition with existing competitors. Based on the description of the background above, it becomes a consideration for the author to discuss this research which is then outlined in the title: "analysis of strategies to face competition in the new Normal era of Covid 19 (Case Study at Sinabung Hotel, Berastagi).

2. LITERATURE REVIEW

Strategy

Strategy is a way used by the organization to deal with changes that occur within the organization. Strategy determination includes the actions taken, the content of the strategy, and the process by which the strategy is determined and then implemented (Anwar, J., & Hasnu, 2017). According to Poernomo (2015), a strategy is a broad, systematic, and integrated set of plans that relate the advantages of an organization to its environment and all of them receive benefits both economically and non-economically. However, the strategy cannot be determined directly. Have to go through some considerations. According to Brinks & Ibert (2020), with a geographical understanding of the crisis, strategies must be adapted to the specific characteristics and needs of each region.

Competitive Business Strategy

Strategy is a way used by the organization to deal with changes that occur within the organization. Strategy determination includes the actions taken, the content of the strategy, and the process by which the strategy is determined and then implemented (Anwar, J., & Hasnu, 2017). According to Poernomo (2015), a strategy is a broad, systematic, and integrated set of plans that relate the advantages of an organization to its environment and all of them receive benefits both economically and non-economically. However, the strategy cannot be determined directly. Have to go through some considerations. According to Brinks & Ibert (2020), with a geographical understanding of the crisis, strategies must be adapted to the specific characteristics and needs of each region. (Anshori, 2010) states, performance in star hotels can be improved by adding market orientation, intellectual capital, learning orientation, and innovation because these 4 variables affect performance simultaneously with a percentage of 76.4%.

(Elisabeth, D.M. Saragih, 2020) stated that a survival business strategy is a strategy that can be implemented so that a company can survive in a certain situation. Several strategies can be applied in a company to survive the Covid-19 pandemic:

1. Provide space for the public to look back at the products produced by the hotel.
2. Pay attention to cash flow management during the Covid-19 pandemic as a preventive measure.
3. Limit activities by setting daily operating hours for cost efficiency.
4. Implement a diversification strategy unrelated to the previous venture.
5. Implement inventory management to save production costs, and ensure smooth processes in and out of a product.

Service Industry

According to Lovelock (2017) services are services offered by one party to another. Such processes are not related to physical products or intangible services, and usually do not lead to ownership of any of the factors of production. Kotler (2014) argues that a service is any action or activity that can be offered by one party to another, is essentially intangible, and does not result in any transfer of ownership. The production of services may or may not be related to physical products. The hospitality services business is one of the links in the tourism industry network. Hospitality services and several other related business fields such as travel agencies, restaurants, transportation, and so on are included in the hospitality industry group. The main function of hospitality services is to provide services to guests in the form of a place to stay, or a temporary place to stay. Tourism is a journey undertaken for recreation or leisure and also the preparation is undertaken for this activity. A traveler or tourist is someone who travels at least 80 km (50 miles) from his or her home for recreational purposes. World Tourism Organization. gives a more complete definition of where tourism is a service industry. They handle services ranging from transportation, hospitality services, shelter, food, beverages, and related services.

The Covid Pandemic and the New Normal

The return of the tourism sector, which is the driver of income, must be done with careful and disciplined management and enforcement of Corona Virus (Covid-19) outbreak cases, the implementation of health protocols is the main thing in returning the tourism sector from Corona Virus (Covid-19) outbreak cases. To implement the new Normal life, the government has made standards for tourism health rules based on cleanliness, health, safety, and environmental sustainability (Cleanliness, Health, Safety, Environment Sustainability) CHSE. One way to restore the tourism sector due to the impact of the Corona Virus (Covid-19) pandemic case is to run very tight health rules to avoid the emergence of a new version of the virus in the tourism sector.

Competitive Strategy Analysis

Companies need to recognize the strengths and weaknesses of the company in the competition this will be very helpful to recognize yourself and be able to take advantage of every opportunity that exists and avoid or minimize the risks that exist. All companies both engaged in services and product preparation must have a goal to keep growing and running well to be able to maintain and increase profits or operating profits of the company. This can be done if the company can maintain and increase sales of products or services they produce. Implementing effective marketing strategies through the utilization of existing opportunities to increase sales is expected to maintain and improve the company's position in the market. The implementation of the current marketing strategy is very important to support the increase in profits.

Adaptation is something that must be applied because all parties must be able to adapt to the conditions of the Covid-19 pandemic, namely by continuing to improve the implementation of CHSE ' aka

Cleanliness (cleanliness), Health (Health), Safety (Security), and Environment (environmentally friendly). The strategy to improve the tourism industry and creative economy sector is to use technology and information for informal workers and MSMEs to survive amid the COVID-19 pandemic. The government is also making efforts in various ways to save the tourism sector MSMEs amid the Covid-19 pandemic, one of which is by providing assistance, subsidies, and loan relaxation.

3. METHOD

Data collection techniques

The data collection methods used in this study are as follows

1. A study of documentation and data collection is carried out by searching for information based on the documents of the company relating to the study.
2. Interview or interview is a research method conducted by the author directly by holding an oral question and answer to the leadership of Sinabung Hills regarding the impact of covid-19 on occupancy rates and what actions are taken by the company.
3. Documentation of this research is done by obtaining reports and other documents that are closely related to the object of research and reading the literature as a theoretical basis that will serve as a theoretical basis in writing the thesis.
4. Observation, through observation activities researchers can learn about the behavior and meaning of the study. to obtain evidence that can support and complement the results of research in Sinabung Hills.

Data analysis techniques

Mile and Huberman, as quoted by Syofian Siregar, mentioned that there are three steps of qualitative data processing, namely data reduction, data display, and conclusion drawing and verification. The implementation of the three is not bound by chronological restrictions. Overall, these steps are interconnected during and after data collection, so this model is also called an interactive model.

4. RESULT AND DISCUSSION

What strategy is done Sinabung Hotel in the new Normal Era to remain operational?

As a result of the impact of Covid-19, it is certainly not easy for companies engaged in accommodation/ hospitality to remain operational. Management must create a strategy to survive amid the many obstacles faced. Based on the results of the author's interview, it was concluded that the hotel's strategy to survive during this pandemic was to reduce company expenses, such as by reducing working hours for employees in turn. Which should be a day off a week to three days a week. In addition, management also does not add employees and stops projects that are not a priority. As well as utilizing vacant land as a medium for planting kitchen materials such as peppers, onions, tomatoes, and others, which allows them to be planted. Thus, it can help reduce the needs of the kitchen team.

What strategies do hotel Sinabung in the new Normal Era in the face of competition in the new normal era

Based on the results of the interview for the second question that the researcher gave, it was found that to increase hotel revenue, management carried out a strategy of giving discounts with a minimum booking of more than two rooms for individuals and a minimum booking of 30 pax for companies. And, provide discounts without a minimum booking on online booking sites such as Traveloka, Agoda, Booking.com, and others.

Media what is done to run the strategy to increase hotel revenue.

Based on the information received from the five informants, it can be concluded that the hotel uses Whatsapp or email as a medium to distribute promos and install them on online booking applications.

The extent to which the success of the strategy is undertaken in increasing revenue.

Some efforts have been made to tetap can operate and increase revenue. One of these efforts is to make promos in increasing revenue. However, the researcher still wants to find out to what extent the strategy works for companies. Based on the information from the informants, it can be concluded that the promo is classified as successful because it can increase the amount of income in difficult conditions like this. The existence of price competition, of course, inevitably there must be price cuts so that guests want to stay, and the promo carried out by Sinabung Hotel is quite helpful in conditions like this.

The extent to which the success of promotional media used in increasing revenue

Based on the information obtained from the informants, the researcher concluded that the media used was not successful enough and had a significant impact in providing offers. Of the three media used, namely Whatsapp, email, and online booking applications, only advertising on applications that have an impact on increasing the number of guests who come to stay.

DISCUSSION

Based on research conducted by researchers, in this new normal era, Sinabung Hills Berastagi performs several strategies in the face of competition to remain operational such as suppressing spending by reducing the number of employee working hours, then utilizing vacant land to grow crops, and replacing projects that are not priorities. In addition, the management also makes discount promos both directly and through online booking through the application, and makes promo packages with terms and conditions both for individuals and for corporate. To further explain the results of the interview, the researchers asked for occupancy data to compare data and information from informants to measure how far the success of the strategy was carried out. The following is a table of occupancy data for rooms sold from 2020 to 2021.

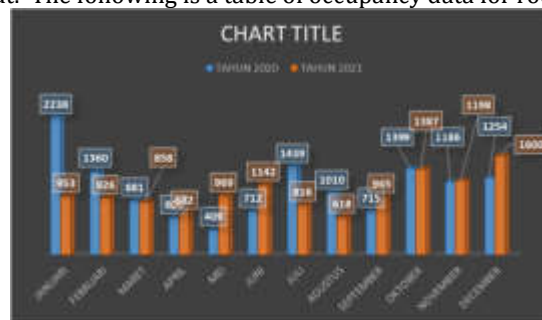


Figure 1. Occupancy Data For Rooms Sold From 2020 To 2021.

From the table, it can be seen that there are ups and downs in the number of occupancies in 2020 and 2021 every month. This shows that there is a considerable decrease with a total decrease of 1118 dwellings in a year which if averaged in a day there is a difference of 36 residential rooms. If examined, the worst Covid-19 occurred in 2020, in 2021 it has begun to be lightened by not locking down. All sectors including tourism have been able to operate normally as usual even though they must still comply with health protocols.

This means that the case shows that there are mistakes made, such as unattractive promotions or media errors used to carry out promotional strategies, so that they do not have a good impact on attracting tourists to stay. As we know that 2020 is the worst spread of Covid-19 where people are afraid to leave the house and afraid to do activities that are not too important. Supposedly, 2021 is the right time to increase the number of visitors, but the fact that happened in 2021 there was a decline.

Here's a screenshot of the offer advertised on some online ordering applications.

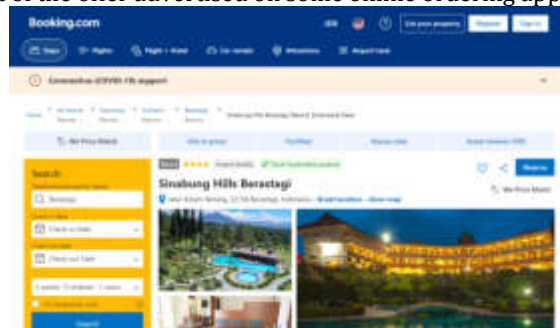


Figure 2 The Offer Advertised On Some Online Ordering Applications

5. CONCLUSION

Sinabung Hills Berastagi's main strategy is to reduce spending so that it can still operate and can face competition in the new normal era. In addition, Sinabung Hills Berastagi is doing another strategy to face competition, namely by making price-cutting promos either directly with a minimum booking of two

rooms, or purchases through online applications with individual or corporate target markets. For companies there is also a Gathering package with a minimum order of 30 people will get a discount.

Sinabung Hills Berastagi uses promotional media, namely Whatsapp and emails to disseminate information on applicable promos and also install offers on applications such as Traveloka, Agoda, Booking.com, and others. From promotional media used only through online booking applications that travel. For email and Whatsapp did not have a good impact on increasing the company's revenue.

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