# Strategic Management of the Hospitality Industry in Increasing Innovation and Competitiveness during the Pandemic

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#### **Abstract**

This study aims to find suitable strategic management to increase innovation and competitiveness of the hotel industry during the pandemic. This study uses SLR (Systematic Literature Review) articles in the hospitality industry to identify strategic management that can improve innovation and competitiveness of the hospitality industry during the pandemic. By using five appropriate and high-quality journals. The results show that the hotel industry needs to identify the main problems when facing a pandemic and then think of promising innovations by utilizing existing resources within the company.

## Keywords

strategic management; innovation; competitiveness; hospitality



## I. Introduction

Finally, the Covid-19 pandemic has also entered Indonesia after the government's efforts to block the incident in several surrounding countries. The Covid-19 pandemic, which originated in Wuhan, China, is rampant in countries around the world. Many countries are not ready for this condition. Italy, Malaysia, and Singapore did not escape the spread of this new virus. Indonesia has been affected, which is indicated by the arrival of Indonesian people who have just returned from traveling from countries infected with this virus. Late awareness has resulted in this virus spreading more and more and eventually causing casualties and panic in our society. No exception, the Covid-19 virus is affecting the economic structure of Indonesia.

Many industries are not running according to the initial target. The hospitality industry is an industry that has been hit hard and has had a significant impact on this Pandemic (Diayudha, 2020). Many hotels were forced to close because No. more guests were coming, and the food business and meetings were no longer filled. Indonesia is feeling the impact of its spread. Currently, there are many policies that the Central Government has carried out to inhibit the space as well as procedures in the field of economy and community welfare which significantly affect all lines of society without distinguishing between ranks and groups and strata of people's lives. In addition, the government recommends remaining silent at home, working at home, and studying at home, so the hotel industry is experiencing symptoms of bankruptcy.

The Covid-19 pandemic has had a long-term impact that requires the hotel sector to revise, innovate and transform its business. Since the start of the spread of COVID-19 from China, cases of COVID-19 have been reported worldwide. According to Putranto et al. (2021), this epidemic spread rapidly to 210 countries, including Indonesia. The economy will slump for at least the rest of the year, possibly longer, if measures to combat the COVID-19 outbreak are ineffective. The COVID-19 pandemic has disrupted global and domestic supply chains, created financial market turbulence and consumer demand shocks, and severely impacted critical industries such as travel and tourism. The COVID-19 outbreak will undoubtedly have an impact on the tourism industry.

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Covid 19 pandemic caused all efforts not to be as maximal as expected (Sihombing and Nasib, 2020). The outbreak of this virus has an impact of a nation and Globally (Ningrum *et al*, 2020). The presence of Covid-19 as a pandemic certainly has an economic, social and psychological impact on society (Saleh and Mujahiddin, 2020).

According to BPS, the number of international tourists entering Indonesia in the first quarter of 2020 fell. Indonesia had 1.27 million foreign tourists in January 2020. Compared to 1.37 million foreign tourist arrivals in December 2019, this statistic fell by 7.62 percent. The COVID-19 outbreak in the last week of January 2020 was the leading cause of the decline in the number of foreign tourists visiting the country. According to data on foreign tourists arriving by air (airport), there has been a decline in foreign tourist visits to Indonesia. Between January 2020 and December 2019, the number of foreign tourists entering by air decreased by 5.01 percent.

This condition also affects the hotel industry. A hotel is an accommodation managed commercially using part or all of the existing buildings to provide lodging facilities, food, drinks, and other services. Hotels are one of the worst affected by this pandemic. The hotel will receive many customers who come and go to stay temporarily or long enough. There is a change called the "new normal" to welcome the changes that occur during this pandemic, and it is necessary to increase the cleanliness and sterility of the hotel building.

The Indonesian Hotel and Restaurant Association noted that currently, 1,642 hotels throughout Indonesia had been forced to close due to the Covid-19 outbreak. Chairman of the Indonesian Hotel and Restaurant Association (PHRI), Haryadi Sukamdani, said that of the 1,642 hotels that completed the most were in West Java with 501 hotels, followed by Bali with 281 hotels and Jakarta with 100 hotels. With the closure of these hotels, the tourism industry can potentially lose revenue of up to tens of trillions.

Several changes have occurred to make the company have an appropriate strategy to stay afloat with many competitors. The hotel industry needs to innovate to the current conditions. So in this study, the aim is to find suitable strategic management to increase innovation and competitiveness of the hotel industry during the pandemic.

#### II. Review of Literature

## 2.1 Strategic Planning

David (2006) explains that strategic management is a science and art that goes through the formulation, implementation, and evaluation of cross-tested decisions so that a company can achieve its goals. The company's vision and mission can guide in determining its goals to formulate its strategy. With the vision and mission, the company can analyze and recognize the business environment, which consists of the company's internal environment and the company's external environment. An effective strategy is a strategy that can create a good mix between the company or organization and the environment and the achievement of its strategic goals (Griffin 2004). According to Chandler (1962), a strategy is a tool used to achieve organizational or company goals related to resource allocation priorities, follow-up programs, and long-term goals. Strategy can be defined as how the organization is, what it does, and why it does it through a pattern of plans, policies, action programs, decisions, and resource allocation (Bryson 2001).

Hamel and Prahalad (1995) explain that strategy is an action that tends to increase (incremental), is sustainable, and is carried out according to the perspective of what customers expect in the future. Thus, the strategy always starts from what can happen, not what happens, so companies must look for core competencies to overcome new market

innovations and changing consumer patterns. According to Cahyono (1995), business strategy is usually influenced by internal and external factors.

Problems in internal factors are strengths and weaknesses faced by a business or company. On the other hand, external factors are the attractiveness of the market or industry that leads to a strategy to achieve specific goals. The problem in the competitive arena is that external factors are both opportunities and threats to the success of a business. Setiawan in Aulia and Ikhwana (2012) explain that strategic management is a set of managerial decision processes and actions that determine the company's long-term performance, including observing the company's environment, strategy formulation, implementation, and evaluation and control.

## 2.2 Hospitality in the Era of the Covid-19 Pandemic

The hotel business is one of the links in the tourism industry network. Hospitality and other related business fields such as travel agents, restaurants, transportation, and so on are included in the hospitality industry group. The primary function of hospitality services is to provide services to guests in the form of a place to stay or a temporary place to stay. The emergence of the Covid-19 pandemic in Indonesia greatly affected the economic structure of Indonesia, including hotel business services. Hospitality is an industry that has been hit hard and severely impacted. Furthermore, many hotels were forced to close because there were no more guests, and the food and meeting businesses were no longer filled.

In responding to conditions like this, hotel management must find alternative strategies to keep the hotel operating. For example, Hotel Asrilia in Bandung is more effective in marketing strategies through digital marketing (Kristiutami and Raharjo. 2021), and Hotels apply a method of survival (Nuruddin et al., 2020). Omega Hotel Management (OMH) implements a process of adding promotional programs and activities according to conditions and following trends in the new average era (kontan.co.id. https://industri.kontan.co.id/news/strategi-omega-hotel -management-bertahan-di-erapandemic). Meanwhile, the Hotel Indonesia Natour (HIN) group implements a strategy of operating recovery and adaptation in the new average (https://mediaindonesia.com/economy/347447/Business-hospitality-hit-pt-hin-changestrategy-recovery-operations).

## 2.3 Innovation Strategy

The innovation strategy is essential for business strategy in an era of intense industrial competition, significantly improving operational reliability. Innovation strategy is related to the company's response to adopting innovation. An innovation strategy is needed to develop new things so that products or services can follow the development of market tastes. Innovation strategy refers to a whole set of innovative practices that involve analysis of competitive mechanisms, such as creating creative visions, harmonizing business strategies, and extending the approach to all levels of the organization, market trends, technologies, and competitors' actions.

Innovation strategy as a growth strategy of new technology services, new ways to conduct business models and can generate significant new value to consumers. Innovation strategy is the essential tool to determine the direction of business innovation based on business strategy. The concept of innovation in strategy is defined as a new structure or management process, new policies, plans or programs, procedures, and new products or services produced in a company. (Kusniawati, 2021).

The critical thing in boosting creativity is that creative people are also needed who is firmly a mover in dealing with situations, not just a pandemic but during times of competition and want the continuity of their business. People like this are the initiators that the company needs. Therefore, the innovation strategy must be supported by the initiators who are the drivers of innovation in running the company.

Considering the description above, it can be stated that the innovation strategy is a management concept for internal and external activities to increase business potential. Product development, product innovation, and marketing innovation are aspects of the innovation strategy. These three aspects serve as dimensions of the innovation strategy where the design of the innovation strategy must support the company's performance.

## a. Service Development

Tjiptono (2000) states that conceptually services are part of the product. Service is a producer's subjective understanding of something that can be offered as an effort to achieve organizational goals through fulfilling consumer needs and desires by managerial competence and capacity, as well as market purchasing power. Service development is the process of changes made by the company to existing services and the process of seeking innovation to add value to old services by converting them into these services. Service development is related to the strategies and operations carried out by companies in developing services, improving senior services, or increasing the use of services in existing market segments with the assumption that customers want new elements of services.

Service development aims to provide maximum value for customers and outperform competing companies by choosing innovative services. The product includes aspects of determining and realizing development ideas and positioning development results. Determination and realization of development ideas based on analysis of customer needs, generation of development ideas, screening and evaluation of ideas, business analysis, marketing strategy development, service development, development and testing, market testing, and commercialization. The positioning of development results is related to the placement of development results in the market and the company's leadership orientation.

#### **b.** Service Innovation

Innovation is understood in two aspects: related to the creative process to create something new and related to the actual result or product. For services, results are intended not only as new services but also to increase the modification of existing services. The innovation in services is the ongoing change in the services offered. In contrast, innovation in the service process is related to changes in the methods, equipment, or expertise used in providing services. Service innovation classification categories, namely radical innovation and incremental innovation. Miles in Dwanto (2014) suggests the concept of service innovation includes: innovation in services, innovation in processes, and innovation in service companies, organizations, and industries.

## c. Innovation in Marketing

Innovation in marketing is closely related to the development of marketing strategies. Marketing is the design and implementation of new sales methods to improve the performance of products and services in entering the market. Marketing innovation emphasizes innovation in marketing activities and is not limited to product innovation activities but also includes creating new distribution, promotion, and price activities. Marketing innovation aims to: (1) increase sales, (2) meet consumer needs, (3) open new markets, and (4) place the company's products on the market.

## d. Success Factors for Implementing Innovation Strategies in the New Normal Era

The implementation of the innovation strategy in the new average era needs to be supported by the company's ability to meet unique customer needs, maintain competitiveness, and strengthen the company's reputation. Fulfilling new customer needs is the company's consideration for developing service products, whether the development of service products is an improvement or a completely new story. Maintaining competitiveness through customer satisfaction.

Customer satisfaction is very influential on the continuity of a business, both trade in goods and services. Customer satisfaction is not created easily because it requires a relatively long process. However, apart from a long process, customer loyalty and satisfaction are also influenced by various factors, including service, quality, and price.

To maintain satisfaction and create customer loyalty, pay attention to a. ease of transaction, b. attractive offers, c. follow-up after the transaction, and d. paying attention to customers. The third supporting factor is the strengthening of the company's reputation. Four ways can strengthen the company's reputation: rewarding customers, maximizing service, being open when receiving bad reviews, and providing offers with good ratings or a favorable image on social media.

The competitiveness of service companies can be increased through the strategic contingency of service development and innovation performance. The process of developing new products or services has the potential to generate risks for the company; therefore, it is necessary to understand the factors that can increase the likelihood of the success of new products/services (business and innovation strategies, organizational and learning systems, market response, and synergies are very important for the successful development of new services in the hospitality industry, Kitsios and Sindakis (2017) identify five success factors for new service development (NSD), namely organizational systems, innovation strategies, marketing strategies, marketing synergies, and learning organizations, where innovation strategy factors play an essential role in the successful development of new services.

Taking into account the description above, it can be stated that the innovation strategy consists of: (1) service development includes the stages of developing and positioning new services in the market; (2) service innovation, including incremental innovation and radical innovation; and (3) innovations in marketing, including new ways of channeling sales and promotions. In the new average era, implementing an innovation strategy needs to be supported by three factors that support the successful implementation: meeting the new needs of customers, maintaining competitiveness, and strengthening the company's reputation.

#### **2.4 Management Strategy**

The management strategy can emphasize the type of marketing communication 3.0 where the process is focused on the community or the users of the digital marketing platform(Teguh & Ciawati, 2020) because a user-centered marketing strategy will also have a positive impact on the company (Indrayani & Sunarto, 2019). In addition, managers must also focus their strategy on platforms with great potential in contributing to achieving company goals. Management strategies need to be carried out so that managers can determine which direction the business will go and how to achieve company goals.

#### 2.5 Website

For the website to be used as an alternative to global marketing, the website must-have criteria for users to be directly involved in interacting with the company. Previous research entitled "Developing a Web-Based Sales Information System to Expand Market Share" shows that the existence of an information system in the form of a website can increase sales from the company and reach a wider market share (Kosasi, 2014). Completeness of information is a supporting factor that can make customers more confident about something. Companies in the service sector, such as the hospitality industry, make it possible to get customers worldwide. Therefore, customers need information related to the facilities, and advantages of the hotel, including general information about the location of the hotel and its surroundings.

## 2.6 Competitiveness

Competitiveness is a concept of comparing the ability and performance of a company, sub-sector, or country to sell and supply various goods and or services to the market. The Minister of National Education stated that competitiveness is the ability to show better, faster, or more meaningful results. The capabilities in question are The ability to strengthen its market share, connect with the environment, continuously improve performance, and establish a favorable position(Novita Anjarsari et al., 2021).

Competitiveness can be determined by the company's competitive advantage and depends on the level of relative resources owned by the company or can be called competitive advantage. According to Porter in Putri, some things cause the importance of competitiveness, namely because of the following: Encouraging productivity and increasing independent abilities; Can increase economic capacity, both in the context of regional economics and the number of economic actors, so that economic growth increases; and the belief that the market mechanism creates more efficiency.

In the case of the hotel industry, a company must have the expected competitive skills, such as perfect competition and imperfect competition, as follows:

## a. Perfect Competition

The market can be said to be an activity in the form of perfect competition if it fulfills the following conditions: There are large numbers of consumers and producers; Have similarity and homogeneity to the products being sold; Absence of interference from certain institutions or interventions; Consumers and producers know perfectly the state of the market; and in the long term, there is freedom for every industry/hotel to enter and exit these market activities.

#### **b.** Imperfect Competition

In this imperfect competition, hotels set prices above marginal cost, aiming that the price that has been determined is not much different from other similar hotels. (Morasa and Lakumani 2015).

Competitiveness is the ability to show better, faster, or more meaningful results. Management is quicker, ystesignificantd to deliver better, more quickly, or more significant consequences for a hotel. The following is a management control system to form a strategy to increase competitiveness in hospitality:

## 1. Provide complete facilities

The first thing seen from a hotel is, of course, the facilities, for that complete providing facilities is an important thing to compete with other hotels. Not only does it offer a comfortable sleeping experience, but it also provides different activities and supporting

facilities. The facilities include a swimming pool, complete TV shows, Fitness Center, Jogging Track, Restaurant, Meeting Room, SPA, and so on.

2. Apply dynamic rates and competitive prices

Dynamic Rate, or another name for Dynamic Pricing, is a strategy of applying prices according to supply and demand. With the Dynamic Rate, the price control is that if the order is high, the higher the installed price will be, and when the market is low, the lower the seated price will be. For example, during public or long holidays, costs are increased because public interest is high, and prices are lowered during fasting or on dates when public interest is low.

## 3. Providing excellent service

Providing excellent service and prioritizing customer satisfaction and the friendliness of hotel staff under the supervision of the manager is a strategy in competing. This can make guests stay comfortable and get good reviews, so guests return to become regular customers.

## 4. Make promotions

Make promos or stay packages, such as family packages and honeymoon packages. In addition, there are other packages, namely food packages by making variations of food to attract buyers, as well as meeting packages, weddings, and so on.

#### 5. Create a banner ad

Make promo flyers and promo banners in places that potential customers can see to increase customer attraction while informing what promotions are taking place.

#### 6. sales call

Sales Call is a strategy for maintaining or finding customers by visiting them (Aprilukito, Simatupang, and Suparman 2017). In this case, the hotel stays agencies such as Banks, Tours, and Travels, and government/private agencies by offering suitable packages such as meeting packages.

## 7. Join events for promotion

Participate in events such as Wedding Expos, Online Travel Agent Gatherings, or culinary events in the city to promote hotel products. From the event, many people must visit so that it can easily attract potential customers.

## 8. Collaborate with online travel agents

Online Travel Agent is an online travel agent through the website to provide tourism businesses with promotions and sell. Online travel agents are the most effective way to encourage hotels in the digital era. These online travel agents include Traveloka, Agoda, Booking.com, Tiket.com, Pegipegi.com, and so on. Prospective customers can quickly get online hotel information by writing short keywords. From that, the hotel can explain the details of the facilities, ongoing promos, and prices set and introduce all its advantages to the broader community without any limits.

## III. Research Method

This research was conducted using a Literature Review. Literature Review is about theories, findings, and other research articles from reference materials to be used as the basis for research activities(Simatupang & Yuhertiana, 2021). Research formulated by using Literature Review allows other analyses from reference materials to be used as the basis for research activities on changing learning paradigms in higher education.

This study uses SLR (Systematic Literature Review) articles in the hospitality industry to identify strategic management that can improve innovation and competitiveness of the hospitality industry during the pandemic. Article inclusion criteria used are strategic

management that increases innovation and competitiveness in the hospitality industry during a pandemic or articles with the same variables and industries. In contrast, the exclusion criteria are abstract articles, and the pieces displayed are not full text. Articles that met the inclusion criteria were collected and examined systematically. Search literature published from 2018 to 2022. The search process found ten articles that met the inclusion criteria and exclusion.

## IV. Results and Discussion

#### 4.1 Results

Strategic management is a decision and action that results in formulating and implementing plans designed to achieve a company's or government's goals (Pearce in Laka. As one of the main stakeholders, the presence of workers directly affects the performance of hotel services. Employees are company assets. Its existence is essential in efforts to create a sustainable hotel business. For this reason, the Company continues to develop existing human resources and build good employment relations with employees.

Hotel employees are selected strictly by an independent psychological institution. Furthermore, employees who have been accepted periodically are upgraded formally and informally(Syahputra et al., 2015). Structure plays a vital role in the running of the organization. Structure enables an organization to achieve its goals. Whatever the organization, the organization is always founded to achieve goals. There is an orientation to be achieved with the establishment of an organization. This orientation will be more easily achieved if a division of labor is implemented in a structure. Organizational structure is a formal framework within which work tasks are divided, grouped, and coordinated (Robbins, 2004).

From the search results, ten titles are obtained that are relevant to the objectives of this study. Then, screening is carried out so that from the ten titles, five championships are taken that match the inclusion criteria. Proper research consists of several studies, with one journal using qualitative methods, 3 using quantitative methods, and 1 using literature review methods. After determining the quality of the research, the five publications were classified as good (high), and data extraction began. This data extraction is done by essential grouping data in publications based on the author's name, title, purpose, research technique, and findings.

No.	Author/Year	Title	Journal	Destination	Method	Results
1.	Liu, C., &	"How hotels	International	This study	Qualitative	Data analysis
	Yang, J.	adjust	Journal of	explores how	Research	revealed four types
	(2021).	technology-	Contemporary	hotels		of dynamic abilities
		based strategy to	Hospitality	develop their		(i.e., sensing,
		respond to	Management	dynamic		learning,
		COVID-19 and		capabilities to		integrating, and
		gain competitive		adapt their		coordinating
		productivity		technology-		skills). Equipped
		(CP): strategic		based		with this capability,
		management		strategies to		the hotel made
		process and		improve		minor adjustments
		dynamic		performance		to its SST strategy.
		capabilities"		and gain		In general, during
				competitive		an economic

						dorruntrum botala
				productivity		downturn, hotels
				(CP) during		refrain from
				the COVID-		introducing new
				19 pandemic.		SSTs. SSTs
						submitted before
						the pandemic are
						used more
						frequently and
						receive improved
						customer feedback.
						The findings
						further revealed
						that the factors
						influencing hotel
						SST
						implementation
						before and after the
						COVID-19
						outbreak remained
						similar.
2.	Le, D., &		International	make a	Literature	the hotel sector
	Phi, G.	responses of the	Journal of	practical	reviews	requires hotels to
	(2021).	hotel sector to	Hospitality	contribution		adapt their business
		COVID-19:	Management	by		to the "new."
		Toward a		identifying		normal condition"
		refined		"strategic		
		pandemic crisis		responses"		
		management		that		
		framework."		has been		
				adopted by		
				the hotel		
				sector in		
				dealing with		
				Covid-19		
				pandemic.		
3.	Li, YQ, &	"The role of	International		Quantitative	The findings
"	Liu, CHS	problem	Journal of	aims to	research	support a structural
	(2018).	identification	Hospitality	conduct	100001011	paradigm in which
	(2010).	and intellectual	Management	further		problem
		capital in the	141unugennent	research to		identification
		management of		determine the		mechanisms
		hotels'		interrelations		govern the indirect
						effect of
		competitive		hips between different		
		advantage-an				intellectual capital
		integrated		constructs of		on hotel
		framework"		intellectual		competitive
				capital and		advantage.
				competitive		According to
				advantage.		further research,

						customer capital is
						related to structure,
						which predicts
						human hotel
						capital.
						Furthermore,
						, and the second
						according to the
						process-oriented
						view, inventive
						capability mediates
						the effect of
						capability capital
						on competitive
						performance.
4.	Singjai, K.,	"Green	International	This study Qua		Green strategy
	Winata, L.,	initiatives and	Journal of		search	positively affects
	& Kummer,	their	Hospitality	identify the		the environmental
	TF (2018).	competitive	Management	organizationa		performance and
		advantage for		l capabilities		competitive
		the hotel		that		advantage of the
		industry in		complement		organization. More
		developing		implementing		specifically, a
		countries"		a proactive		green approach
				environmenta		leads directly to
				1 strategy and		positive
				the specific		environmental
				benefits of		performance
				such a		regarding utility
				strategy. This		consumption, waste
				study focuses		management, and
				on		environmental risk
				developing		management,
				countries		leading to cost
				highly		competitiveness
				dependent on		and competitive
				the tourism		advantage through
				industry.		hotel
						differentiation.
5.	Kusniawati,	"Hotel Service	Journal of	This study Qua	antitative	Results The results
	A. (2021).	Development	Management	• -	search	of the study found
		Innovation	Review	describe the		that: 1) hotels in
		Strategy in the		condition of		West Java
		New Normal		hotel services		experienced a
		Era (Covid-19):		during the		decrease in the
		Study of West		Covid-19		number of visitors
		Java Province"		pandemic and		and income during
		Jara Hoville		the efforts		the Covid-19
				made by the		pandemic; 2) hotel
				hotel		activities in West
				110161		activities III west

		management	Java during the
		in	Covid-19 pandemic
		overcoming	implemented an
		hotel	innovation
		operational	strategy; and 3)
		problems in	hotels in West Java
		terms of	during the Covid-
		innovation	19 pandemic
		strategies.	implemented an
			innovation strategy.
			Criteria for
			supporting the
			effectiveness of
			implementing
			innovation plans in
			the new average
			era include meeting
			the needs of new
			consumers,
			maintaining
			competitiveness,
			and improving
			hotel reputation.

## 4.2 Discussion

From the results of the journal analysis, it was found that the most critical factor in strategic management is identifying the problems that occur and hinder a company's growth. Li & Liu (2018) mention that intellectual capital can help increase competitive advantage in the highly competitive hospitality industry, either directly or indirectly. More specifically, intellectual capital is associated with problem identification, which is associated with a competitive advantage. These findings emphasize the importance of intellectual capital in the hotel business and identify various forms of competitive advantage.

The problem you are currently facing is that the Covid-19 outbreak in Indonesia significantly impacted the country's economic structure, particularly the hotel service industry. Hospitality is a hard-hit industry that has a significant impact. Many hotels were forced to close due to a lack of customers and a decline in the food and meeting business. Hotel management is required to be able to have a strategy so that the hotel does not experience a drastic reduction. Good strategic management involves a variety of innovations.

Le & Phi (2021) explained that the "new normal" is one of the conditions that need to be considered so that the hotel sector can adjust its business. The hospitality sector needs to start running agencies through a proactive strategy to support business recovery and post-pandemic growth by implementing "business innovation" and "recovery strategies" so that they can survive. After going through a period of "crisis," the company needs to be able to go through a period of "recovery" and then "resolution." After a crisis, the whole system may not return to its normal state because parts of the system have most likely changed. Hotels' health services may become necessary as consumer preferences for slow and health-oriented tourism may be strengthened after the pandemic (Wen et al., 2020).

Kusniawati (2021) mentions that service development consists of the stages of producing and presenting new services in the market; service innovation, which includes incremental and radical innovation; and marketing innovation, which provides for innovative ways of channeling sales and promotions. In the new standard period, three factors must support the successful implementation of the innovation strategy: satisfying the needs of new customers, maintaining competitiveness, and enhancing the company's reputation.

All companies must build and maintain their resources and competencies to survive and continue operations. The company's unique resources and competencies are a sustainable competitive advantage. The resources and performance of each hotel component are also crucial in increasing competitiveness and maintaining excellence (Singjai et al., 2018).

The identified dynamic capabilities can help integrate, build and reconfigure resources to respond to the COVID-19 pandemic so that hotels can adapt to changing markets to achieve and maintain a competitive advantage after the pandemic. The hotel industry with high IT capabilities can also survive in current conditions by favoring technological innovation in the promotion and other innovations (Liu & Yang, 2021).

#### V. Conclusion

It can be concluded that to face the pandemic period, that is starting to improve, and there is still a need for differences in strategic management in the hotel industry. Hotels need to improve the quality of cleanliness, provide health services, and comply with employees to prevent and deal with pandemics. These conditions are some of the innovations that can be done to keep helping customers feel comfortable. In addition, these conditions can maintain the competitiveness of hotels to be superior in undergoing the crisis of changing the pandemic period to a "new normal." Hotels need to identify the main problems when facing a pandemic and then be able to think of appropriate innovations by utilizing existing resources within the company.

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