

Recovery Strategies of Tourism Businesses in COVID-19 Pandemic in Indonesia

Juhanda¹, Fulka Ilmy Avicenna Ralinas*², Faozen³, Hadi Jatmiko⁴

^{1,3,4}Universitas Muhammadiyah Jember, Jember, Indonesia

²Universitas Jember, Jember, Indonesia

Email: Fulkailmy@gmail.com

Abstract

This paper explores compatible recovery strategies executed by the tourism business doers to survive their businesses due to the undeniable stagnation of the Covid-19 pandemic in Indonesia. The present study utilizes semi-structured online interviews to explore participants' activities, experiences, and strategies to maintain the tourism business during the COVID-19 pandemic. We garnered all data concerning the practical field experiences of participants by distributing google forms and collected further information from communication via telephone and WhatsApp chats. The research results showcased three strategies for the tourism business survival: improving hygiene and health standards, intensifying promotion, and operational cost control. Practically, this research will benefit tourism businesses to be more resilient in uncertain conditions in the future. The current study also contributes to the authority to resolve relevant policies incorporated with economic recovery related to the crisis due to the pandemic.

Key words: recovery strategy; tourism business; semi-structured *online* interview.

A. INTRODUCTION

The world was shocked by a very biomicroscopic creature being so-called coronavirus disease (Covid-19) in the early 2020. It "...confronts us with something previously thought to be impossible: the world as we knew it has stopped turning, whole countries are in a lockdown, many of us are confined to our homes facing an uncertain future in which, even if most of us survive, the economic mega-crisis is likely" (Žižek, 2020, p. 85). Moreover, it is nearly complete devastation to both sides of human living: horrifying all body language. A wider-ranging domino effect of the covid-19 crisis was also for the tourism sector as it led to socio-cultural and geo-strategic mistrusts, namely Chinese hatred utterances and racism. It was because China was the origin area of spreading the deadly virus (Jamal & Budke, 2020). Becker (2020) and Higgins-Desbiolles (2020) reported that a COVID-19 pandemic had massively led to global crisis. Many countries shut down their international borders, airplanes and other forms of transportation grounded, tourists forced to return home, and people in many parts of the world locked down and confined to their homes.

In the tourism business sector, ((Yawei Jiang & Ritchie, 2017)) informed that in a devastating situation due to disaster is hard for businesses to reaccelerate tourism development quickly. Some experts supported such arguments that natural disasters would be very influential to any business activity. Huan et al. (2004) concentrated on natural disasters, including earthquake problems affecting the tourism sector. Bowen et al. (2014) related their research on maritime tourism and terrorist activity. Becken (2005) focused more on harmonizing extreme climate change adaptation and mitigation with tourism activities, so the tourism sector must adapt to any disaster.

In such an extreme case of covid-19 today, the World Travel and Tourism Council (2020) also reported that approximately 50 million travel and tourism jobs worldwide got lost revenues ((Nicola et al., 2020). The travel and tourism industry reported that yearly earnings, over \$2.1 trillion, were lost in this pandemic (World Travel & Tourism Council, 2020) because many governments ordered hundreds of thousands of small to medium-sized enterprises worldwide to close. Thirty to forty

*Juhanda

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percent never be recovered, with similar effects falling off throughout supply chains, aircraft parked, hotels shuttered.

In a short time, some researchers have established efforts to detect the tourism impacts due to the effects of COVID-19. Few studies reported on the global impacts of COVID-19 in the tourism industry. Correa-Martínez et al. (2020) traced the spread of the coronavirus outbreak at the ski sport site in Austria. The effect of global travel restrictions and stay-at-home behavior on tourism and the projected global change is primarily noted by Gössling, Scott, and Hall (2020). Niewiadomski (2020) also stressed his research on the de-globalization and post-COVID-19 tourism industry, while assessed predominantly on the industry's sustainability. In some other areas, the researchers concentrated on exploring the regional pandemic impact on the tourism sectors. For instance, Centeno and Marquez (2020) investigated the shortfall of tourism activities in the Philippines; Nepal (2020) observed and reported the coronavirus effects in Nepal tourism sectors.

We also partially noted in Indonesia that the ups and downs rhythm of human interactions for survival, particularly for tiny small restaurants doers, rental cars owners, lodgings, and tourist sites workers, drastically downfall around March 2020 up to the present. The unexpected deceleration of tourism activities due to COVID-19 in Indonesia for about nine months was also very difficult, including tourism businesses quickly getting normal. World Tourism Organization (UNWTO) (2021) reported that in April 2020 there were 156 countries that had obliged various forms of travel restrictions.

Many businesses, particularly in the tourism sector, have been shutting down, and many workers are laid off across the continents, including Indonesia. However, some fought for sustaining the businesses during the pandemics. As the research is ongoing, the psycho-social situation in managing tourism businesses in all parts of Indonesia is in a particular state of anxiety and expectation. Not a few tourism business people are stuck due to uncertain situations; some are waiting, and some are fighting against survivability. This paper seeks to identify more detailed responses from the persons concerned with tourism businesses, such as restaurants and culinary services, hotel & lodging, travel agencies, and the tourist sites & attractions organizers. Some previous Indonesian researchers on tourism have investigated, but they are scantily reported to scholarly journals or other outstanding media. To fill the research gap, this paper searches for direct and well-ordered strategies from the participants involved in tourism businesses in Indonesia. This research offers new insight into crisis handling and will give guidance for encountering future pandemic catastrophes affecting tourism enterprises.

B. RESEARCH METHOD

A comprehensive series of interviews via google forms, telephone calls and WhatsApp are carried out to explore the experiences of the participants who have tourism businesses like hotel, travel and the tourist sites. We explained to prospective participants about the purpose of the study and asked participants' consent to participate in this research interview. To comply with research ethics, participants were asked whether they were willing to be involved in the research orally, and they were willing to fill out the available form. The researcher explains the research objectives, research methods and possible risks that may be experienced (Hammersley & Traianou, 2012). The participants involved expressed their willingness to take part in a series of interviews to share their business experiences related to the focus of this research, so that this information can be used as data on participants' enterprises. To protect participants' privacy and maintain research ethics, the researcher did not mention the full names of participants and the name of the business (Widodo, 2014).

We distributed Google forms to 4 WhatsApp group members, consisting 430 personnel, and also sent to 70 personal chats from October to December 2020. Of the 500 prospective participants, 27 participants who had businesses in the tourism sector and were willing to become research participants were recruited. These participants are also ready to be interviewed further via WhatsApp messages or by telephone. The following table presents the demographic pieces of information of the recruited participants. From the types of businesses owned by the participants in table 1, we can see that there are six hotel and lodging entrepreneurs, 13 culinary businesses, six travel and car rentals,

and two other supporting businesses. Unfortunately, none of the tourist site managers can involve as participants.

Table 1. Demographic notes of the participants

No		Number of Participants	Percentage
1	Gender		
	Male	10	37.04%
	Female	17	62.96%
	Total	27	100%
2	Business Location		
	East Java	16	59.26%
	Central Java	2	7.41%
	West Java	6	22.22%
	Bali	3	11.11%
	Total	27	100%
3	Business Types		
	Café & Restaurant	13	48.15%
	Hotel/ lodging house	6	22.22%
	Travel & Car Rental	6	22.22%
	Art and fashion	2	7.41%
	Total	27	100%

Questions posed to participants included:

1. Demographic data of the participants;
2. Cell phone numbers for those willing to be interviewed further;
3. Types of business;
4. How did the COVID-19 pandemic affect the businesses profit? increase (in %) decrease (in %);
5. The strategies used to maintain and to recover their business during the pandemic;
6. What they hope from the authority (government) for tourism business recovery.

There are answer choices for the recovery strategies so that participants may choose the answers that best describe the action as the response to the crisis. There are also open questions that participants can fill in to explain their actual experiences in preserving their businesses from the pandemic crisis. We transcribed all the data we garnered from google forms, telephone interviews, and WhatsApp chats. We then analyzed the collected data using content analysis to look for emerging themes (Creswell, 2009) concerning tourism businesses' strategies during the pandemic crisis.

C. RESULTS AND ANALYSIS

After the data was obtained and processed on a participant basis, the general results showed that due to the COVID-19 outbreak on businesses in the tourism services sector, such as restaurants, travel agents, hotel room sales, and their followers, there was a drastic decline. The average reduction in their daily, weekly, and monthly earnings is unpredictable. From the beginning of the pandemic to the time we collected the data and information, the participants' business income decreased between 45% to 75%. In addition, the uncertainty of when this pandemic will end, and the government policy is increasingly unpredictable, and product sales strategies cannot be made more visible.

For participants who do business in the culinary field (restaurants, small and medium-sized stalls), starting from March-June 2020, their average income decline reaches 45% to 65%. The most significant cause is consumers' fear of the dangers of COVID-19 that they get from mainstream media (television and national newspapers) and social media. Meanwhile, participants who own a transportation business (private car rental agents, travel agents, and online motorcycle taxi businesses) experienced a decline in consumer users by an average of 60%

to 75%. The reason that often occurs from prospective consumers is the prohibition or restrictions from the government, which requires the use of an adverse Covid-19 test letter and others. Meanwhile, for participants who have lodging or accommodation service businesses (budget hotels, inns, and the like), the average decrease is room occupancy, which decreases the room occupancy rate by 75%.

Participants explained that the drastic decline in the room occupancy rate was mostly caused by government regulations that limited official cross-regional meetings, family activities in wedding celebrations (wedding parties), and tour packages to and from tourist destinations. The following reason is the declining purchasing power of the consumer community for non-primary activities, such as traveling, both in small and large quantities (tour packages). Unfortunately, some participants in this study did not know what to do for their future. They hope that the government will help them improve their skills, give them time to repay bank loans and provide tax breaks. They hope that the government will help them improve their skills, provide deferrals to repay bank loans and provide tax breaks.

The google form answers collected from participants and follow-up interviews conducted by researchers show that business people in the tourism sectors felt the severe negative impact of the COVID-19 pandemic. The result aligns with Riadil (2020), who reported that 96.2% of tourism sector workers felt the pandemic's dire impact on their jobs. This bad impact urges business owners to build strategies to survive in uncertain business conditions during the pandemic. The present research found three strategies that help the business owners preserve their business: improving hygiene and health standards, intensifying promotion, and operational cost control.

Improving hygiene and health standards

The implementation of health protocols is a strategy mainly carried out by business owners in the tourism sector. The government's promotion of physical distancing, the use of masks, temperature checks, and the use of hand sanitizers is strongly supported by tourism service business owners. One of the research participants, Dedy (pseudonym), said that the enactment of health protocols gives more comfort for the customers, especially in hotels, restaurants, and cafes. The restaurant owners set tables and chairs at a safe distance, enabling customers to have a safe physical space. To improve hygiene and health standard, the management provides hand soap and hand sanitizers on the spot to ease the customers to sterilize their hands frequently. Fajri (2020) suggested that implementing health protocol in a hotel gives more safety for hotel customers to come again. This insertion aligns with Jiang (2020) in the study on the effects of COVID-19 on hotel marketing and management. Jiang (2020, p. 2569) highlighted that "effective strategies are necessitated to boost travelers' confidence and to help businesses recover in a timely manner after this public health crisis". Nepal (2020, P. 3) argued that "hygiene, sanitation, access to quality health services, and trustworthy health and safety information are going to be critical for adventure tourists, particularly for those who are on extended travel".

Cafe and restaurant owners in the present research also implement health protocols to attract customers to feel safe to come again. Reduction of occupancy rate becomes a new trend in restaurant management. The management reduces the number of guests at a time and arranges chairs and tables safely to avoid crowds. Supri (pseudonym), one of the participants, said that his restaurant currently only holds 50 customers. He reduces 50% of the carrying capacity of the restaurant for safety reasons. Some cafe owners implement drive-through services to prevent the spread of the COVID-19. This effort aligns with Assaf & Scuderi (2020, p. 732), who suggested that 'facilities may limit access by stipulating that gatherings be restricted to fixed numbers of guests'.

Kenny and Dutt (2021) suggested that improving hygiene and health standards is one of the strategies used by hotels in Dubai to survive, which aims to overcome specific crises. This strategy is part of the strategic response to the pandemic, which is expected to support the hotel business to recover. This research showcased that the improvement of hygiene and health standards in tourism businesses can help them maintain their survival.

Intensifying promotion

Covid -19 pandemic is the point when tourism businesses should not do the business as usual because this time is the opportunity to reset (Nepal, 2020) or take a transformative opportunity (Higgins-Desbiolles, 2020). The pandemic era is a tough time for the industries to prove their agility. From 27 tourism entrepreneurs, seven tourism business persons decided to wait and see what happens next without promotion. The other 20 tourism business owners show the agility to survive during the pandemic. Promotion is the strategy that they chose to adopt. They utilized social media like Whatsapp group, Instagram, Twitter, and Facebook to inform the safe products they offer. Some offer vouchers and discounts and show the health protocols to ensure secure premises for customers to come and enjoy the services.

Travel agencies and car rentals are tourism businesses that are also most affected by the COVID-19 pandemic due to government policies regarding the imposition of restrictions on community activities, including prohibitions on crowds and tightening travel requirements. The strategy taken by this business is to promote travel by providing special discounts. Bayu (pseudonym), one of the research participants, said that the travel management offers discounts for all trips and provides accessible and low-cost rapid test facilities. He further elaborated that his team has to work hard promoting their products and giving value to preserve their business from bankruptcy.

Promotions carried out by cafes and restaurants through mass media have inadvertently opened up opportunities for culinary business people to start switching to online business models. Food orders from the community in the mass media provide new hope for developing this food business. Cafes and restaurants also offer some promotional prices for the products they offer. Vivin (pseudonym) believes that a small profit with increasing demands can make her culinary business survive during this pandemic. She currently often obtains food orders through WhatsApp and online food delivery providers such as GoFood provided by the Gojek application and GrabFood provided by Grab Holding Inc. The online orders have supported her business to survive.

Operational Cost Control

All the tourism businesses managed by the research participants experienced a decline in sales, as mentioned above. In this uncertain business condition, the management has to set strategies to reduce operational costs. Some investigated tourism business owners attempt to change employees' status from permanent employees to outsourcing employees to save the budget for employees' salaries. Some make a policy of reducing working hours, and that means plummeting employee wages. This research aligns with Riadil (2020, p. 105) reported that 'most Indonesian tourism employees are not stable in receiving wages or salaries.'

As a precaution against the collapse of the tourism business, some hotels, inns, and travel agents under study chose to lay off their employees to save their operational costs. The strategy of reducing the number of employees has been reported by Gössling, Scott, and Hall (2020, p. 8) that:

'By 26 March 2020, 90% of member businesses had temporarily laid off staff, with 78% of businesses reducing at least three quarters of the workforce. Hotels and gastronomy, as well as attractions reported the largest decline in their staff numbers, while car rental and camping sites were less exposed'

In the current study, we found six tourism businesses (22,22%) decided to lay off their employees because they have to reduce operational hours. The current study found that six participants (22%) decided to lay off some employees to carry out cost efficiency. This cost efficiency is essential to maintain the ability of the business to run. An owner of a travel business under study decided to close the company because the market demand could not cover the operational cost. Seven culinary businesses (25,92%) opened half day because the government enacted physical distancing and PSBB (*Pembatasan Sosial Berskala Besar*).

As the application of operational cost control, a business owner may enact a strategy of offering economic packages to buyers. A restaurant in East Java carried out a method by providing low-cost packages for class reunions. Supri (a pseudonym) said, "*Kami menyediakan paket hemat dengan propaganda "Reuni setunggal kelas, setunggal juta mboten telas"* [We provide economical packages for school reunions with the slogan "one class reunion, one million is more than enough"]. In this offer, the restaurant owner tries to keep the selling price of food as low as possible so that a group of friends can afford it. Along with the strategy, the owner of the restaurant also enacted health protocols and hygiene standards. These low-price packages can make this restaurant maintain its sales turnover in this pandemic era.

The Government's Outreach

In this era of the COVID-19 pandemic, the business world expects for government's assistance in various forms. When the interviews for this research were conducted, the government had provided assistance to Micro, Small and Medium Enterprises (MSMEs) in the form of masks, hand sanitizer, direct financial assistance, tax deferrals, tax break, and tax abolition. The tourism enterprises also look forward to receiving the Government's technical guidance and workshops for cleanliness, health and safety for tourism businesses.

The research showcased that the Government has provided assistance for MSMEs in the tourism sector affected by the COVID-19 pandemic, but it needs to expand the outreach. The research participants said that the Government provides various types of assistance, such as medical masks, hand sanitizers, financial aid, and tax exemptions. This research found that 12% of participants of this study have received financial assistance from the Government, 8% have been granted tax breaks, only 8% have got free medical masks, and the other 72% have not received any assistances from the Government.

The findings of this study are quite different from the findings of Riadil (2020) that showcased 65.4% of his research participants said that the government had done an excellent job of handling the tourism business in the tourism sector. Meanwhile, in our research, 72% of participants have not received government assistance. This difference may occur because some of the participants in the previous study might have received aid from the government. In contrast, 72% of the participants in this study had not accessed assistance from the government.

In addition, 10 participants (37%) from this study proposed the government's assistance in the form of training and technical guidance on cleanliness, health, and safety to meet tourist safety standards. The training will equip the tourism business owners with the knowledge of improving hygiene in tourism services. Hopefully, improving hygiene in tourism services will grow tourists' confidence in traveling, hotel staying, and culinary purchasing. In the meantime, when we conducted the interview, the government had not provided technical training for MSMEs in the tourism sector.

CONCLUSION

In Indonesia, the tourism businesses are the most severely affected by the covid-19 catastrophe. Business owners might enact many other strategies, but the three mentioned survival strategies are what we found in our online interview research - the application of health protocols, intensification of promotion, and the operational cost control. These limited findings might be because of the small number of participants that we recruited during the study. In the future, we suggest more comprehensive research on the effect of the pandemic on Indonesian tourism businesses so the result

would be more applicable for Indonesian tourism business development, especially after the pandemic.

The economic recovery of the tourism businesses needs government intervention, especially for the micro, small and medium enterprises (MSMEs). MSMEs in the tourism sector is the sector experiencing the most severe stagnation due to the pandemic. The government's policy of closing tourist sites is one of the causes of the decline in the tourism business, especially in the hospitality sector, travel service bureaus, and the culinary industry.

The assistance needed by tourism service entrepreneurs is not limited to providing incentive funds, hand sanitizers, masks, tax deferrals, tax reductions, and tax write-offs, but also rescheduling bank loan payments and reducing loan interest. The most essential and valuable assistance in the long term is a technical guidance workshop on hygiene and safety in tourism that will increase market confidence in the future Indonesian tourism.

DISCLOSURE STATEMENT

No potential conflict of interest was reported by the authors.

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