



## **COVID-19 and the Future of the Hospitality Industry: An Indonesian Case Study on the Industry's Adaptation, Recovery Plan, and Resilience**

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**Abstract.** With hotels being forced to close and experiencing sharp drops in visitor numbers and revenue, the COVID-19 epidemic has significantly affected the hospitality sector. Diverse adaption techniques have been presented to overcome these issues, like tilting, positioning, and contactless experience. In order to better understand the post-pandemic hospitality industry, this study will examine recovery trends and tactics. Various techniques are employed in qualitative analysis, such as gathering data from sources that provide descriptive information, like industry reports, interviews with stakeholders, and text analysis of relevant publications. The talk covered the hotel industry's supply and demand analysis, adaption tactics used by lodging facilities, and the importance of cooperation amongst stakeholders in ensuring the industry's resilience. The data demonstrate that the pandemic has caused substantial changes in the hospitality sector. However, there is a tremendous chance for recovery due to the expansion of the MICE sector and a rise in domestic travel. Finally, the hotel sector can successfully navigate the future with the appropriate adjustments and good teamwork.

**Keywords:** Hospitality Industry, Recovery Strategy, Travellers

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### **INTRODUCTION**

The Covid-19 epidemic has severely impacted the hotel business. Because of the imposition of mobility limitations, the hotel was forced to close, and all guests were forced to stay home alone. Initially, working and studying from home were standard options, as was shopping. There have also been forced operations limitations for buses, trains, airplanes, and other public vehicles. Until November 2020, the hotel industry lost IDR 100 trillion, and 550,000 hotel employees, or 78.5%, were laid off (Fitri, 2020). The Government and the Hotel and Restaurant Association have been working together to save the hotel business.

Emergency reaction, recuperation, and normalization are the three stages of rescue that the Ministry of Tourism and Creative Economy, in close collaboration with the hotel industry, is diligently working on. During the emergency response phase, health is the major priority. Rehabilitation efforts are concentrated on CHSE in tourist areas and MICE. Through a variety

of innovations, the normalization phase is carried out to sustain resilience, plan future hotel industry management, and boost market interest. All of these strategies, led by the Ministry, ensure that the hotel industry remains healthy and operates as intended, providing a sense of reassurance in these challenging times.

Adaptation is crucial for the hotel sector to thrive in the post-pandemic period. Flexibility, creativity, and teamwork are essential when society starts to make behavioral changes and shifts in the tourism industry. Travel was free for tourists before the pandemic, but due to the pandemic, many people are now choosing to take staycations, which involve traveling without touching down. Travelers can feel safer knowing the hotel has a CHSE certificate and provides WFH. We offer tiny groups as part of our exclusive trip package services to reduce the risk of virus transmission—modifying tourist spots to facilitate the development of virtual tourism for vacations taken online. The concept of outdoor dining and restaurant cruises that assume the shape of takeaway by utilizing contactless service is the outcome of pandemic adaptation (Lazuardi, 2021).

## **METHOD**

This study uses a qualitative methodology. The approach makes possible opinion surveys, content analysis from various sources, stakeholder interviews, and other methods that gather and analyze descriptive, unstructured data. This allows the study to comprehend people's opinions and experiences regarding industry developments in great detail. The author offers insightful remarks about current trends, such as adjustments to guest experience, marketing tactics, and service, based on his firsthand observations of the changes occurring in the hospitality sector. As a result, industry trends may be understood more clearly and contextually.

Trends and best practices that can be implemented by other hotels can be found through case studies in a number of hotels or tourist locations. It is possible to gather detailed information and have a thorough grasp of different approaches to managing the epidemic by delving into the firsthand experience of a certain hotel or location. Examining texts like industry reports, news stories, and scholarly publications also allows one to identify keywords, themes, and patterns pointing to specific hospitality sector trends. This can help one understand prevalent opinions and significant problems influencing the sector.

## **DISCUSSION**

According to Popov (2021), pivoting, positioning, and contactless experience are three techniques used to recover from the downturn in the hotel business. The reversing course

involves utilizing digital technology to innovate and adapt strategies. The hotel works with wedding planners to arrange a small number of meetings in order to ensure that weddings adhere to strict health regulations. Hotels, for instance, provide innovative products, catering, and paid yoga and other workout sessions. A positioning strategy, such as the #WorkFromBali movement, is also implemented to present the hotel as a convenient and secure place to work in addition to a place to stay. The hotel has a CHSE certificate. Experience without physical touch is another tactic that can be used. The package for a minimal-touch stay includes online booking access, grab-and-go food delivery, more outdoor space, or a private pool to improve air circulation.

For hotels to reopen in time for the end of the COVID-19 pandemic, a cross-disciplinary analysis of supply and demand in the business must be done to foster public confidence and offer enticing deals and services. With additional operations, the hotel's footprint and clientele are growing. Because of international travel restrictions and the ongoing partial quarantines worldwide, hotels will be more dependent on local tourist demand than foreign guests, who take longer.

Because of the widespread use of technology, meetings, incentives, conferences, and exhibits, or MICE, can be used for marketing and promotion. This is an effective platform for the hospitality sector to recover. Lubis (2020) states that health, safety, and hygiene should be the top priorities for future trips. Technological advancements will play a significant part in the traveler's ecology to revitalize travel, favoring independent travel with personal space. Automation, chatbots, IoT, virtual reality, and AI will all proliferate.

Collaboration between numerous parties is necessary to ensure the hotel industry's resiliency. Human resources is among the most crucial. University research and program development with the tourist sector in mind are critical components of university human resource production (Jumadi, 2020). Conversely, the government is involved in formulating roadmap policies and their implementation. Promo initiatives can only be socialized effectively and efficiently with the media. The last crucial element for success is community.

A system for operations management that evaluates inputs, processes, outputs, and results is designed to implement a long-term strategy. Hotels that satisfy safety and comfort criteria and have sufficient auxiliary amenities should be included. Government support and policies, integrated and stakeholder-involved marketing initiatives, and external and internal service quality are examples of the process. Guest happiness is the result, which helps the hotel sector stay sustainable and continue raising standards to achieve the desired result—a return of visitors.

Effective management of COVID-19 has made a positive impact on the hotel sector (Sumarsono, 2021). Travel and business traveler activity, domestic tourism visits, airline ticket sales, rail timetables, traffic patterns, and tourist destination activities and occupancy are all signs that the hotel industry is recovering. The hotel sector is changing quickly, with uncertainty, complexity, ambiguity, and fast change coloring the scene. The hotel sector needs to be managed with agility, vision, understanding, and clarity.

With the advancement of industry 4.0 technology, the MICE sector will control the hospitality market going forward. With an aim of 260–280 million movements, Indonesian tourists will be the hope and the engine of tourism, serving as the backbone of the country's recovery in 2022. They can generate up to 400,000 new jobs in the tourism sector and 600,000–700,000 new jobs supported by the food, craft, and fashion industries.

(Flood 2022) In 2022, the hotel sector will witness ten novel developments, one of which is the integration of Google Nest with cutting-edge touchless technology. Vibrant guests can operate phones, lights, alarms, and remote air conditioning. Visitors can obtain entertainment, order menus for the hotel restaurant, and access room keys using a personal smartphone. Connect to WiFi and use the QR code to complete payments. Lightweight furniture makes the hotel rooms multipurpose and easily movable, allowing them to be reconfigured to suit different needs.

A growing number of people consider how clean the restaurant and hotel rooms are—lowering carbon footprint and gas emissions by using solar water heaters. In order to look after your body, mind, and soul, the rooms have sports amenities. Nowadays, physical, mental, and spiritual wellness are given top priority in hotel marketing. In order to satisfy the growing demand from travelers who work remotely from any place, tourists are drawn to less crowded and well-known locations like nature tourism.

Blaiklock (2019) anticipates three critical developments for the hotel sector. Working and vacation are now combined activities because of faster connectivity due to technological advances. An artificial intelligence and robotics-driven hotel experience is planned. Implementing Internet of Things (IoT) technology drives real-time service quality improvements in hotels. Creating an emotional experience for visitors is the primary goal at the hotel. Understanding and anticipating human emotions is essential to a hotel's future success. As technology takes center stage, many visitors will search for genuine human connection. While preserving the unique features of each hotel, hoteliers need to be able to incorporate technology

to enhance the entire guest experience. A warm welcome will provide a remarkable visitor experience that meets modern technology and social norms.

Significant progress has been made in Indonesia's tourist and hospitality industries. A tourism barometer can be found in the following places: Wakatobi North Sulawesi, Raja Ampat Papua, Bandung, Surabaya, Yogyakarta, and Bali. The occupancy rate of each hotel is determined by investor penetration during the building of networked hotels. Hotels at Ibis, Amaris, and Santika have occupancy rates of 80%, 90%, and 75%, respectively. The hotel can host various events, including meetings, workshops, seminars, and other MICE, with the help of the local government.

Because of the pandemic, hoteliers in Wibisono (2021) are racing against time to create an annual financial budget. Three versions are available:

- the half-half version, which covers the COVID-19 pandemic era
- the hopeful recovery plan scenario version for 2021
- the October 2021 version, which introduces the traveler euphoria and high demand at promotional pricing

According to the third and most gloomy scenario, a worldwide pandemic is still expected to occur in 2021. Because employing employees is one of the hotel industry's fixed costs, it is crucial to choose candidates carefully.

Research findings by Yuswohady and his team are included in the Hotel Industry Outlook 2021, indicating that Indonesia has progressed and endured in 2021. Three scenarios—moderate, pessimistic, and optimistic—are presented. An optimistic scenario with vaccine dependency is shown in the prediction for Q1 (2021), followed by Q3 (2022) for the domestic market share bounce and Q2 (2022) for the regional outbound rebound. Only toward the end of 2021 or Q4 is the moderate scenario, which accounts for the availability of vaccines in Q2 and the positive market mood.

Domestic tourism will slow down, and it will happen in the first quarter of 2022. The PSBB, PKPM, and lockdown agendas into 2021 are anticipated to prolong the economic slowdown, assuming new vaccinations are available in Q3 of 2021. This is a pessimistic scenario. Q1 – 2022 is predicted to have a positive market sentiment. Domestic traveler market share will only shift in the second quarter of 2022 (Wibisono, 2021).

Nonetheless, there is a silver lining to this pandemic: it has expedited the paradigm shift in the growth of tourism from quantity to quality and sustainability. Growth in the MICE industry is

anticipated, given the current state of globalization and the burgeoning Industrial Revolution 4.0. Multi-party events (MICE) greatly benefit the economy in areas including printing, advertising, lodging, food, souvenirs, travel agencies, transportation, MSMEs, tour guides, and event planners. Increasingly, hotels are using digital technologies to make staying easier for visitors. Utilizing a single application, visitors may place orders, check in independently, retrieve their room keys, control the lighting and temperature, and contact the receptionist in case of any issues.

## CONCLUSION

Amidst the obstacles of the hospitality sector's post-pandemic recuperation, tactics like pivoting, positioning, and contactless experience have emerged as crucial tools for adjusting to evolving demand and trends. Effective recovery strategy development requires a thorough grasp of the supply and demand in the hospitality sector. To ensure the resilience of the hotel business, cooperation amongst a range of stakeholders is also essential, including the government, media, human resources, and communities. Hotels can significantly enhance the visitor experience by keeping up with the newest technological advancements and trends, such as artificial intelligence and the Internet of Things (IoT). The MICE sector and domestic tourism have much room to grow despite the current market uncertainty, which might be a significant factor in the hospitality sector's comeback. The hotel sector may look forward to a successful future with the correct adaption and good teamwork.

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