



Strategic Recovery Plan: The Resilience of Wyndham Garden Kuta Beach Bali after Major Impacts of Covid-19 Pandemic

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Article History

Received on
28 January 2021

Revised on
7 February 2021

Accepted on
10 February 2021

Abstract

Purpose: This research aims to determine the impacts of the Covid-19 outbreak on the hotel industry in Bali, specifically at Wyndham Garden Kuta Beach Bali. It is to analyze the efforts to overcome with a Strategic Recovery Plan.

Research methods: This research is an exploration research with participatory observation used to collect all of the research data. The researcher uses Business Continuity (BC) dan Disaster Recovery (DR) method as reference to understand the map of pandemic effect, determine operational variable and develop Strategic Recovery plan.

Findings: The hotel management have formulated six phases of Strategic Recovery Plan consisting of Market Research and Business Strategy, The Top Priorities, Strategic Findings, Set Milestone, Market Segment Projection, and Work Plan.

Implication: Those six phases are created to focus business operation on necessary and realistic action that can be implemented during challenging market condition effected by the long run Covid-19 pandemic.

Keywords: business, recovery, resilience, pandemic.

INTRODUCTION

The world was surprised by the Coronavirus outbreak in the early of 2020, which infected almost all of countries in the globe. In January 2020, The World Health Organization (WHO) has announced the world into a global emergency effected by the deadly virus, that officially named Covid-19. By then, global air transport had already carried the virus to all continents and, by mid-March, it had been established in 146 countries. The number of confirmed infections worldwide

quickly doubled, especially to the country with large population. The largest industry that effected by the virus is tourism sector, because the tourism sector relies heavily on human movement. According to data from the World Tourism Organization (UNWTO), from January to June 2020, global tourism was down by 440 million tourists. Angela Tanoesoedibjo, the Deputy Minister of Tourism and Creative Economy of the Republic of Indonesia has said that Indonesia is estimated to have lost foreign exchange of US\$ 14.5-15.8 billion (around Rp. 213 trillion to Rp. 232 trillion) due to the decrease in foreign tourist arrivals.

Bali is among the hardest hit by the economic impact of the Covid-19 pandemic, which has put global travels to a halt since March 2020. The Indonesia's most popular tourism destination, globally famous for its preserved culture and home to beautiful beaches and ancient temples amid a myriad of hype night clubs, is ranked in the bottom of 34 provinces after its economy shrank by 10.8 percent in the second quarter. The tourism sector accounts for around 80 percent of the province's revenue sources and almost all of its labour force work in the business. The impact of the pandemic is more devastating in Bali than in any other area in the archipelago. Since April, foreign tourists have left Bali. Hotel occupancy rate in August hit a new low at only 3.68%, in comparison to 67% in the same month last year. The economic impact is felt not only by hotel owners or resort managers, but also their employees and those working in supply chains of the business. <https://jakartaglobe.id/vision/bali-tourism-struggles-to-survive-during-pandemic>. The Covid-19 pandemic is unprecedented because it has led to massive economic, human and social crises. Its impact is being felt in every country on earth, unlike smaller, but more common, epidemics such as SARS, MERS and Ebola.

Wyndham Garden Kuta Beach Bali is a four-star international hotel chain operating under the world's largest hotel operator, named Wyndham Hotel Group. Wyndham Garden Kuta Beach Bali is located on Jalan Pantai Kuta, precisely opposite Kuta Beach. The hotel was officially taken over from the previous management and is fully under the management of the Wyndham Hotel Group since January 1st, 2017. Located in iconic Kuta Beach, the hotel become one of most favourite Australian and Asian tourists to stay and spent their vacation in southern part of Bali. However, with the major impact of Covid-19 pandemic to tourism industry in Bali have force the hotel management to reformulate the entire

hotel strategies in order to resilience during the challenging situation mentioned above. With all facts faced by the hotel for almost 9 months, with the uncertain situation which predicted will be carry out until next year, Wyndham Garden Kuta Beach Bali have to find the answer of how formulating a proper strategic recovery plan without with no experience handling similar situation.

The relationships between pandemics and travel are central to understanding health security and global change (Burkle, 2006). World Health Organisation (WHO) agreed that current world conditions by giving statement that Covid-19 is "pandemic". But what is a pandemic and what the whole world community should understand about a pandemic becoming very important in determining direction policies and also human attitudes in overcome it. WHO stated that a pandemic is the worldwide spread of a new disease (World Health Organization, 2020).

Strategic management can be defined as art and knowledge in formulating, implementing, as well evaluate cross-functional decisions that enable the organization achieves its goals. As this definition implies, management strategic focus on efforts to integrate management, marketing, finance/accounting, production/operations, research and development, and systems computer information to achieve organizational success (David, 2011). Management strategic is a formulation or action that focuses on goals management within the company or organization.

Business has to stay active during the crisis; if it closes its operations even for a day or a week, they are many chances that the organization will experience losses and will have to shut down. Depending on the nature of the organization and its size and various other factors, a company must design an optimal plan to minimize the effect of disaster and continue the critical business functions (SANS Institute, 2002).

During crisis like current ongoing pandemic, the understanding of Market Segment become critical for hotel business to be used as one of important factor on their strategic recovery plan. According to Kotler (2012), market segmentation is the sub-dividing of market into homogeneous sub-sections of customers, where any sub-section may conceivably be selected as a market target to be reached with a distinct marketing mix.

The researcher uses Business Continuity (BC) dan Disaster Recovery (DR) method as reference to understand the map of pandemic effect and develop Strategic Recovery plan for Wyndham Garden Kuta Beach Bali. This method is actually applied for Information Technology business, but the route map is similar to the challenge that we faced in hotel industry, which consist of two main focus: (1) Business Continuity, is focused on business operations. It contains policies and procedures to keep business running even when a disaster occurs. (2) Disaster Recovery is focused on infrastructure technology to run business services, and remains available even when a disaster occurs.

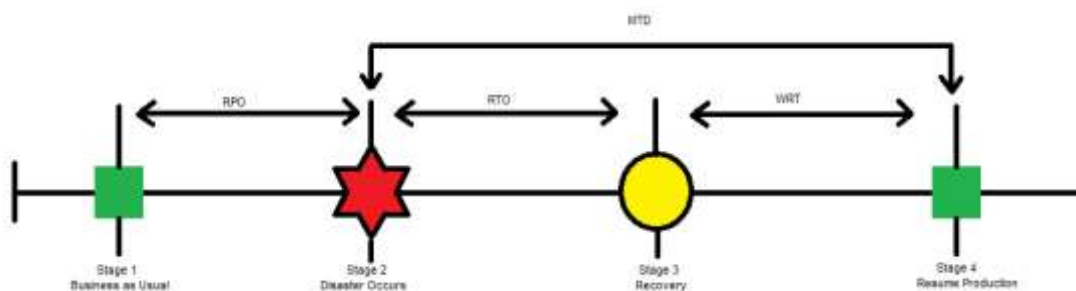


Figure 1. Route Map of RTO, RPO, MTD, and WRT
(Source: Marek, 2013)

The above-mentioned abbreviations are the most commonly used terms in the concepts of business continuity/ disaster recovery/ business continuity plan document/disaster recovery plan document.

Stage 1: Business as usual

At this stage all systems are running production and working correctly.

Stage 2: Disaster occurs

On a given point in time, disaster occurs and systems needs to be recovered. At this point the Recovery Point Objective (RPO) determines the maximum acceptable amount of data loss measured in time.

Stage 3: Recovery

At this stage the system is recovered and back online but not ready for production yet. The Recovery Time Objective (RTO) determines the maximum tolerable amount of time needed to bring all critical systems back online.

Stage 4: Resume Production

At this stage all systems are recovered. Integrity of the system or data is verified and all critical systems can resume normal operations. The Work Recovery Time (WRT) determines the maximum tolerable amount of time that is needed to verify the system and/or data integrity. The sum of RTO and WRT is defined as the Maximum Tolerable Downtime (MTD) which defines the total amount of time that a business process can be disrupted without causing any unacceptable consequences (Marek, 2013).

Referred to all challenging situation that Wyndham Garden Kuta Beach Bali faced above and in order to remain resilience during ongoing covid-19 pandemic, therefore the purpose of this research is: (1) What are the best practices to prepare, deploy and maintain a strategic recovery plan in order to resilience during Covid-19 pandemic? (2) How can Wyndham Garden Kuta Beach Bali make their strategic recovery plan sustainability?

RESEARCH METHODS

Research was conducted at the Sales and Marketing Department at Wyndham Garden Kuta Beach hotel, located on Jalan Pantai Kuta, precisely across Kuta Beach, Bali. The hotel is only 20 minutes from I Gusti Ngurah Rai International Airport and has officially been under the management of Wyndham Hotel Group commencing January 1st, 2017.

This research is started from April 2020, an exploration research with participatory observation used to collect all of research's data. According to Sugiyono (2014: 310), "Participatory observation is an observation in which the researcher is involved with the daily activities of the person being observed or who is used as a source of researchers". In this case, researchers directly observed and participated in the process of developing Strategic Recovery Plan of Wyndham Garden Kuta Beach Bali.

On the previous research titled Business Continuity and Disaster Recovery Plan for Information Security, mentioned that Business Continuity planning and Disaster recovery planning are the most crucial elements of a business but are often ignored. Businesses must make a well-structured plan and document for

disaster recovery and business continuation, even before a catastrophe occurs. Disasters can be short or may last for a long time, but when an organization is ready for any adversity, it thrives hard and survives (Vyshnavi Jorrigala, 2017). According to Setiadi (2013), operationalization of variables is an explanation of all variables and terms that will be used in research operationally so that ultimately it makes it easier for readers to interpret the meaning of research. The researcher using Business Continuity (BC) dan Disaster Recovery (DR) method to determine variables of the research founded at Wyndham Garden Kuta Beach Bali, as shown on below table.

Table 1. Definition of Operational Variables and Indicators
Wyndham Garden Kuta Beach Bali

Stage	Business Continuity (BC) & Disaster Recovery (DR)	Wyndham Garden Kuta Beach Bali
One	Business as Usual	- Occupancy running at average 70% with Market Segment Production: - Transient 52% - Group 18% - Average Rate IDR 725,322 - Key Market Feeder: - Domestic: 37,9% - Australia: 21.5% - China: 11.7% - Middle East : 8.1% - India: 6.7% - Total room operate 155 with 137 employees
Two	Recovery Time Objective (RTO)	- Room Occupancy dropped to the lowest level at: - April to June: 2% - 5% - July to September 2020: 5% - 8%

				- October to December: 11% - 20% (forecasted)
				2. Average Rate decrease to lowest at IDR 325,755
				3. Key Market Feeder only available Domestic
				4. Total room operate 43 with 27 employees
Three	Recovery Time	Objective	(RTO)	1. Critical Occupancy for minimum operations at 15% 2. Average rate for critical occupancy at IDR 400,000 3. Key Market Feeder remain Domestic only, focusing on: - Government and Corporate Individual and Small Group - Domestic Millennials Individual 4. Room operate increase stages followed with recall staff according to occupancy increase
Four	Resume Production			1. Occupancy stable at Break Even Point 40%-45% 2. Average room rate at IDR 500,000 3. Key Market Feeder at least 3 origins begin to produce 4. All Department is running with minimum staff level, aiming 60% employee return to work

In developing Strategic Recovery Plan, the researcher prepares a research framework so that the research process is structured and easy to understand. In outline, these stages can be seen in the image of the research framework below.

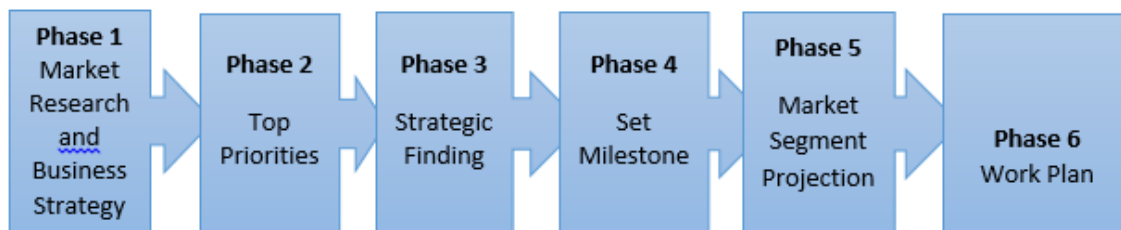


Figure 2. Research Framework of Strategic Recovery Plan
(Source: Wyndham Garden Kuta Beach Bali)

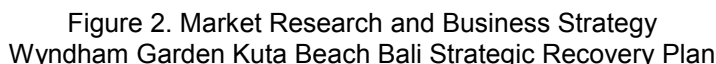
FINDINGS

The first purpose of this research is to determine the best practices to prepare, deploy and maintain a strategic recovery plan in order to resilience during Covid-19 pandemic. Following to the research framework prepared above, the first step to develop Strategic Recovery Plan is to gather all information in market.

Phase 1. Market Research and Business Strategy

It is very difficult to be accurate in predicting Market Behavior on the pandemic; the assumption will be changing based on the situation with no proper advance information. Therefore, the market research will be more on time-to-time assessment and monitoring all factors that influence market itself, inclusive:

- a. Government Policy, Travel Restriction, and Industry Announcement
- b. Travel Demand and Assessment
- c. Domestic Market Assessment
- d. Market Sentiments Review.



Phase 2. The Top Priorities

This second phase of Strategic Recovery Plan that develop in Wyndham Garden Kuta Beach Bali consists list of hotel Must Have and Must Do during

challenging situation with limit market sources, each items has tick box that have to fill once its implemented. List of the hotel Must Have is key component that Sales and Marketing Department must prepared and ready in place to be ready at any time needed, while list of hotel Must Do is referred to the action that Sales and Marketing team have to execute.

The Top Priority (Tick the box when completed)	
MUST HAVE ☒ Direct Bookings ☒ OTA Retail & MLOS ☐ Local-Fenced Offers ☒ Domestic Business ☐ Extended Stay ☒ Employee/Associate Rates ☒ Flexible Cancellation Policy ☒ Attention to Health & Safety ☐ Guest/Customer Retention ☐ Wyndham Rewards Plan ☒ Updated Web Content ☒ Updated GMB (Google My Business) ☒ Digital Recovery Plan ☐ SEO/SEM/MSE/SM/CRM ☐ New Sales Channels	MUST DO ☒ Reset pricing for Domestic transient travellers. Value-add, <u>do not drop rate</u> ☒ <u>Protect your BAR</u> and implement measures to avoid revenue dilution as there is no demand to stimulate. This will harm your brand image. ☐ Promote staycations through geo-targeted PPC, MSE campaigns, local residents, and local tour operators in the domestic market ☐ Invite corporate decision makers, target neighbourhood companies ☒ Offer employee/associate exclusives and additional benefits ☒ Hotel cancellation policy must be more flexible than OTAs. Waiving of cancellation fee is recommended. ☐ Appoint Customer Success Manager to look after existing customers & activate Wyndham Rewards local members communication plan ☐ Share health & safety activities to past guests, post & stream online ☒ Reassess existing digital strategy, revisit website content for relevancy ☒ Assess GMB dashboard and update your GMB profile ☐ Optimise on Extra Holidays, <u>AirBnB</u>, <u>tablethotels</u>, <u>surfholidays</u>, WR, LBW

Figure 3. The Top Priorities
Wyndham Garden Kuta Beach Bali Strategic Recovery Plan

Phase 3. Strategic Findings

After phase 1 Market Research and phase 2 Top Priorities updated continuously, analyzed with all management and compiled into a Finding Strategies. These finding strategies will help management to decide more detail action once any opportunities suddenly available in the market. Below is sample of Strategic Findings table uses at Wyndham Garden Kuta Beach Bali.



Figure 4. Strategic Finding
Wyndham Garden Kuta Beach Bali Strategic Recovery Plan

Phase 4. Set Milestone

This phase is elaborating the strategy more detail into milestone with clear goals stated as guidance for Sales and Marketing team to make decision. Each milestone supported with reasonable tactical plan with measurable, time bound and result that must pursue by appointed team as their accountable.

The 7 Milestones	
Milestone	Goals
1	Remove China Group Series. Build China Transient. This milestone targets at rate optimization and improved GOPPAR
2	Discontinue OTA exclusives. Maintain Parity with Own Channels. This milestone targets at improved online visibility and the need to direct as much business to your own booking channel
3	Stop Mass Discounting. Build Conversion. This milestone will shift efforts from discounting to focus on conversion of 3 rd party guests to Direct Book
4	Concentrate on Domestic Business. This milestone aims for a progressive RGI improvement
5	Maintain Flexible, Stress-Free Cancellation Policy until the End of the Year. This milestone will ensure guest satisfaction, maintain brand loyalty and build confidence to rebook
6	Use New Sales Channels – eg. ExtraHolidays, AirBnB, surfholidays, tablethotels, WyndhamRewards, Lifestyle by Wyndham. This milestone targets at generating an 80/60 Transient mix
7	Display Promotions on your Vanity, Brand and EH websites. This milestone targets at Direct Bookings of local transformational getaways, mindfulness/experiential programs and tailored packages

Figure 5. Milestones
Wyndham Garden Kuta Beach Bali Strategic Recovery Plan

MILESTONE 1 Remove China Group Series. Build China Transient. (New Market) WYNDHAM DESTINATIONS				
ACCOUNTABLE	REASONABLE/REALISTIC TACTICAL PLAN	MEASURABLE	TIME BOUND	RESULTS / OUTCOME
Risa	1. Translate vanity website into Chinese and join Hello Wyndham program.	1. Vanity website translated into Chinese.	7 th – 14 th June	Vanity website had been migrated to RDM platform and I don't have any access to translate it into Chinese.
Indra, Rama	2. R&S manager, Chef, EHK and Sales Manager to create package options to be submitted to GM for approval.	2. Package for Chinese market.	8 th – 15 th June	
Risa	3. Create Marketing materials such as e-flyers, video, keyword, <u>hashtags</u> .	3. Marketing materials created.	16 th – 20 th June	Marketing materials did not created as we learned that Chinese people travels domestically.
	4. Get connected with Extra Holidays PIC and Website developer to upload the packages online.	4. Packages uploaded on EH website, vanity website and social media.	21 st June	
Risa	Establish Chinese Social Media Channels: 1. WeChat (All-in-One Social Media) - Submit proposal for official account to http://applywechat.com - Waiting validation from WeChat admin - Once login access received, update information and content 2. Weibo (Twitter of China) - Contact Fauzya Warokka to reactivate WGBKBB weibo account. - Once account active, update information & content.	1. WeChat account created.	15 th – 30 th June	Not done yet.
		2. Weibo account reactivated.	1 st – 7 th July	Contacted Weibo PIC and hotel cannot activate due to budget

Figure 6. Milestones Tactical
Wyndham Garden Kuta Beach Bali Strategic Recovery Plan

Phase 5. Market Segment Projection

This phase 5 consist of Business Scenario or prediction that is focusing on Market Segment on monthly basis until the end of year. Below is sample of 2 months Market Segment Projection for June and July 2020 at Wyndham Garden Kuta Beach Bali.

WYNDHAM DESTINATIONS Market Segment – June 2020 Projection Business Scenario June 2020			
• <u>Donpaser</u> PKM (People Movement Restriction) lifted by 14th June 2020 • First 3 phases "New Normal Protocol" implemented by Indonesian government for Bali, <u>Jogjakarta</u> and <u>Kepulauan Riau</u>. • Followed by domestic commercial flights resumed 1 June 2020 • Pay Now Stay Later campaign on going with Mandira Abadi, <u>KliknBook</u> & <u>Fave</u> • Facebook and <u>Instagram</u> campaign launched mid June 2020 • Group <u>adhoc</u> rate for offline travel offered to 5 best supporter travel agents aiming to fill back building (tower B)			
Key Segment	Room Night	Average Room Rate	Room Revenue
RETAIL	0	0	0
MEMBER DISCOUNTS	0	0	0
NEGOTIATED LOCAL	4	504,169	1,875,509
GLOBAL PROMOTIONS	0	0	0
LOCAL PROMOTIONS	41	524,272	21,453,210
OTA	25	565,640	14,138,198
WHOLESALE	23	493,632	11,476,844
INTERNAL	0	0	0
ASSOCIATION GROUP	0	0	0
CORPORATE GROUP	0	0	0
GOVERNMENT GROUP	0	0	0
TOTAL	93	526,923	49,003,861
OCCUPANCY	2%		
REVPAR	10,538		

Figure 7. Market Segment – June 2020 Projection
Wyndham Garden Kuta Beach Bali Strategic Recovery Plan

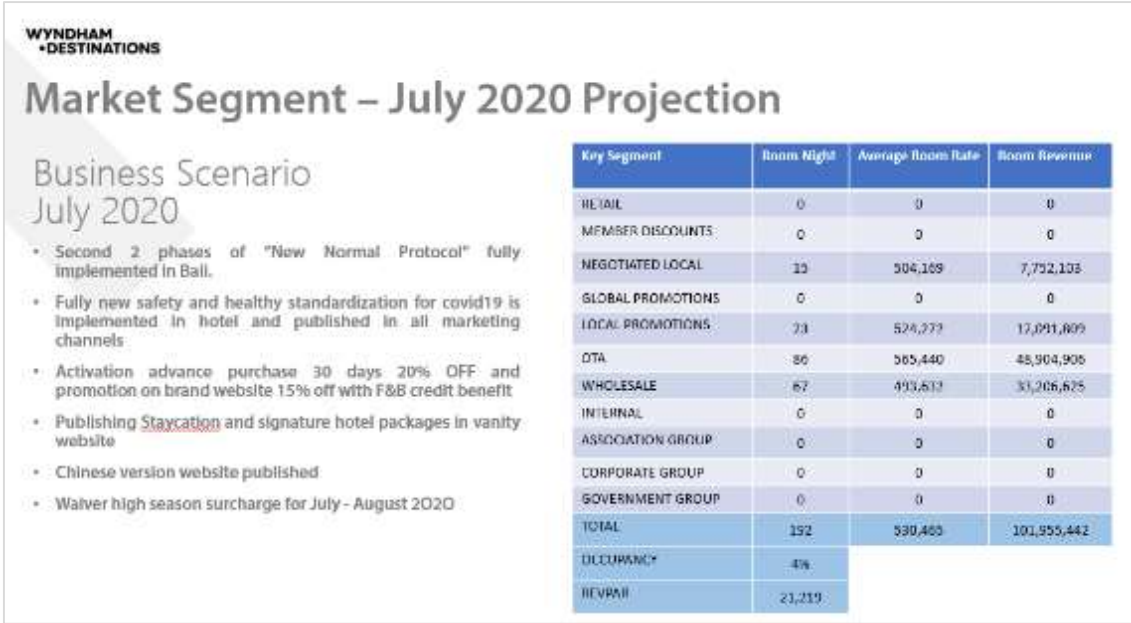


Figure 7. Market Segment – June 2020 Projection
Wyndham Garden Kuta Beach Bali Strategic Recovery Plan

Phase 6. Work Plan

This phase is the last step of Strategic Recovery Plan; it is a control table that be used by each person assigned to the plan to be able to monitor their work progress.



Figure 8. Work Plan
Wyndham Garden Kuta Beach Bali Strategic Recovery Plan

Those six phases of Strategic Recovery Plan are obligated to be updated daily and discussed in weekly basis between Management and Wyndham Corporate to keep monitoring the business progress during pandemic situation.

The second purpose of this research is to make the Strategic Recovery Plan sustain at Wyndham Garden Kuta Beach Bali. Every plan will not be able to run properly if the person who are assigned on the plan does not proceed according to guidance given. The consistency of implementing the plan is the key to make this Strategy Recovery Plan sustain and can positively benefit to the company and also to each employee of the hotel. There are 3 step that management of Wyndham Garden Kuta Beach Bali to ensure this plan keep running well, as follows: (1) Continue training and development implemented to all Sales and Marketing team and senior leader in Wyndham Garden Kuta Beach Bali, so that all key person in the hotel understand of the purpose implementing Strategy Recovery Plan in order to resilience during unpredictable situation caused by Covid-19 pandemic; (2) Implement reward and recognition the team appointed on the Strategic Recovery Plan on their successful executing each task given on the plan; (3) Give clear reporting dateline that each team appointed on the Strategic Recovery Plan must be fulfilled.

CONCLUSION

A negative effect of business caused by Covid-19 pandemic has pushed the management of Wyndham Garden Kuta Beach Bali to develop a Strategic Recovery Plan Model to keep their business resilience and safe their employee as much as possible and keep the hotel running during uncertain situation.

The management have formulated six phases of Strategic Recovery Plan that consist of: Market Research and Business Strategy, The Top Priorities, Strategic Findings, Set Milestone, Market Segment Projection, and Work Plan. Those six phases created to focusing business operation on necessary and realistic action that can be implemented during challenging market condition effecting by long run covid-19 pandemic.

To ensure the Strategic Recovery Plan sustain and continuously implemented in Wyndham Garden Kita Beach Bali, the management putting a training program for all key person, reward and recognition, as well as giving clear dateline to each person responsible to the execution of the plan.

ACKNOWLEDGEMENT

The author would like to send his gratitude to Dr. I Gede Mudana, M.Si. for his supervision in this article until its publication in International Journal of Glocal Tourism (<https://ejournal.catuspata.com/index.php/injogt>).

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