

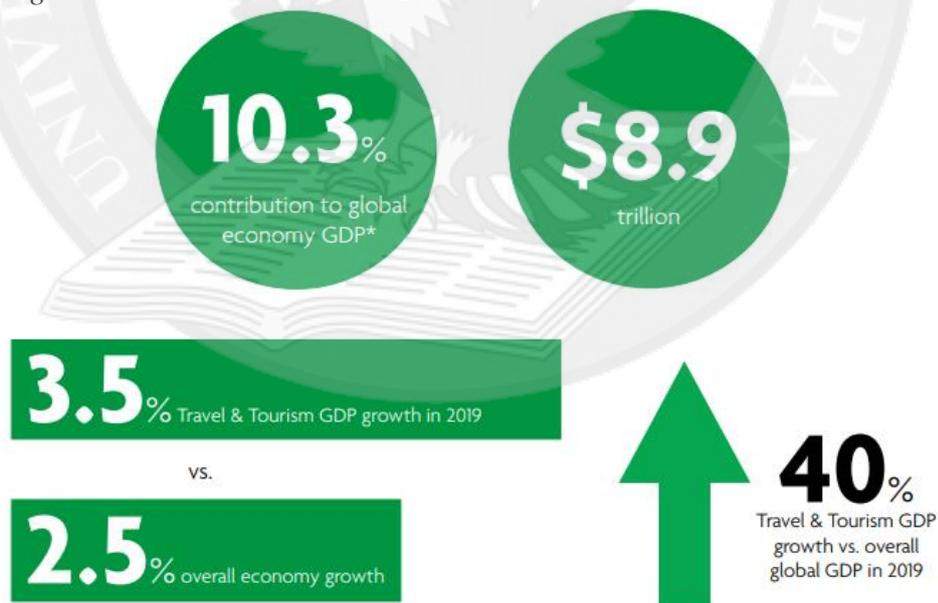
CHAPTER I

INTRODUCTION

1.1 Research Background

The tourism sector, also known as the travel industry, is related to the concept of people traveling from one destination to another destination, whether domestically or globally, with the purpose of either recreation, social or commercial (Camilleri, 2018). Tourism is also closely linked to the hotel sector, the hospitality sector and the transport sector, and all of it is focused on keeping visitors satisfied, occupied and ready with the things they need during their time away from home (Revfine, 2020). World travel & tourism council agreed that Travel & Tourism continues to be one of the world's largest industries (WTTC, 2020). While (Chou, 2013) Believes that the cumulative impact of the tourism industry is remarkable.

Figure 1. 1 Travel & Tourism GDP in 2019



Source: WORLD TRAVEL & TOURISM COUNCIL

Based on the figure 1.1, In 2019, The global GDP from travel and tourism industry contributed 10.3% to the world economy, worth more than US\$ 8.9 trillion, and accounted for 330 million jobs. Over the next five years, this sector is projected to expand by an average of 4% each year. This would push it up to 12% of global GDP, or around US\$ 10 trillion. By 2022, it is projected to account for 350 million workers, 1 of every 10 jobs on the planet (WTTC, 2020). Especially in Indonesia, tourism are among the highest growing sectors (Ayudhia & Riyadi, 2018).

Tourism in Indonesia is a very important sector to help the economy, with international tourist arrival of 16.1 million in 2019 and tourism being the top three highest earners for the country (Akhlas, 2020). And from the GDP Contribution every year, accommodations / Hotel Industry are the largest accumulator, it is shown on the figure below (BPS, 2019).

Figure 1. 2 Distribution of Expenditure for International Tourists, 2009 - 2019

JENIS PENGELUARAN	2009 ⁵	2010 ⁵	2011 ⁵	2012 ⁵	2013 ⁵	2014 ⁵	2015 ⁵	2016 ⁵	2018 ⁶	2019 ⁶
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
• Akomodasi	43,61	42,81	44,00	48,62	48,91	45,72	44,64	43,83	31,32	38,55
• Makanan dan Minuman	17,68	18,59	19,15	17,10	17,67	18,43	20,39	19,85	18,39	21,15
• Cenderamata	9,39	9,57	8,80	8,43	7,87	7,15	6,60	6,61	-	-
• Belanja	8,47	9,40	8,41	7,06	6,24	7,58	6,81	7,43	16,10 ²	14,63 ²
• Transport Lokal	5,41	5,10	6,05	6,26	6,77	7,28	7,91	9,22	12,93 ³	13,91 ³
• Paket Tur Lokal	1,62	1,82	2,30	2,26	2,28	1,87	2,08	2,05	9,95	1,55

Source: Badan Pusat Statistik Indonesia

Despite the promising future that tourism brings, tourism is a fragile industry which are easily affected by safety, security, health problems and natural catastrophe (Agustan & Devi, 2016).

That is why Mitigation plan are the key to protect this fragile industry. The mitigation plan were define as the preparation mechanism for determining and executing measures to minimize or eliminate business costs, loss of life, property

and operations related to some form of threat (Ramakrishnan, 2017). Risk mitigation is one of the risk management steps, including risk identification, risk analysis and risk mitigation. It is not enough for an organization to assess and analyse the different types of risks, it also needs to do something about those risks (Reciprocity, 2019). There are four mitigation plan strategy; Avoid, Transfer, Mitigate, and Keep. These are done in order to restrain unwanted risk (Bong, Lemy, Nursiana, Arianti, & Sugiarto, 2019).

The importance of mitigation plan is mentioned in the GSTC destination criteria v2.0 on section A about sustainable management, The GSTC Criteria serves as the global basis for sustainable travel and tourism practices. The GSTC emphasize that it is a must of having a documented risk reduction, crisis management and emergency response plan for tourism in the destination (GSTC, 2019).

Whereas, in general, hotels became engaged in crisis and emergency preparations and preparedness with different organisations. Five-star were chosen because these hotels had well-designed detailed strategy guidelines for coping with disasters and emergencies. This is due to the fact that in order to retain their star ranking, five-star hotels must adhere to emergency protocols established by both the organization and the country in which they reside (Albattat & Mat Som, 2019). At least there are three main components for hotels mitigation plan that must be fulfilled, which are B, S, & M where B is Buildings, S is System, & M is Management. In the Component M the first main points that must be noticed are the Disaster and Crisis Management. Disaster and crisis management is at the core of a resilient hotel. The assessment of risks and the identification of adequate

preparedness, response and recovery actions including the development of various crisis and disaster management plans is a pre-requisite for resilient hotels (Bijan Khazai, 2018). Also, (Albattat & Mat Som, 2019) mention that Mitigation plan must be accessible to the internal and external stakeholders in subject to increased scrutiny and improvement.

Regarding the external stakeholders, in this term; Guest, there are several mitigation plans that are quite known and can be seen that were already implemented in the hotel industry (Albattat & Mat Som, 2019) & (ACCOR GROUP, 2019).

1. Health and Safety
2. Fire Risk
3. Climate Change Risk (Low carbon transition, Increase in physical damage, global warming, etc)
4. Natural Disaster Risk (Earthquakes, flood, etc)
5. Terrorist Risk

Where as Mitigation plan in a hotel are classified into two types: structural mitigation (structure architecture, city regulations, and building practices) and non-structural mitigation (protection of natural features, as well as avoidance of development in unsafe or high-risk locations) (Albattat & Mat Som, 2019).

Thus the mitigation plan that were prepared for guest were mainly non-structural mitigation plan which doesn't involve the architectural and build practices where there are still mitigation plan that were uncertain and incomplete, for example: In the third quarter of 2019 the world is faced with a new global health crises threatening the world with the emergence and spread of 2019 novel

coronavirus (2019-nCoV) or the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) (Singhal, 2020), creating a condition where we called a pandemic. Many industries in different sectors were highly affected that results to losses of assets and income (World Bank, 2020). Out of every industry one of the most suffering industries are the tourism industry, as many countries have imposed travel bans in the effort to stop its spreading (Cetin, 2019). Indonesia is also one of the countries that have placed travel bans on overseas travel, with hope that the spread of coronavirus can be reduced.

And to support the background, a short survey has been done toward guest that have stayed in a hotel during covid-19 pandemic, most of the hotel guest are aware about the written mitigation plan such as fire mitigation, natural disaster mitigation. But based on the answers, the communication needs to be clear and simple, like through a brief flyer during check-in from receptions. This way it could help guest feel more safe and secure knowing that the hotel owns a ready and implemented the best mitigation plan if any kind of disaster strikes.

During this covid-19 pandemic, it is seen in real that hotel industry were suffering and barely surviving, many have closed down in order to maintain the financial loses that they need to retain, the progress of sustainability of the hotel are also disturbed, although many have been done by the hotel regarding following the health protocols during the covid-19 pandemic like, social distancing, sanitizing, masking and keeping the health protocols in place, but it still leaves a lot of losses that happens. It would be better if every tourism destination would have their own communicated mitigation plan before disaster strikes so it would not surprise the industry that causes distress. Risk and disasters in tourism industry are inevitable,

that is why tourism stakeholders should always be ready with ways to deal with such as mitigation (Rindrasih, 2018).

Thus throughout preliminary research, it is found out that hotel industry mostly have their own mitigation plan but aren't completely communicated through the stake holders, According to (World Health Organization, 2012) Communicating Mitigation plan is like an umbrella term where it is the real-time exchange of information, advice, and views between specialists or officials and individuals who face a threat to their survival, health, or economic or social well-being (due to a hazard). With the purpose of for everyone who is at risk can make educated decisions to reduce the consequences of a danger (hazard), such as a disease epidemic, and to adopt protective and preventative actions.

Due to its vulnerabilities, it is very important for a hotel industry to communicate its mitigation plan well through-out their Internal and External stakeholders, regarding their pre, during and post disaster and how to remain sustainable until the industry gets back to its former states if ever other disaster strikes. That is why mitigation plan is very important and certainly why the researcher is interested of this research.

1.2 Research Problem

Based on the results of the observations and latest news, it is found that numbers of relationships which leads to the importance of raising the topic of research that will be the realization of the importance of having a mitigation plan

1. Why is it important to communicate the mitigation plan regarding the risk that could happen?
2. How does a hotel communicate their mitigation plans to hotel guest?

3. How is the awareness of hotel guest towards the mitigation plan that a hotel prepared?
4. Does having a mitigation plan affect the decision of hotel guest to stay at a hotel during this pandemic times?
5. Does the mitigation concept own by hotel corresponds with the international mitigation plan standards?

1.3 Objectives of Study

According to the research problem above, the research objectives of this studies are:

1. Identify the importance of communicating mitigation plan.
2. Identify the ways of hotel industry communicating their mitigation plan to hotel guest.
3. Identify the awareness of hotel guest about the hotel mitigation plan.
4. Identify the effect of having a mitigation plan for guest hotel to stay at a hotel.
5. Identify the mitigation plan of a hotel in Indonesia if it corresponds with the international hotel mitigation plan standards.

1.4 Benefits of Study

This research will be beneficial,

1. For the Public Readers

The benefit of this research for public readers are so that this research can become a reference for those in need of the correlating research, and this research can also be used for future replica researcher.

2. For Hotel industry stakeholders

The benefit of this research is that this research can provide input for hotel industry stakeholders to understand the importance of mitigation plan and the reason why it should be communicated as the base of tourism sustainability, having a mitigation plan is not just for the sake of *Standard Operating Procedure* (SOP). So that from the results of this study the company can implement the right strategy to achieve the sustainability goals.

3. For Indonesia Government

The benefit of this research is that this research can provide input for government to improve the rules of regulation for hotel industry of execute their own mitigation plan, in order to save the industry if ever some risk and other disaster happens in the future.

1.5 Limitation of Study

The discussion scope in this research focuses on a member of big international hotel chains, because it is well understood that international hotel chains should have a better procedure regarding the risk mitigation planning. And hotel industry is chosen, due to the fact that these are the most affected industry in Indonesia, also the main focus on this research will be the mitigation plan that are owned by the hotels in Indonesia which belong to a hotel chains regarding their readiness and communication of the mitigation plan that are specifically design for guest/customer that would like to stay/visit a hotel in order to create safety and security. For further research, the researchers would like to suggest broadening the target of the research in order to identify more results.

1.6 Research Systematics

This research will be discussed in 5 (five) chapters. Each chapter is related to each other. This paper has been arranged correctly in accordance with the method and systematics writing thesis research so that readers able to understand the purpose of this paper. Here is the composition of systematics writing this thesis:

CHAPTER I: INTRODUCTION

In this chapter the author will discuss the conditions underlying the making of this research along with the formulation of the problem that became an important point in this paper. In addition, this chapter will discuss the limitation of the problem, the purpose of research, the benefits of academic and practical research, and systematic writing of this paper thesis.

CHAPTER II: THEORETICAL FRAMEWORK

This chapter contains the theoretical basis to be used in the study, which will discuss the variable included in the research problem formulation. The concepts to be covered in this chapter come from books, journals, and other literature.

CHAPTER III: RESEARCH METHODOLOGY

This chapter will discuss about the type of data used, data collection methods, and analysis techniques that will be used to answer the problem formulation.

CHAPTER IV: RESULT AND DISCUSSION

This chapter will explain the data on related projects along with the analysis of the data. In this chapter will then be discussed on these results.

CHAPTER V: CONCLUSIONS AND RECOMMENDATIONS

In this last chapter, the authors will present conclusions and recommendations about the research that has been done based on data analysis discussed in the previous chapter.