

## **4. CONCLUSION**

After the entire problems are described in previous chapter, the writer wants to conclude and thus answer the question of the problem.

The statement of the problem is:

### **“How the Management of Meliá Bali Villas & Spa Resort Survived from Crisis Caused by the Bomb Attack of 12 October 2002?”**

The reason of the decrease in occupancy rates in October is because of the bomb attack on the 12<sup>th</sup> of October 2002. Because of this Meliá Bali and maybe almost all hotels in Bali had the largest decrease in occupancy in the month November. Travel warning and fear were the reason for all the cancellations. December is the holiday month in Indonesia because of this the occupancy had increased. The war in Iraq and the outbreak of SARS (Severe Acute Respiratory Syndrome) are the reason for the slow increase in occupancy in the first quarter of 2003.

### **4.1. Safety and Security**

From the findings the writer can conclude that the safety and security department has been one of the important departments to focus on after the bomb attack. Almost all interviewed hotels made improvements in this department; the reason for this is that the tourists who come to Bali want to feel safe and secure. Meliá Bali Villas & Spa Resort has made many improvements in this department. The conclusion can be made that the safety and security issue had a high priority for this hotel.

Due to the good cooperation between the hotels in the Nusa Dua area the improvements for safety and security in Meliá Bali have achieved. The Nusa Dua area as a whole wanted to position it self as a safe and secure area for tourists. Another reason is that a lot of 5 star hotels and large hotels are situated in Nusa Dua. Large hotels are considered as a more possible terrorist target than a small or middle-sized hotel; therefore Meliá Bali as one of them has made many improvements in the safety and security department.

#### **4.2. Human Resources Management**

The Human Resource Department is another important department regarding the crisis. The hotel needed to make adjustments in this department to cope with the decrease of guests. In contrast with Western countries, the release of employees is one of the last steps to take during a crisis in Indonesia. In Bali it is inhuman to release employees immediately when a crisis occurs. Due to the low occupancy rates Meliá Bali had a large surplus of employees. So Meliá Bali chose to release their trainees and daily workers first. Along this crisis period, Meliá Bali did not release employees, did not cut salaries and did not use unpaid leave. Instead, Meliá Bali offered an early retirement program, with compensation of certain amount of salary. Human Resources department also organized some motivation activities for the employee.

#### **4.3. Sales and Marketing**

Because of travel warrants and fear in certain target markets sales and marketing department needed to change their target markets after the bomb attack. More hotels have targeted the Asian market after the bomb, especially the domestic market. They will continue traveling in their country without fear, the only disadvantage of this is there low average spend of money. To attract this target market a hotel is forced to make special low budget packages. Some free amenities were offered to attract foreign guests especially western. Low price are offered to Asian customer because they basically not too afraid to visit Indonesia as long as they have affordable price. Lowering price is not an effective way to attract western guests because their government has issued the travel warning. So they would never come although the hotel already cut the price.

#### **4.4. Cost Saving Actions**

To survive the crisis Meliá Bali used cost saving. Cost saving can be used as long as it isn't noticed by the guests and as long as it isn't effecting the level of service. A large hotel can focus on one part of the hotel and it is possible to close a wing, restaurant, bar etc. Another way was given training to employee about facilities that could be saved like electricity, water, etc.