



## Generic Strategy Study in Hotel Design in the New Normal Era. Case Study: Urban Independent Hotel

Tecky Hendrarto\*, Ratu Sonya Mentari Haerdy, Asep Yudi Permana, NRA Putri Anggiandari

National Institute of Technology, Bandung, Indonesia

\*Correspondence: E-mail: [tecky@itenas.ac.id](mailto:tecky@itenas.ac.id)

### ABSTRACT

The new normal era has had an impact on the decline of the economy and tourism in the city of Bandung. This condition has an impact on the regional income of the City of Bandung due to restrictions on foreign and domestic tourists. The decline in hotel occupancy is due to the lack of tourist visits. Hoteliers experience difficulties in maintaining their business due to the lack of discussion on this matter. Therefore, the designer's perspective can be a reference for managers and decision-makers to develop the hotel business efficiently during a pandemic. This study uses a descriptive analysis method from Hotel Urban Merdeka as a case study, which was able to survive during a pandemic. This research shows that generic strategies in hotel design are very important to attract and retain customers in the new normal era. Therefore, it is important for hotel owners to consider generic strategies, such as low cost, differentiation, and focus on certain market segments. Hotels that are responsive to changing trends and consumer preferences will be more successful in the new normal era. Factors such as hygiene, health, and safety are factors that must be considered. Different design concepts, such as eco-friendly designs or designs with artistic and cultural concepts added value to hotels and attract consumers' attention. The implication of this research is that hotel owners must consider generic strategies in their hotel designs and always be responsive to changing trends and consumer preferences. In addition, different design concepts must also be considered to provide added value to hotels and attract consumers' attention.

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## 1. INTRODUCTION

Now, all people in the world are still adapting to the co-19 pandemic. One of the efforts of the Indonesian government in responding to the start of the pandemic was to enact large-scale activity restriction regulations to break the chain of disease spread due to human-to-human contact (Anggarini, 2021). On the other hand, these activity restrictions have created new problems that have an impact on the people's economy, especially in urban areas of Indonesia.

According to Ardani, (2021) one of the economic sectors affected by the pandemic is the hospitality industry. This is supported by data showing a decrease in foreign tourists visiting Indonesia in 2020. In April 2020 there was a decrease of 25% in the number of foreign tourists visiting Indonesia in 2019. In addition, there was a decrease in domestic tourists due to restrictions on people's mobility when the PSBB was enacted in each region based on the trend of increasing covid survivors. That way, a decrease in people's mobility can weaken the continuity of the tourism industry and the creative economy in each region, especially in urban Indonesia due to reduced community production, distribution, and consumption activities.

Based on the percentage, the hotel business plays an important role in the hospitality industry. The hospitality industry in Indonesia includes 50% of revenue sourced from tourism, 40% of revenue sourced from the hotel business, and 10% of revenue sourced from the food and beverage business. On the other hand, the hotel business is highly dependent on the tourism sector. This can be identified based on data on declining hotel occupancy rates in Indonesia due to a decrease in foreign tourists and local tourists. The data shows that the percentage occupancy rate from January to February 2020 is 49.17 - 49.22%, while in 2021, the occupancy rate in March is only 32.24%, and gets worse in April, only reaching 12.67%.

Likewise, the city of Bandung, in 2020, was affected by a decline in economic levels due to the co-19 pandemic (Supriatna, 2020), including a decrease in regional income from the tourism sector (Farmawati, in Wahyuni, 2021). There was a decrease in hotel occupancy rates due to a decrease in public visits to tourist attractions in the city of Bandung. According to Public Relations for the City of Bandung, until February 2022, the hotel occupancy rate in the city of Bandung is only 10% to a maximum of 15% (Purike, 2021). This condition caused many hotels to go out of business due to the minimum revenue level did not reach the target.

Similar problems are also felt by business people from all over the world, especially in developing countries. Based on the problem, there is a business strategy implemented to maintain the hospitality business during the pandemic. The following (Table 1) is a comparison of business strategies undertaken in dealing with obstacles during the pandemic.

**Table 1. Comparison of Business Strategies by Hoteliers during the Pandemic**

Business strategy	Year	Location	Type	Source
Innovation in selecting market segments, marketing techniques, CHSE, and reducing production costs	2019		Generic (Cost leadership)	Puspita, 2021
	2020	Indonesia	Generic (Differentiation)	Pangaribuan, 2015; Pambudi, 2020; Ardani, 2020; Salim, 2021; Utama, 2021
			Generic (Focus)	Makhasi, 2018
Asset disposal		India	Defensive (Retrenchment)	Kumars, 2022
Innovation in CHSE	2021	Africa	Generic (Differentiation)	Ncube, 2021; Rogersons, 2021
Production cost reduction, CHSE innovation, and marketing		Turkey	Generic (Cost leadership & differentiation)	Ertac, 2021

It can be identified in Table 1 that with the same problems as Indonesia, hoteliers in other countries use generic strategies (cost leadership, differentiation, and focus) in maintaining the hotel business during a pandemic. The discussion is still very limited in Indonesia, especially the discussion in the design corridor based on a business perspective. Therefore, this study aims to review the generic strategy implemented by the designer of the Urban Merdeka hotel in the context of hotel building design and construction methods that adapt to the new normal era (Syaifudin et al., 2021).

According to David (2016), the generic strategy proposed by Michael Porter is one type of business strategy that is considered to be widely used by business people. In this case, the strategy of cost leadership and differentiation is widely used when companies or business actors face problems when the business does not achieve minimum profit so that there is a decline in profits. This strategy includes reducing production costs so that the selling price of products to consumers is low, as well as innovations made to attract consumers. The cost leadership strategy is divided into 1) low-cost strategy; offering products or services at the lowest prices compared to other competitors, and 2) best value strategy, namely products or services at the lowest prices by offering the same features as competitors' products. The differentiation strategy includes a strategy to produce products that are unique and different from competitors so a lot of innovation is needed to adjust the target market. Meanwhile, the focus strategy includes innovative market segmentation that is more micro or targets certain market segments.

A designer should have a broader spectrum of knowledge than just aesthetic concepts. Therefore, a study of the hotel business strategy is important for designers to understand when designing commercial buildings, namely hotels, that can adapt to new normal conditions. Based on a business perspective, it is hoped that a designer can be more sensitive to issues that are developing at present, to be able to provide building design ideas that are efficient and sustainable. In this case, the business strategy that will be discussed in this paper is a generic strategy proposed by Michael Porter based on innovation in hotel types, number of rooms, facilities, and financial analysis with a case study of Urban Hotels in Bandung City.

## **2. RESEARCH METHODS**

This study uses a comparative descriptive approach using primary data and secondary data. Primary data was obtained through direct observation to object study and conduct in-depth interviews with several hotel owners, managers, and hotel visitors. Meanwhile, data secondary is obtained through a study of theory, literature, and several sources from previous studies in the form of journals, proceedings seminars, or other materials that can be used as reference materials or referrals. The discussion includes the strategies used by Urban Hotel business people, as well as identifying the background to choosing this strategy to maintain the non-star hotel business during a pandemic and compares it with the generic strategy theory put forward by Michael Porter.

## **3. RESULTS AND DISCUSSION**

### **3.1 Star and Non-Star Hotels**

According to the Regulation of the Minister of Tourism and Creative Economy, notion (a business) Hotel is a business of providing accommodation in the form of rooms in a building, which can be equipped with food and drink services, entertainment activities, and/or other facilities daily to make a profit. . Hotel Business Standards are formulations of hotel business qualifications and/or hotel business class classifications that cover aspects of product, service, and hotel business management.

From these two meanings, the hotel is defined as a place/accommodation providing room services equipped with other service facilities. Service facilities to support the main service (rooms) differ based on hotel classification. Hotel classification in Indonesia is carried out by PHRI by considering several aspects, starting from the number of rooms, facilities, equipment provided, and management system. Based on this classification and fulfillment of the classification assessment criteria, the hotel will be included in the class of star or non-star hotels. The following is a comparison table of criteria between star and non-star hotels (Table 1).

Table 1. Comparison of Non-Star and Star Hotel Product Criteria

Product Criteria	Non-Star	1 star (*)	2 stars (**)	3 stars (***)	4 stars (****)	5 stars (*****)
Building	✓	✓	✓	✓	✓	✓
Directional markers		✓	✓	✓	✓	✓
Garden or Landscape				✓	✓	✓
Parking area				✓	✓	✓
Lobby	✓	✓	✓	✓	✓	✓
FrontOffice		✓	✓	✓	✓	✓
Business service center					✓	✓
Shopping area (drugstore, bank, retail)					✓	✓
Elevator		✓	✓	✓	✓	✓
Public toilet	✓	✓	✓	✓	✓	✓
Corridor		✓	✓	✓	✓	✓
Food and drink facilities (Restaurants)	✓			✓	✓	✓
Room service				✓	✓	✓
Public bar						✓
Guest bedroom	✓	✓	✓	✓	✓	✓
Guest bathroom	✓	✓	✓	✓	✓	✓
Sports Facilities				✓	✓	✓
Meeting room			✓	✓	✓	✓
Banquet hall					✓	✓
Kitchen		✓	✓	✓	✓	✓
Special kitchen						✓
Laundry						✓
Goods receiving area				✓	✓	✓
Storage area		✓	✓	✓	✓	✓
Housekeeping area	✓			✓	✓	✓
Health check room						✓
Employee room	✓	✓	✓	✓	✓	✓
Management office	✓	✓	✓	✓	✓	✓
Security				✓	✓	✓
utility	✓	✓	✓	✓	✓	✓
Waste management	✓	✓	✓	✓	✓	✓
Workshop equipment repair				✓	✓	✓

Source: Author Analysis

Based on Table 1, it can be identified that a non-star hotel is a class of hotel that does not meet the minimum criteria for a 1-star hotel, but still fulfills the main function of accommodation, lodging services, and food and drink. Non-star hotels have very minimal facilities, so the cost of renting this type of hotel will be much cheaper than conventional hotels in general. This type of hotel has the potential to be developed during a pandemic because it has minimal operational costs and tends to be not too expensive to invest in.

### 3.2 Precedents of Non-Starred Hotels: Container Hotels

As the name implies, this unique inn utilizes used containers for its buildings, including its rooms. This unique and eccentric concept is certainly the main attraction for visitors who want to feel the sensation of staying in a container hotel. There are 3 container hotels located in the city of Bandung, namely Kollektiv Hotel, Chara Hotel, and Urban Hotel.

#### a. Hotel Collective

Located in the North Bandung Area, located on Jalan Prof. Dr. Sutami. In terms of the facade, Kollektiv Hotel changes the function of large ship containers and trucks into rooms ready for occupancy. These containers are combined with trellis fences and windows with a minimalist concept.



**Figure 1. Kollectiv Hotel Exterior and Interior Photos**

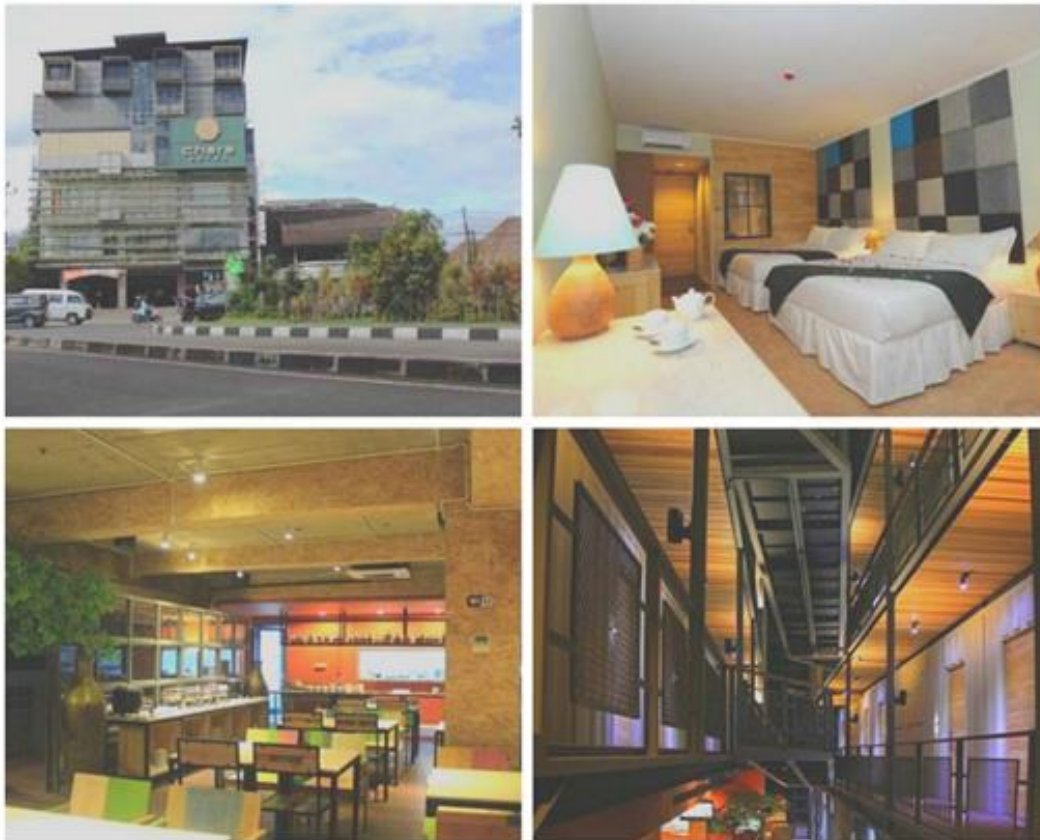
Source: <https://www.pegipegi.com/travel/3-hotel-kontainer-di-bandung-bikin-meninap-lebih-seru/>

Even though the modern minimalist concept that is applied is very thick, this three-star accommodation still offers a natural touch. In the middle of the hotel, some vines are allowed to thrive on the guardrail. Every corner of the inn is also designed to give an Instagenic impression. The room types at this container hotel provide five types of rooms, namely Deluxe Twin, Deluxe King, Superior Room, Superior Double, and Superior Twin. Room rental rates per night range from Rp. 300.000,- up to Rp. 700.000,- With this price, visitors can get complete facilities to support the comfort of their stay. These facilities include WiFi access, free parking, breakfast, and other facilities. Prices and facilities provided are not in a pandemic condition.

According to Herawati (2022), Kollectiv hotels take advantage of opportunities to adapt to new habits such as working from home to working from a hotel by utilizing hotels as flexible working space areas (Herawati et al, 2022). In this context innovation in hotel design and service becomes important as an attraction for hotel visitors. These innovations include hotel decorations that have interesting (Instagram-able) photo spots, and outdoor and semi-outdoor restaurant concepts. While service innovations include the availability of super-fast wi-fi, cleanliness of the room, and breakfast service.

#### b. Chara Hotel

Chara Hotel is a three-star accommodation located in a strategic location in the city of Bandung. Located close to Simpang Lima Bandung and is on Jalan Gatot Subroto. From the outside, this exciting hotel for a staycation spot looks different when compared to conventional hotels. This hotel utilizes used containers that are converted into ready-to-use rooms. However, unlike container hotels in general, this hotel combines the concept of a container hotel with a boutique hotel. The inside is dominated by dark colors and classic elements and is designed in such a way as to create an Instagram-able impression. Not only that, each room is designed to look luxurious.



**Figure 2. Exterior and Interior Photos of Chara Hotel**

Source: <https://www.pegipegi.com/travel/3-hotel-kontainer-di-bandung-bikin-meninap-lebih-seru/>

The facilities provided are relatively complete, such as LED TV, air conditioning, internet access throughout the hotel, toiletries, and so on. All of these facilities can be obtained starting from Rp. 200.000,- up to Rp. 650.000,-. Chara Hotel provides five types of rooms, namely Junior Suite, Standard Room, Superior Deluxe, Deluxe King, and Standard Twin Room.

### 3.3 Urban Merdeka Hotel

Urban Merdeka Hotel is located on Jalan Merdeka, close to the intersection of Jl. Ir. H. Djuanda - Jl. Merdeka - Jl. LL. RE. Martadinata, Bandung. Urban Merdeka Hotel does not stand alone on one land, but there are other functions in that land/location. Other functions are Seruni Foto Merdeka and Dental Clinic. The three Activity Functions are owned by one family and managed by the family by involving a professional team. The total land area is 1000 m<sup>2</sup>, and getting to the location of Urban Merdeka Hotel is relatively easy to access, from the north (Jl. Ir. H. Djuanda), as well as from the west and east directions (Jl. LL. RE. Martadinata)



**Figure 3. Location of Urban Hotel Merdeka**

Source: <https://g.page/Urban-Merdeka?share>



**Figure 4. Front View of the Merdeka Urban Hotel**

Source: <https://goo.gl/maps/ecAWBrMMfGBbqCMv5>

Urban Merdeka Hotel, was planned and built in early 2019 and plans to operate in 2020, with a total of 25 rooms equipped with commercial service facilities in the form of 11 retail units and 1 function room area unit. Every 1 hotel room unit, gets a sitting room/guest room at the entrance area of the room unit. This sitting room facility can be used for hotel guests to sit, eat or receive guests.

As a result of the emergence of the pandemic, which caused a decrease in the movement of people with activity restriction regulations, had an impact on the tourism (tourism) sector and the occupancy/occupancy rate of all hotels in the city of Bandung. Urban Merdeka Hotel, which is under construction (physical development) during a pandemic, must be re-schedule in the process of completing the total construction. Concerns about low occupancy rates during operation have forced owners and consultants to carry out a strategy by only completely completing hotel units that have been built and currently only 8 rooms are operating.

### 3.3.1 Cost Leadership

In business strategy, the cost leadership strategy can help business players to gain profits by reducing production costs. The emphasis on production costs in this case includes the suppression of building construction costs which are regulated into development scenarios. The following (Table 3) is a recapitulation of the flow of cash funds which shows the number of production costs and profits earned.

**Table 3. Recapitulation of Cash Flows**

Description	Cost (Rp.)
<i>cash in</i>	
<b>Beginning Cash</b>	
<b>owner</b>	<b>6,000,000,000.00</b>
<b>Bank</b>	-
<i>Income</i>	
<i>Retail</i>	<b>2,867,048,682.59</b>
<i>Hotel</i>	<b>10,763,903,133.76</b>
<i>Hall</i>	<b>243,622,800.00</b>
Total Cash In	<b>19,874,574,616.34</b>
<i>Cash Out</i>	
Preliminary Expenses	-
<i>Consultant &amp; Mgt Fee (3.5%)</i>	-
<i>Pre-Construction</i>	-
Construction	<b>5,258,704,800.00</b>
<i>Construction</i>	3,054,614,300.00
<i>finishing</i>	988,365,000.00
<i>MEP</i>	334,250,000.00
<i>Furniture</i>	881,475,500.00
<b>Permits &amp; Legality</b>	183,276,858.00
<b>Other Cost</b>	50,000,000.00
<b>General Expenses</b>	884,101,000.00
<b>Cost of Finance</b>	-
Total Cash Out	<b>6,376,082,658.00</b>
<i>Ending Cash Balance Before Tax</i>	<b>13,498,491,958.34</b>
<i>Repayment (Owner)</i>	6,000,000,000.00
<b>TAX 10%</b>	
<i>Repayment (Bank)</i>	-
<b>Ending Cash Balance</b>	<b>7,498,491,958.34</b>

Source: Author Analysis

Based on calculations of *cash flow*, the working capital of Rp. 6,000,000,000,-, which is used for Development Costs and Operational Costs. Within 10 years, the predicted revenue from hotel rooms, retail,

and multi-purpose rooms is Rp. 13,874,574,616,-. Total cost for 10 years, Rp. 6,376,082,658, -. The predicted profit value is Rp. 1,498,491,958,-

The predicted hotel room occupancy rate is between 45-75%, retail is 85% (9 out of 11 units) rented and function rooms, and the occupancy rate is around 30-40%. Room rates Rp. 350,000,- per night, the retail rental price (1 container) for a commercial is Rp. 4,000,000 per month and the rental price for a multi-purpose room with a capacity of 50-60 people is Rp. 4.000.000,- / day (8 hours).

In its journey, the construction period and plans for the operation of Urban Merdeka Hotel, along with the pandemic period, began. The pandemic period changed all activities, one of which was the limitation of human movement and had an impact on the tourism industry, especially hospitality. On the other hand, before the pandemic started, the construction of the Urban Merdeka Hotel was underway, so like it or not, the construction had to continue. Concerns arose with the imposition of Large-Scale Social Restrictions (PSBB) by the government, which resulted in a drastic reduction in activity in all industrial sectors.

To overcome the conditions that occurred, the Urban Merdeka Hotel development project was readjusted, so that it could be phased in during the pandemic. Efforts to re-position in the field of financing strategy and marketing were carried out. The hotel must continue to operate, but taking into account the possibility that there are still hotel guests who are still staying overnight with all the limitations.

The strategy is carried out by making 2 possible alternatives, namely by completing the construction with a total of 50% (12 rooms) and 30% (7 rooms). These two strategies are not without risk, but it is necessary to choose one of these strategies that have a smaller risk value. The following is a comparison of the 2 strategies calculated using cash flow.

**Table 4. Comparison of Cash Flow Summary Based on Settlement Scenarios**

Description	50% Completion Scenario	30% Completion Scenario
	Cost (Rp.)	Cost (Rp.)
<b>cash in</b>		
<i>Beginning Cash</i>		
<i>owner</i>	4,000,000,000.00	4,000,000,000.00
<i>Bank</i>	-	-
<b>Income</b>		
<i>Retail</i>	2,867,048,682.59	2,867,048,682.59
<i>Hotel</i>	9,733,897,531.80	9,337,741,531.05
<i>Hall</i>	243,622,800.00	243,622,800.00
<b>Total Cash In</b>	<b>16,844,569,014.39</b>	<b>16,448,413,013.64</b>
<b>Cash Out</b>		
<b>Preliminary Expenses</b>		
<i>Consultant &amp; Mgt Fee (3.5%)</i>	-	-
<i>Pre-Construction</i>	-	-
<b>Construction</b>		
<i>Construction</i>	5,568,622,524.00	5,747,950,230.00
<i>finishing</i>	3,146,252,729.00	3,169,162,336.25
<i>MEP</i>	1,087,201,500.00	1,161,328,875.00
<i>Furniture</i>	374,360,000.00	392,743,750.00
<i>Permits &amp; Legality</i>	960,808,295.00	1,024,715,268.75
<i>Other Cost</i>	183,276,858.00	183,276,858.00
<i>General Expenses</i>	50,000,000.00	50,000,000.00
<i>Cost of Finance</i>	939,550,000.00	941,100,000.00
<b>Total Cash Out</b>	<b>6,741,449,382.00</b>	<b>6,922,327,088.00</b>
<b>Ending Cash Balance Before Tax</b>		
<i>Repayment (Owner)</i>	10,103,119,632.39	9,526,085,925.064
<i>TAX</i> 10%	4,000,000,000.00	4,000,000,000.00
<i>Repayment (Bank)</i>	-	-
<b>Ending Cash Balance</b>	<b>6,103,119,632.39</b>	<b>5,526,085,925.64</b>

Source: Author Analysis



In the two strategies above, what is significant is the Working Capital which can be reduced to IDR 4,000,000,000.-. The first strategy, completing 50% of the number of rooms (12 rooms) with construction development (the main structure of the building and the required construction, is completed first). In year 5, the remaining number of rooms (13 rooms) are completed, with a predicted increase in construction costs in year 5, which is 20-25%. With the same assumptions for the number of hotel guests, the predicted profit at the end of the 10th year is Rp. 2.103.119.632,-. The following is a comparison of strategies and their percentage of completion (Table 5).

**Table 5. Comparison of Completion Percentage based on Number of Rooms**

TINGKAT KETERSELSAIAN		100%	Opsi-1	50%	Opsi-2	30%
Jumlah Kamar		25	50%	12	30%	7
Jumlah Retail		11	100%	11	100%	11
Ball Room		1	100%	1	100%	1

No	Uraian	Biaya [Rp.]	Prosentase Keterlaksanaan	Biaya [Rp.]	Prosentase Keterlaksanaan	Biaya [Rp.]
1	Biaya Konstruksi [termasuk Kontainer]	3,054,614,300	85%	2,596,422,155	85%	2,596,422,155
2	Biaya Finishing	988,365,000	50%	494,182,500	30%	296,509,500
3	Biaya Instalasi MEP	334,250,000	40%	133,700,000	30%	100,275,000
4	Pengadaan Furniture, dll	881,475,500	55%	484,811,525	35%	308,516,425
	<b>Jumlah [1]</b>	<b>5,258,704,800</b>		<b>3,709,116,180</b>		<b>3,301,723,080</b>
5	Biaya Perijinan	183,276,858	100%	183,276,858	100%	183,276,858
6	Preliminary Exp.	50,000,000	100%	50,000,000	100%	50,000,000
	<b>Jumlah [2]</b>	<b>233,276,858</b>		<b>233,276,858</b>		<b>233,276,858</b>
	<b>Total Jumlah [1] + [2]</b>	<b>5,491,981,658</b>		<b>3,942,393,038</b>		<b>3,534,999,938</b>

Source: Author Analysis

In Table-6, 2 strategic options for the percentage of completion are carried out, based on the number of rooms. However, it should be noted, there are components of construction costs and others that still need to be resolved first. The second strategy option, the completion rate is 30% (7 rooms), and in the 5th year, 18 rooms will be built, with an increase in construction costs of 20-25%. Working capital at the beginning of the construction year (1st year) is Rp. 3,500,000,000, - and in the 5th year, an additional Rp. 500,000,000 is needed for construction. The predicted profit with this 2nd option in the 10th year is IDR 1,526,085,926.-. Table 6 below shows the calculation results from the comparison based on the Development Process based on the Number of Rooms.

**Table 7. Comparison of Costs Based on the Development Process**

No	Description	100% Development Cost (Rp.)	Development 50%-50% Cost (Rp.)	Development 30%-70% Cost (Rp.)
1	Working capital	6,000,000,000.00	4,000,000,000.00	4,000,000,000.00
2	Total	6,376,082,658.00	6,741,449,382.00	6,922,327,088.00
3	Estimated profit	1,498,491,958.34	2,103,119,632.39	1,526,085,925.64
4	Payback period (year)	6,61	4.54	4,10
5	Present value interest factor 15%	25,670,932,100.62	13,325,362,730.92	10,728,835,109.97
6	Present value interest factor 20%	19,755,530,035.08	10,008,776,127.79	7,949,334,837.91
7	PV Difference: 10%-20%	5,914,862,065.54	3,316,586,603.13	2,780,500,266.06
8	IRR	0.163	0.303	0.317
9	Interpolation IRR	31.31%	45.25%	46.74%
10	EIRR	49.14%	26.55%	25.31%
11	BCR	56.26%	9.39%	28.99%

Source: Author Analysis

Through 2 (two) strategic options (50% and 30% development), taking into account the pandemic period and an estimated low number of hotel guests, Urban Merdeka Hotel must still be able to operate. The amount

of working capital issued is one of the main considerations and the investment return period is also a criterion for selecting options. Interest rate factors and profit forecasts/predictions for 10 years need to be taken into consideration.

It can be concluded that the cost leadership strategy shows that the development stage is important in anticipating a low amount of income due to the lack of visitors. If it is related to the design concept, then a designer must think about the type of construction that allows for gradual development at an economical cost and meets ergonomic standards and user needs. In this case, the designer decided to use content material as a modular room that can be assembled like lego. The size of the container which is quite large and easy to move is an advantage in the development process in stages, but still meets the standard needs of hotel users.

### 3.3.2 Differentiation

Urban Merdeka Hotel managed by United Hotel Management is a container hotel located in the center of Bandung City, located on Jalan Merdeka Bandung. Although not the first hotel to use the container concept, Urban Merdeka still has its charm. every container is painted using bright bright colors and Instagenic. In addition, one container was only used for one room. Each room is also equipped with AC and LED TV to make your stay more comfortable. A bathroom with complete toiletries, hot water, and an exhaust fan is also provided to keep air circulating.

Urban Merdeka only provides one type of room with a size of 29.28 m<sup>2</sup> (2.4 m x 12.2 m). Even though it's not that wide, the bed provided is relatively large so it won't reduce comfort. Each room also has a terrace complete with chairs. As for public facilities outside the room, there is also a food court on the lower floor. Urban Merdeka container hotel prices are around Rp. 350.000, - per night.



**Figure 3. Exterior and Interior Photos of Urban Hotel**

Source: <https://www.pegipegi.com/travel/3-hotel-kontainer-di-bandung-bikin-meninap-lebih-seru/>

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The strategy used is the best value strategy by providing the same features as competitor hotels, but the price offered is relatively cheaper. In this case, the determination of container materials can have value in reducing building production costs, but on the other hand, it can be unique in terms of building material innovation for hotels at the same price.

### 3.3.2. Focus

At the beginning of the development plan, the owner targeted hotel consumers as small families and backpackers who were on a recreational trip to the city of Bandung, as well as those who were just stopping by to continue other trips. The determination of certain consumers is based on strategic location considerations, being around the center of shops & shopping activities, offices as well as snacks/culinary. Based on these considerations, Urban Hotel Merdeka does not provide special restaurant facilities for breakfast or dinner. Urban provides dining facilities through food tenants that are general and easily accessible to guests who are staying or not staying.

## 4. CONCLUSION

From the results of the analysis, considering the pandemic period at the beginning of the construction and the plan to operate the Urban Hotel, it contains a high risk if a full development (100%) is carried out, with concerns about the low number of hotel guests, so a business strategy is needed. The analysis shows that, based on the generic strategy, hotel designers apply cost leadership and differentiation strategies. In terms of cost leadership, it was concluded that construction with a model of 50% of the number of hotel rooms (12 rooms) out of 25 rooms, can be completed and operates with minimal risk compared to 100% or only 30% construction. The profit value and payback period for working capital, 50% model development is better than 30% model development.

On the other hand, the differentiation aspect that is applied includes innovation in the selection of building materials, facade processing, room size planning, and facilities provided, which affect the price offered to be cheaper than similar competitors. This can be utilized in targeting the urban millennial market segmentation with a limited budget. In facing the new normal era, hotel owners must adapt and take the necessary actions to ensure the success of their business. Applying generic strategies in hotel design, considering responsive factors such as cleanliness, health, and safety, and considering different design concepts, can help hotels remain relevant and attractive to consumers in the new normal era.

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