

CHAPTER I

I. Introduction

1.1 Background of the Study

Coronavirus first case was reported by officials in Wuhan, China December 2019. Shortly after, it already spreads across the globe and declared as a pandemic by World Health Organization due to its dangerous and sensitively contagious through droplets, and contacts to virus contaminated area. The virus itself is the grouped into Severe Acute Respiratory Syndrome (SARS) evolved from common cold to visible and invisible symptoms that cause many deaths in 2020. The symptoms of the expanded nature of influenza are somehow visible and not. Visible as cough, sore throat, fever, shortness of breath, loss of sense of taste, susceptible of tiredness, constant energy shortage, and more. Many people that are tested positive with the virus didn't show any symptoms and felt just fine to run daily activities.

The long outbreak timeline has made WHO came out with broad health guidelines for people internationally. There are more than 37 million cases and 1 million deaths reported in America, South-East Asia, Europe, Africa, Eastern Mediterranean, and Western Pacific caused by Covid-19 since the end of 2019 to October 2020 (Glass et al., 2020).

Undoubtedly, it is a dramatic shock to start 2020 with unseen sign of crisis ending. The issue has triggered people about the importance of health, maintaining businesses, economy inclining, industries dropping, loss, and many more to mention. Even before the world wide virus strikes, this era of business industries competitiveness and advancement has been challenging in many ways.

It is noticeably a work to get improved daily for developing countries, South East Asia; Indonesia as one of the countries. The Covid-19 pandemic has imposes the urgency of businesses to utilize the so-called state of art technology to enhance the business running in pandemic situation and welcoming the “new normal” (Akpan et al., 2020).

The corona virus disease 2019 itself is a global phenomenon, captivating worldwide serious attention due to its proven and rapid deadly effect. Its impact causes many losses and major shift in countless sectors and industries both international and nationally. Indonesia’s economic state is one of many affected, as there are uncertainty moreover in early time of the pandemic entered the country. Social restrictions applied to minimize virus spread is one of the major changes in society, therefore it gradually lowered trading and purchase activities from minor to major scale because people in the society would think twice before making any decisions contemplating with the on-going issue.

In restaurant business, there are already many brands, companies, small to big enterprises that has decided to stop operating large number of branches or went out of business. Some familiar names such as Pizza Hut, Wendy’s, Dunkin’ Donuts. In Indonesia itself, more than a thousand restaurants went out of business

by 2021. This incident is most likely to result in social and financial uncertainty with unpredictable time duration. Therefore, changes of lifestyle, priorities, behavior, and perspective happened within the society. This current pandemic is known as a phenomenon that spreads all across the globe.

The technology are getting more advanced and applicable from daily life to business tycoons, it makes information system and technical to social ability available to be beneficial by spreading wider as in network to get more opportunities to have better approach to the market as well as bettering customers experience and help coping with current issue. Besides, securing digital presence in small and medium enterprises help strengthen productivity, competitiveness, operational performance, and ensure survival in the industry (Akpan et al., 2020)

The Hospitality industry has rapidly grown and evolved just as global travel experience, it also has become a trend and lifestyle for many. Due to Covid-19 pandemic striking since the end of 2019 / early 2020, this industry has been drastically down-sloping in the idea of business generally (decline of occupations and customer, legal restrictions, automatically cause decline in revenue or even loss) because of the virus spreading prevention such as stay-at-home orders by government, lockdowns, and other health and safety restrictions. This naturally becomes a challenge for the industry world-widely. As the vaccine being invented and the world starting to get better in the context of pandemic recovery, the industries have to be prepared and keep improving to serve its best.

According to Simatupang (2020) in Tempo closure, at least five thousands of hospitality industry workers in Medan will have to stop working at the moment

until the situation get better. The representative predicts that hospitality industry establishments especially hotels and restaurant will have to suffer at least six months since the virus entered Indonesia. As the Covid-19 numbers of cases in Medan keep increasing, 12 hotels have to officially stop operating, reported by The Indonesian Hotel and Restaurant Association in April 2020.

Taipan Restaurant has been chosen as the writer's object of research in Medan. The writer believes that the brand has created certain image for people in Medan especially to those who have ever visited them. Taipan itself is a Chinese cuisine focused restaurant located in Jalan Putri Hijau Capital Building Medan, 1st and 8th floor. Recently, the operational hour has been shifted and the company's social media account seems to be viably available.

Products and services are what restaurants offering to customers, but now in the 21st century, it is said that brand speaks more and matter more than products. (Failures et al., n.d.) because people tend to purchase products based on the brand perspective, which the brand itself has built from scratch and plan what it wanted to offer to the customers, the brand is what somehow make the customers attracted, trust, and have loyalty. In order word, Brands and branding of either personal or company has become a crucial element in running business. In this modern era, business casts have to appear online to create more value, along with competing.

Medan city government is still constantly ensuring establishments in food and beverage industry has properly implementing health and safety precautions, keeping an eye by direct on field discipline also collaborating with business

location management parties to keep restaurants and its tenants stay alerted. The team that went on field protocol checking also explained the importance of obeying the protocol persuasively as official regulations has been made in *Peraturan Wali Kota Medan (Perwal) No.27/2020* regarding implementation of adapting to new normal. (Pemko Medan, 2020)

Every step and process of food production has to meet the ideal principle in order to be safe to be consumed, and has been legally standardized since 2012 on Indonesia law and regulation Act 18/2012. (Putri, 2018) as the food control and standard became concern starting from the production, cooking procedures practice, distribution, to consumption to the public. Regulations moreover legitimate law are made to ensure quality control, facilitating foundation for the knowledge of consumer's health, prevent safety emergencies, becoming benchmarks for responsibly parties, and to strengthen health and safety procedure commitment.

1.2 Problem Formulation

There have to be gap from expectation and reality so that issue emerged as problems to be discussed and useful for the society. As mentioned before, the Covid-19 pandemic has tremendously affecting many factors starting from livelihood activities, businesses, and economic to politic.

The World Health Organization has declared international guidance regarding health protocols such as prohibition of mass gathering where the will be crowds and risks, distancing, self-quarantine, and other hygienic issue. Moreover

for restaurants where at time like this, food safety is very much important to provide hygienic and nourishing food to support immune system, also detail precedents such as wearing masks, gloves, the importance of space and distancing, also safety regulations on meal delivery to ensure product's safety and retaining customer's demand and trustworthiness.

In Restaurants, in order to provide quality services, we need to understand the customers' need. If we analyze what their wants and needs are, we can make strategies to be implemented and manage the expectations as we've understand the pattern and demand of the market. Given the natural circumstance that is impossible to avoid, restaurant have to face risks in many factors such as income and operational risk, regardless of the establishments or outlet types. (Song et al., 2021). Therefore, brand existence might be at stake, regardless of the size of the business.

Below are the problem formulated listed in form of questions regarding the topic of research:

1. How does PT. Taipan Restaurant aid the current issue of covid-19 pandemic in their establishment?
2. What factors affect Taipan Restaurant brand existence in food and beverage industry during Covid-19 pandemic?
3. What are the modern approaches needed to be applied to further sustain the brand?

1.3 Research Focus

As the corona virus disease is a current matter and affecting many elements of business and society, the writer thinks it is essential to have it discussed. The pandemic situation directly forces the society in every part of the world that has reported cases to adopt and adapt new normal system because the virus itself won't disappear in the near future, according to Dr. Tedros as WHO Director-General (Kim et al., 2020)

The pandemic has tremendously affecting Hospitality Industry that includes airlines, food and beverage industry, lodging, travel, accommodation, entertainment, and services offering businesses which are identic with human and social connection. My object of research focus for this paper will be Taipan Restaurant which is a well-known Chinese cuisine restaurant located strategically at Jalan Putri Hijau No.1A Capital Building Medan. The restaurant itself has successfully maintained 17 years of existence and still on going.

Still in the focus of issue caused by the global pandemic and the direct correlation with my research object, the writer main concentration will be as follow:

1. Impact of Covid-19 pandemic occurrence to Taipan Restaurant.
2. Changes occur to accommodate sudden change in environment settings in context of food safety as one of the most critical concern when it comes to health and safety.
3. The plan and methods designed to maintain brand and business existence.

4. Approaches to make better outcome in the rather rough situation as in the context of customers' trustworthiness to their brand and publication.

1.4. Research Objective

The main research objective is to figure out how hospitality business – focusing on food and beverage establishment got affected by the covid-19 pandemic circumstance and aid the crisis in their ways, and maintain brand image as the heritage of Medan, in this case, Taipan Restaurant as a long-established business owned by group of shareholders.

In order to accomplish the initial intention of this final paper writing with the writer's study limitation on this paper, the writer aspire to aim understanding and exploring the importance of brand awareness during pandemic and strategies to overcome unpredictable crisis that might happen anytime and anywhere to enforce a sustainable brand. It is important for food and beverage establishment to maintain brand value to customers during hard time like today's condition and with the addition of market uncertainty challenges. By then, this research can be used to review similar situation in the possible future.

Through this research study, the writer will be able to analyze the impacts of Covid-19 pandemic to food and beverage establishment and obstacles many organizations have faced so far. In accordance to technology – communication approach attempts and maintain to sharpen food safety practices issue that entail collaboration of government, firms, organization stakeholder, internal employees, to external third parties.

1.4 Benefit of the Research

Research is made to help people achieve knowledge academically. By accomplishing research, writer might also sharpen abilities, senses, and figure out better point of view, also connects to the society by observation. Additionally, research helps both writer and reader find out important points regarding the chosen topic, know how to define impressions of right and wrong, understand both sides of agreement and disagreement, and to understand current situation to help create a better future.

Regarding the topic of my research paper, the main benefit is to understand how Taipan Restaurant Medan undergoes business with the unpredictable wave of pandemic since early of 2020 because Taipan Restaurant itself has brand to be maintained. Having the society constantly aware of them will somehow build foundation of trust for their establishment, and also embrace the value they offered. The benefit hoped for the outcome is to be beneficial at least for both parties, the company being observed and for the writer, even better to prepare for the use of society needs in near future with today's point of view.

The research benefit generally divided into two, Theoretical and Practical as follows:

1.5.1. Theoretical Benefit

As the writer carry out the research procedure and its objectives, learning will constantly be in every part of the process. Some benefits of this study and exploration are to know and, analyze strategies that establishments implement to support overcoming obstacles in restaurant, improve sanitizing effort which

hopefully became a permanent habit to improve the cleanliness standard of the industry. The other benefit is that the writer hopes for the people to understand brand awareness and help understand value or importance of food beverage business during pandemic no matter the size classification.

This research is made to help people have more depth of understanding the situation even from common point of view that generates ideas from the data processed, also aim to become one of the relevant readings when it comes to the interest of Covid-19 pandemic affecting branding context of Food and Beverage establishment.

1.5.2. Practical Benefit

By resuming the study regarding this topic and as writer get more complex information and data from field practices, the result can be concluded into words to widen perspectives and create more possible solution for the future, and fix what is lack from the writer's perspective without omitting the good value from the research. For example, while using the qualitative approach, writer need to conduct interview to have more in-depth understanding with object research. Conversation between two parties is a fixed procedure no matter how the interview will be conducted. Therefore by conversing, there will be relation built, connection created, and sympathy to critical thinking is needed to understand the establishment's point of view when it comes to decision making towards the given situation. In other words, the writer will be able to sharpen communication skill, manners, intuitive sense, and make better interpretation of conversation result.

Other benefit is when the writer conduct documentation in data collection, examination of object of research's environment can be proceed directly by the writer by visiting the location and receiving experience as customer. Additionally, by communicating with people of correlated role on the site in order to collect ideas regarding how daily operational circumstances is, the difference between pre-pandemic and now, also how the safety and health standard procedure take place and help in sustaining developed brand's business during Covid-19 pandemic in Indonesia.

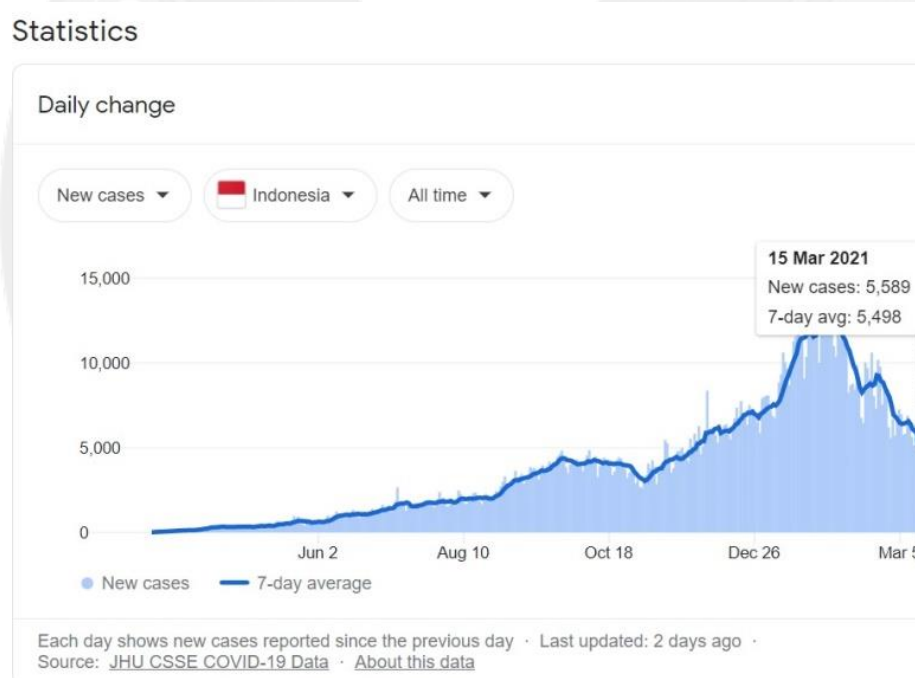


Figure 1.1 Covid-19 Statistics in Indonesia by March 2021.

Source: JHU CSSE Covid-19 Data