

Five-Star Hotel Branding Strategy in Banten Province Due to The Covid-19 Pandemic

Rizal Syaifudin*, Deris Desmawan, Sugeng Seyadi

Jurusan Ilmu Ekonomi Pembangunan, Fakultas Ekonomi dan Bisnis, Universitas Sultan Ageng Tirtayasa, Jl. Raya Palka Km 3 Sindangsari, Pabuaran, Kab. Serang Provinsi Banten

Corresponding author's e-mail: rizaldin92@untirta.ac.id

Abstract. This study aimed at examining how the strategy of five-star hotels in Banten Province can maintain its branding due to the Covid-19 pandemic. The Covid-19 pandemic has led to a decrease towards the number of room occupancy rates and average length of staying for majority of guests. Besides, this study used a SWOT analysis to find out various internal and external factors which could affect the hotel condition during the Covid-19 pandemic. According to the SWOT analysis results, the results of weighting and ranking, the Internal Strategic Factors Analysis Summary (IFAS) value was 0.23, and the External Strategic Factors Analysis Summary (EFAS) value was -1.00. Regarding the results of the IFAS and EFAS calculations, it showed that the recommended grand strategy was a defensive strategy in the form of a rebranding strategy. Hence, this research concludes the rebranding strategy form could be in the form of making announcements to the public such as staying at hotels is safe, and hotels always apply strict health protocols, implement "pay now stay latter" by selling staying vouchers to prospective visitors with a pay-now system, staying later as well as making special long stay packages for foreigners who will return to their countries, but they are hampered by the lock down policy or restrictions on large-scale community activities. As a result, there will not provide public transportation in the country or abroad. Therefore, the hotels still can survive and get income during the pandemic.

1. Introduction

The Covid-19 pandemic has hit all worldwide countries since it was firstly discovered in Wuhan, China at the end of 2019. Therefore, it has come as an interesting topic and a serious discussion for all levels of government and society around the world. In Indonesia, the impact of the Covid-19 pandemic has spread to various sectors such as the economic sector, the education sector, the industrial and trade sectors and other aspects. In the industrial sector, many industries cannot run its projects in regards to the initial target. The hotel industry comes as one of industrial sectors hit by the Covid-19 outbreak which shows the hardest impact in this context. Besides, many hotels have to close their business because there are no longer more visitors coming, and the food and beverage business are also unable to operate its activity. Thereupon, apart from the fear of spreading the virus, it also provides

recommendations from the government to stay at home, work from home, and study from home causing the hotel to experience symptoms of bankruptcy.

Based on data gained from the Indonesian Hotel and Restaurant Association, there were 1,642 hotels in Indonesia which were closed due to the Covid-19 pandemic in 2020. Of the amount mentioned, the highest number of closed hotels was in West Java Province. From the aforementioned report, there were around 501 closed hotels followed by Bali with 281 hotels and Jakarta with 100 hotels. Regarding the Central Bureau of Statistics (BPS) data in Banten province, the decrease in the number of Room Occupancy Rates (ROR) for star hotels in Banten Province in January 2020 reached 49.05 percent or decreased by 2.91 points compared to December 2019. In January 2020, the largest decrease of ROR occurred in five-star hotels which amounted to 19.28 points from December 2019. Meanwhile, ROR in five-star hotels decreased to 29 percent or 1.53 points from January 2020. For the number of RTML both foreign and Indonesian guests at star hotels in Banten was recorded at 1.24 percent or decreased by 0.12 points compared to January 2020. By seeing from the origin of hotel guests, this decrease was due to RTML from foreign guests as much as 0.04 points, and RTML Indonesia by 0.12 points. In addition to the decrease in the number of ROR and RTML, based on the data obtained from the Indonesian Hotel and Restoration Association, the decline in hotel visitors fell by almost 60 to 70 percent during March 2020. In regards to the aforementioned statement, it caused the hotel revenues, especially in five-star hotels, to decline while every hotel has to bear high operational costs such as routine operations and maintenance costs towards electricity, air conditioning cleaning and others including employee work insurance payments.

Several previous researchers had conducted research related to hotel branding including Justin Mathew Pang (2020) through the use of qualitative method in order to research a topic of study related to hotel branding in Singapore. The results of the study explained that the service in this hotel came as the most significant aspect through its supporting products, facilities, information, implicit and explicit services. Besides, Md Yusuf Hossein Khan, Sheikh Md. Abdul Hakeem and Nikola Naumov (2018) analyzed the use of branding and market segmentation from a hotel marketing perspective. Following this, the results of the study indicated that the application of marketing could increase organizational value and customer interest as well as providing a good level of service to meet consumer needs. The existence of branding was able to increase customer loyalty. In addition, Donagh Davern, Leo Jago, and Margaret Deery (2019) examined the influence of employer branding in attracting and retaining talented employees with a particular focus on millennial staff. The results showed that human resources had an influence on marketing to increase sales. Additionally, Tefvik Demirciftci and Ismail Kizilirmak (2020) researched strategic branding in hospitality concerning on "Case of Accor Hotels" using the branding literature review method. The Accor Hotel group strategy was analyzed based on online distribution, online marketing, sustainable development programs, loyalty programs and digital marketing. Henceforth, as the results of this study, the Accor Hotel Group bought the Fairmont Group to become stronger in the luxury segment and become stronger in the Asian and US markets. Kiritharan Nair and P. Amresh (2016) examined the Development of Strategic Plan for Hotel Industries through the use of SWOT analysis. The purpose of using SWOT analysis was to assess the strengths, weaknesses, opportunities and threats involved in a scheme or in a business venture. Using the swot analysis method was able to show excellence in the hospitality industry. The results showed that staff management and industrial development came as part of the strategic planning scheme.

In addition, this research focuses to examine how the strategy of five-star hotels maintained their branding due to the COVID-19 outbreak towards their recovery strategies after the COVID-19 outbreak ended, especially in five-star hotels in Banten Province. Previous researchers have suggested that hotel branding strategy is the most effective strategy.

2. Method

This research analysis approach used descriptive qualitative analysis. As a reason, this research was carried out to find out a detailed description of a symptom or phenomenon. This research aimed at analyzing the object of the development strategy by focusing on the strengths, weaknesses, threats,

and opportunities towards branding of the 5-star hotel sector in Banten province after the Covid-19 pandemic.

Sources of data collected were obtained from interview technique. The target of the informant object in collecting data through interview techniques was not limited from the start, but it depended on the level of data saturation which had been collected. The informants who had been appointed could be interviewed with several related information regarding the strategy for developing a five-star hotel brand after the occurrence of Covid-19. Hence, the data collection from interviews were done manually or using stationery to gain more accurate information and data.

The assumption formed to determine the strategic factors for increasing branding in five-star hotels in Banten Province used a SWOT analysis approach. SWOT analysis was utilized to formulate holistically in the decision-making process based on the scope of internal and external factors (Rangkuti, 2013). Therefore, the decision-making process through SWOT analysis could be structured systematically and used as a scope for certain policies, objectives, developments and strategies (Nizar, 2018).

3.1. SWOT Analysis Model

SWOT analysis is a form of combination towards internal and external factors to identify various decisions made systematically on the strategy of a company. The logic of decision making through SWOT analysis is based on 4 assessment criteria, namely factors which can maximize strengths and opportunities as well as factors which can minimize weaknesses and threats. The SWOT analysis assessment criteria determine the position index internally (IFAS) and externally (EFAS) used in the combination of decision-making and development policy strategies in a company.

Table 1. SWOT Analysis Position Index

No.	Description	Score
A	Internal Factor Analysis	
1	Strength Factor Analysis	x,xxx
2	Weakness Factor Analysis	x,xxx
	Position Index A	x,xxx
B	External Factor Analysis	
1	Opportunity Factor Analysis (Opportunities)	x,xxx
2	Threat Factor Analysis (Treaths)	x,xxx
	Position Index B	x,xxx

Source: Rangkuti (2015)

Furthermore, table 1 shows the SWOT analysi tabel. According to Sjafrizal (2014), the incorporation of SWOT analysis between internal strengths and weaknesses as well as external opportunities and threats can form a cartesian diagram which is identified into several forms of SWOT analysis strategies. Those are factors to support the expansionary strategy, factors to support the defensive strategy, factors to support the adjustment-oriented strategy, and factors to support the self-defense strategy.



Figure 1. SWOT Analysis Diagram

Source: Sjafrizal (2014)

Quadrant I: Strategy by utilizing elements of strength to seize opportunities (S-O Strategy) or called as an expansive strategy

Quadrant II: Strategy to utilize strength to minimize threats (S-T Strategy) or defensive strategy.

Quadrant III: Strategy to minimize weaknesses to seize opportunities (W-O Strategy) or internal adjustment oriented.

Quadrant IV: Strategy to overcome internal weaknesses in order to reduce threats from outside aspect (W-T Strategy) or called as self-defense strategy.

3. Result and Discussion

To determine the hotel branding strategy due to the COVID-19 pandemic, it could be analyzed using a SWOT analysis. The steps taken include analyzing internal and external factors.

4.1. Internal Factors Analysis

Internal factor analysis aimed at analyzing the strength and weakness factors. The factors of strength and weakness in the company in this study are explained in the following parts briefly.

4.1.1. Strengths

Strength is the scope of internal strength which drives business development. In this case the factors owned by the company are mentioned as follows.

1. Providing easy booking system both online and offline.
2. Providing online promotion.
3. Implementing health protocols.

The convenience of the booking system for hotels during the COVID-19 pandemic came as one way for hotels to always keep attracting guests to come. Besides, this online booking system could be done through the company website, social media or traveling applications such as agoda, traveloka,

booking.com and others. Regarding the statement mentioned, it could be very beneficial for guests owing to the fact that it was considered as practical and easy operational system and reduced the contact with many people. In addition, the advantages of this online booking system showed that the payments could also be made by transferring or using electronic money.

Another factor which became a strength was online promotion. From the aforementioned statement, it was similar to the online booking system, and almost all five-star hotels in Banten province had carried out online promotions through the social media or endorsed several influential public figures so as to promote through their social media. Thereupon, the advantage of this online promotion system could save on hotel advertising costs.

The following factor was the application of health protocols. All five-star hotels in Banten province had implemented health protocols. Besides, the hotel goal was to minimize and avoid of spreading corona virus. Meanwhile, the implementation of health protocols could include the obligation for all employees and visitors to always wear masks, check body temperature and provide disinfectant liquid at every significant point at the hotel. Therefore, the implementation of health protocols made visitors feel safer when they were at the hotel.

1.1.2. Weaknesses

Weaknesses include internal weaknesses which can affect the business activity. The internal weaknesses of five-star hotels in Banten Province during the Covid-19 Pandemic are mentioned as follows.

1. Reducing hotel revenue.
2. Laying off some employees.
3. Showing amount of operational costs during the pandemic.

The factor which grew as a weakness of five-star hotels in Banten province was the reduced hotel revenue during the Covid-19 pandemic. In accordance with data from the Central Bureau of Statistics (BPS), there was a decrease in room occupancy rates and the average length of staying guests. Regarding the aforementioned statement, it was due to the fear of the public to leave the house and do activities outside so as not to contract the virus.

The second weakness factor faced by five-star hotels in Banten province was laying off several employees. From the report explained, the reduced hotel income was not in accordance with the salary costs which should be guaranteed by the hotel to pay the employees. Besides, the following weakness factor was the amount of operational costs during the pandemic including the amount of electricity, water, facilities and infrastructure maintenance and worker insurance.

To sum up, the level of strengths and weaknesses of five-star hotels in Banten province could be determined by weighting and assessing the strength and weakness factors as influencing factors for business development. Internal factor analysis can be seen in Table 2.

Table 2. IFAS Matrix Table

Strengths

No	Variables	Weight	Relative Weight	Rank	Quantity
1	Providing easy booking system both online and offline	4	0,18	2	0,36
2	Giving promotion online	3	0,14	3	0,41
3	Applying health protocol	4	0,18	3	0,55
	Total	11	0,50		1,32

Weaknesses

No	Variables	Weight	Relative Weight	Rank	Quantity
1	Reducing hotel revenue	4	0,18	1	0,18
2	Laying off some employees	3	0,14	4	0,55
3	Showing amount of operational costs during the pandemic	4	0,18	2	0,36
	Total	11	0,50		1,09
	IFAS Total	22	1,00		0,23

Based on Table 2, the main strength of five-star hotels in Banten province during the Covid-19 pandemic was the application of health protocols for all hotel employees and visitors with a score of 0.55. Meanwhile, the main weakness of five-star hotels in Banten province during the Covid-19 outbreak was laying off several hotel employees with a score of 0.55. therefore, the final result of the internal factors in the IFAS matrix was 0.23.

4.2. Eksternal Factors Analysis

External factor analysis was conducted by processing external factors in the form of opportunities and threats. These external factors are mentioned as follows.

4.2.1 Opportunity

Opportunities can be used by companies to increase business. Opportunity factors may consist the following aspects.

1. Testimonials from visitors' reviews on online travel agent applications to convince visitors.
2. The saturation of the community as a result of the instructions for activities at home which can make a lot of people want to travel immediately.
3. Support from Genpi, influencers, and the government through social media to invite tourists to revisit the hotels.

Testimony reviews from visitors on travel agent applications could provide confidence for consumers remaining comfortable condition when they visited hotels and could get satisfactory service. The second opportunity factor was the saturation of the community with instructions from the government to carry out activities at home starting from working and studying at home. Regarding the aforementioned statement, this saturation could make an alternative for hotels to be used as a comfortable and safe staycation. The following opportunity factor was the support from Genpi, influencers, and the government through social media in order to invite tourists to revisit the hotels. At last, support given by Genpi and influencers through promotions using their social media could also help provide information to the wider community regarding the information about the hotel and all forms of package facilities offered by the hotel.

4.2.2 Threats

Threats come as the company external factors which can hinder the smooth development of the business. Threat factors may consist of the following factors.

1. The pandemic period which is not yet clear enough to end
2. Regulations from the government to do work from home, study from home and stay at home.
3. Decrease in demand for meeting rooms and food and beverage production in hotel restaurants.

As the first threat factor, the covid-19 pandemic period is not yet clear enough to end. The impact of the covid-19 pandemic occurred especially for five-star hotel companies. As a reason, many hotels were forced to temporarily lay off their employees because of hotel policies to reduce operational costs.

The following factor of the threat was certain regulations from the government to work and study at home as well as stay at home to limit people's mobility so they could avoid of getting infected with the Corona virus. However, the aforementioned statement came as a heavy burden for the hotel owing to the fact it caused the decrease of guests' visits and declined hotel revenues. Many hotels ended up having to lower their prices or limit the number of rooms sold in order to survive. In addition, the current threat factor was a decrease in the demand for meeting rooms and food and beverage production. From the statement mentioned, it was due to the policy of government agencies not to allow face-to-face meetings with the capacity of many people. Therefore, the decline in food and beverage demand was also affected by the decrease in hotel guests, both staying and holding meetings at the hotel.

Furthermore, the determination of the magnitude towards the opportunities and threats could be recongnized by multiplying the weight followed by the rating of hotels. The magnitude of the opportunities and threats faced could be seen from the weights and scores in Table 3. Besides, the saturation of the community as long as the instructions for activities at home made the majority of people have willingness to travel immediately which showed the highest opportunity with a score of 0.34. Moreover, the biggest threat faced by the hotels was the pandemic period which was not clear enough to end with a score of 0.89. consequently, the total score on the external analysis factor obtained was -1.00.

Table 3. EFAS matrix Table

Opportunities

No	Variables	Weight	Relative Weight	Rank	Quantity
1	Testimonials from visitors' reviews on online travel agent applications to convince visitors.	2	0,11	3	0,33
2	The saturation of the community as a result of the instructions for activities at home which can make a lot of people want to travel immediately.	3	0,17	2	0,34
3	Support from Genpi, influencers, and the government through social media to invite tourists to revisit the hotels.	2	0,11	2	0,22
	Total	7	0,39		0,89

Threats

No	Variables	Weight	Relative Weight	Rank	Quantity
----	-----------	--------	-----------------	------	----------

1	The pandemic period which is not yet clear enough to end	4	0,22	4	0,89
2	Regulations from the government to do work from home, study from home and stay at home.	4	0,22	3	0,67
3	Decrease in demand for meeting rooms and food and beverage production in hotel restaurants.	3	0,17	2	0,33
	Total	11	0,61		1,89
	EFAS Total	18	1,00		-1,00

Determination of the grand strategy which could be adopted by five-star hotels in Banten province could be determined through the grand strategy matrix based on IFAS and EFAS values. Regarding the EFAS and IFAS scores, the grand strategy which could be applied was the S-T strategy or a defensive strategy in the form of a rebranding strategy for five-star hotels in Banten Province. Therefore, the rebranding strategies for five-star hotels are explained as follows.

1. Making an announcement to the public that staying at the hotel is safe, and the hotel always applies strict health protocols.
2. Implementing "pay now stay latter" by selling vouchers to potential visitors with "pay now, and stay later system".
3. Creating a special long staying package for foreign nationals who will return to their country but are hampered by the lock down policy or restrictions on large-scale community activities which there will be no longer the operation of public transportation in the country or abroad.

4. Conclusion

The Covid-19 outbreak has given an impact on many sectors, especially the tourism sector and hospitality sector. During the Covid-19 pandemic, five-star hotels in Banten Province have experienced a decrease in the number of room occupancy rates and the average length of staying guests. By using SWOT analysis, a defensive strategy is obtained in the form of a rebranding strategy so that the hotel can still survive during the pandemic. Besides, the rebranding strategies which can be applied include making announcements to the public that staying at hotels is safe and hotels always apply strict health protocols, implementing "pay now stay latter", selling staying vouchers to potential visitors with a pay-now system and stay later, and creating special packages of long staying for foreigners who will return to their country but are hampered by lock down policies or restrictions on large-scale community activities which as a result, there will be no longer the operation of public transportation in the country or abroad.

5. References

- [1] Arismayanti, N. K. 2017. Branding Strategy of Tourism in Bali Based on Cultures and Heritage. *International Science, Social Science, Engineering and Energy*, **8**(1), pp. 1–14.
- [2] Davern, D., Jago, L. and Deery, M. 2019. The Influence of Employer Branding in Talent Management In The Hotel Industry The Influence of Employer Branding in Talent Management in the Hotel Industry. *Irish Business Journal*, **12**(1), pp. 54–67.
- [3] Demirciftci, T. and Kizilirmak, I. 2020. Strategic branding in hospitality: Case of Accor. *Journal of Tourismolgy*, **2**(1), pp. 50–58.
- [4] Hossein Khan, M. Y., Abdul Hakeem, S. M. and Naumov, N. 2018. The Use Of Branding And Market Segmentation In Hotel Marketing: A Conceptual Review. *Journal of Tourism Intelligence and Smartness*, **1**(2), pp. 12–23.

- [5] Kiritharan Nair, C. and Amresh, P. 2016. Development of Strategic Plan for Hotel Industries through SWOT Analysis. *SSRG International Journal of Mechanical Engineering (SSRG-IJME)*, **3**(3), pp. 6–10.
- [6] Maulana, N., Oktaviaman, R. and Farah, Y. 2020. Hygiene From The Heart : The Rise Of Sharia Compliant Hotel In Indonesia After Covid-19. *JEBIS : Jurnal Ekonomi dan Bisnis Islam*, **6**(2), pp. 221–238. doi: 10.20473/jebis.v6i2.21958.
- [7] Oryzativa, F. and Ernungtyas, N. F. 2020. Implikasi Brand Image dan Kualitas Layanan Hotel Terhadap Kepuasan Pelanggan. *Channel Jurnal Komunikasi*, **8**(1), pp. 79–88.
- [8] Pang, J. M. 2020. Adopting “ East Asian ” Cultures And Themes In Hotel Branding : A Study Of The Mandarin. *Asia Pacific Journal of Tourism Research*. Taylor & Francis, **16**(1), pp. 1–13. doi: 10.1080/10941665.2020.1773881.
- [9] Scorrano, P. *et.al.* 2019. Online Branding Strategy For Wine Tourism Competitiveness. *International Journal of Wine Business Research*, **31**(2), pp. 130–150. doi: 10.1108/IJWBR-06-2017-0043.
- [10] Wang, Yao Chin, et al. “Hotel Internal Branding: A Participatory Action Study with a Case Hotel.” *Journal of Hospitality and Tourism Management*, vol. 40, no. November 2018, Elsevier Ltd, 2019, pp. 31–39, doi:10.1016/j.jhtm.2019.05.002.