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**Examining Crisis Navigation and Competitive Edge Maintenance Strategies: A Case Study of Martha Tilaar Spa**Nathania Sarah Indah Imanti<sup>1</sup>, Jerry Heikal<sup>2</sup><sup>1,2</sup>Magister Management, Bakrie University, Jakarta, IndonesiaE-mail : [nathsarah30@gmail.com](mailto:nathsarah30@gmail.com)<sup>1</sup>, [jerry.heikal@bakrie.ac.id](mailto:jerry.heikal@bakrie.ac.id)<sup>2</sup>

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**ABSTRACT**

*The purpose of the study was to examine the company's strategies in navigating the crisis and maintaining its competitive edge. While qualitative studies can employ a variety of methodologies, this study used the case study method, which is a well-recognized technique for addressing research issues and examining a phenomenon across time in a natural setting. The results revealed an 80% decline in revenue, prompting operational strategy changes and crisis management initiatives. Through SWOT analysis and business diversification, the company emphasized product differentiation and customer experience enhancement. Strategic shifts, such as multi-channel marketing and maintaining a familial atmosphere within the HRGA division, were implemented to address challenges while ensuring health protocols in operations. Martha Tilaar Spa successfully maintained its competitive advantage through innovation and adaptive strategies. Future research recommendations include exploring the long-term impacts of the pandemic on consumer behavior in the spa industry and assessing the effectiveness of crisis management strategies employed.*

*Keywords: Crisis Navigation, Competitive Edge Maintenance, Strategic Adaptation.*

**ABSTRAK**

Tujuan dari penelitian ini adalah untuk mengkaji strategi perusahaan dalam menavigasi krisis dan mempertahankan keunggulan kompetitifnya. Meskipun penelitian kualitatif dapat menggunakan beragam metodologi, penelitian ini menggunakan metode studi kasus, yang merupakan teknik yang dikenal luas untuk mengatasi permasalahan penelitian dan mengkaji fenomena sepanjang waktu dalam latar yang alami. Hasilnya menunjukkan penurunan pendapatan sebesar 80%, yang mendorong perubahan strategi operasional dan inisiatif manajemen krisis. Melalui analisis SWOT dan diversifikasi bisnis, perusahaan menekankan diferensiasi produk dan peningkatan pengalaman pelanggan. Pergeseran strategis, seperti pemasaran multi-channel dan menjaga suasana kekeluargaan di dalam divisi HRGA, diterapkan untuk mengatasi tantangan sekaligus memastikan protokol kesehatan dalam operasional. Martha Tilaar Spa berhasil mempertahankan keunggulan kompetitifnya melalui inovasi dan strategi adaptif. Rekomendasi penelitian di masa depan mencakup eksplorasi dampak jangka panjang pandemi terhadap perilaku konsumen di industri spa dan menilai efektivitas strategi manajemen krisis yang digunakan.

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**Kata Kunci:** Navigasi Krisis, Competitive Edge Maintenance, Adaptasi Strategis.

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**INTRODUCTION**

The past three years have been exceptionally challenging due to a global health and economic catastrophe precipitated by the COVID-19 pandemic, with nations and businesses struggling to adapt (Park, 2022). This pandemic disrupted the economic landscape and daily life, leading to unexpected challenges while necessitating responses to political, economic, social, and public health crises (Ge et al., 2022). The way that humans live has been drastically affected by COVID-19 (Al Halbusi et al., 2022). The majority of nations limited the spread of COVID-19 by enacting a number of policies, such as lockdowns, social distancing, and formal bans on the entry of foreigners (Nizamidou, 2023a). These policies decreased economic activity (Moosa & Merza, 2022), which had a negative impact on the world economy (Liu et al., 2022). Managers and staff members around the world were compelled to work from home. During lockdowns, remote working levels typically increased to an all-time high (Stocker et al., 2022), posing a number of difficulties for all stakeholders at the organizational, group, and individual levels. Workers needed to manage their worries and anxieties while yet being engaged (Nizamidou, 2023b). Emergencies and world economic crises have a negative impact on business organizations' strategic innovation as well as the unique elements of society (M. Huang et al., 2021; Yang et al., 2024). Public emergencies and the global health crisis drive

up the cost of acquiring raw materials, prevent workers from returning to their jobs, make it difficult for businesses to resume regular work schedules, and ultimately make it difficult for businesses to survive (Chebolu-Subramanian & Sundarraj, 2021; Gugler et al., 2020).

The COVID-19 pandemic has brought about devastating loss of human life globally, prompting widespread lockdowns and strict containment measures across nearly every country (Nguyen et al., 2023). These actions have led to a significant downturn in economic output and supply chain operations, alongside increased expenses in international transactions, and numerous businesses facing permanent closure (Beamish & Hasse, 2022). The unique nature of this pandemic as a rare and non-ergodic event, subjecting international businesses to rigorous resilience tests (Brodeur et al., 2021; Wenzel et al., 2021). It serves as a real-world case study for International Business literature to discern the crucial firm qualities or strategies essential for meeting the extraordinary demands of a crisis (Beamish & Hasse, 2022; Verbeke & Yuan, 2021). Additionally, the pandemic's multidimensional impact, beyond solely economic factors, underscores the trade-offs nations face between saving lives and preserving livelihoods (Pühr & Müllner, 2022). This diversity in national responses, both in adopted measures and their timing of implementation provides an ideal setting to explore the influence of business strategy on

company resilience during challenging times (Hale et al., 2020).

External shocks and changes in market conditions affect management practices such as crisis management (Firfiray & Gomez-Mejia, 2021). It is unclear how COVID-19 impacts crisis management practices in the hospitality and wellness industries. This unanswered question in the academic literature highlights the novelty of the crisis management topic in the hospitality and wellness industries in the context of COVID-19 (Nguyen et al., 2023). Relying on a case study, this research aims to address this research gap. Using Martha Tilaar Spa as a case study, this study aims to answer the following research questions: How business strategies are designed by Martha Tilaar Spa? How does the COVID-19 crisis affect the business strategies of Martha Tilaar Spa? The findings of this study contribute to the literature in several ways. First, the study provides insights into crisis management strategies adopted by companies in the hospitality and wellness sectors in Indonesia, as well as how these companies address and manage risks. Second, the study explains how the COVID-19 crisis affects business strategies of companies. The companies investigated in our study exhibit an increased reliance on crisis management strategies during the COVID-19 pandemic, contributing to greater risk awareness and resilience during times of crisis. The impact of external forces and market conditions on strategic management in the hospitality and wellness industries is rarely researched in the literature. This study contributes to the management literature by demonstrating modifications in crisis management and the interaction between business strategies

associated with changing external conditions.

## LITERATURE REVIEW

Organizations must possess resilience in order to weather any kind of catastrophe, including man-made and natural ones (Michenka & Marx, 2023). Crisis planning and preparedness are essential to crisis management and can improve organizational recovery with the least amount of harm to the organization's financial sustainability, reputation, and image (Abbas, 2021). Companies that have a crisis management strategy are proactive in their approach to crisis management and are trained to handle various crisis situations and types (Nizamidou & Vouzas, 2020). Compared to businesses that have taken a reactive approach to crisis management, these ones have a greater level of crisis awareness and readiness. Additionally, they regularly examine their corporate culture to identify any values that can obstruct efficient crisis management. Reactive organizations waste time during a crisis, and judgments made quickly under duress are typically not the best ones (Rodrigues et al., 2021).

Organizations worldwide, particularly in the midst of COVID-19, have to make the most of the skills that their employees possess in addition to all available resources, creativity, and resilience in order to remain proactive and energetic and create new business models that will help them survive the pandemic (Abbas et al., 2023; Wang & Abbas, 2023). The development of many crisis scenarios and consideration of a wider range of unforeseen occurrences or even crises that the first crisis may spark are important components of the crisis management strategy (Nizamidou & Vouzas, 2021). Business resilience encompasses the capacity, actions, and understanding required to pursue sustainability in business

operations following a crisis (Bachtiar et al., 2023). Furthermore, they contend that adopting strategies like open innovation, creative marketing initiatives, and effective leadership can foster dynamic growth and ultimately lead to successful business sustainability (Aldianto et al., 2021). Seizing opportunities that arise during a crisis can be beneficial for fostering business growth amidst challenging circumstances (Yun et al., 2020). The literature examines how disaster, hardship, failure, and uncertainty might lead to organizational resilience (Korber & McNaughton, 2018). In order to handle unforeseen circumstances and emergencies, organizations must build a resilience capacity. This can be achieved by conceptualizing organizational resilience as a meta-capability and viewing resilience as a process requiring stages such as activation, response, and organizational learning (Duchek, 2020).

In business crisis management, there's a focus on recovering the internally generated liquidity flows, which entails implementing more efficient financial strategies to tackle significant external shocks like COVID-19 (Rodrigues et al., 2021). This recent study aims to determine the types of businesses that have been increasing their cash reserves prior to Covid-19, serving as an indication of which businesses are most vulnerable if the lockdown persists for an extended period (Bachtiar et al., 2023). The findings reveal that only 39% of businesses were enhancing their cash reserves leading up to Covid-19, implying that 61% of businesses are potentially at risk of facing cash shortages, with 8.6% having no retained earnings whatsoever (Cowling et al., 2020).

## **RESULTS METHODS**

This study used an inductive qualitative approach, which is seen to be an appropriate

technique for examining the attitudes, feelings, opinions, and behaviors of respondents (Yin, 2018). The research process is a reflection of an interpretivist paradigm that makes it easier to comprehend a phenomenon's complexity in relation to its particular environment (Creswell & Poth, 2018). While qualitative studies can employ a variety of methodologies, this study used the case study method, which is a well-recognized technique for addressing research issues and examining a phenomenon across time in a natural setting. In an effort to understand the significance of the behaviors, surroundings, and experiences of the informants, observations and interviews were chosen.

## **RESULTS AND DISCUSSION**

### **Business Conditions During the COVID-19 Pandemic**

The business condition of Martha Tilaar Spa during the COVID-19 pandemic was significantly impacted, as with many other businesses in the hospitality and wellness industries. Due to lockdowns, travel restrictions, and health concerns, Martha Tilaar Spa experienced a drastic decline in customer traffic and revenue. With fewer people traveling and seeking leisure activities, the demand for spa services decreased substantially. The implementation of social distancing measures and hygiene protocols further affected operations, as it limited the number of customers served and required additional resources for sanitation and safety measures. Despite these challenges, Martha Tilaar Spa adapted its business strategies to survive during the pandemic. This included offering special promotions, introducing new services such as

virtual consultations or home spa kits, and implementing strict health protocols to reassure customers of their safety. Additionally, the spa may have explored alternative revenue streams, such as selling beauty products online or partnering with local businesses for joint promotions. Martha Tilaar Spa faced significant challenges during the COVID-19 pandemic but demonstrated resilience and adaptability in navigating through the crisis.

| STRENGTH   | WEAKNESS  |
|--|---|
| Martha Tilaar Spa innovates in collaboration with group companies to produce and sell new equipment and products such as health supplements with existing manufacturers  | The transfer of work functions for therapists and staff from a spa business to a factory is a common thing so it is quite a big challenge for companies.                                    |
| OPPORTUNITY  | THREAT  |
| Government regulations (PPKM & PSBB) which mean there is no physical business contact have made Martha Tilaar Spa creative in selling retail products flexibly, namely online and delivery directly to the customer's home | With government regulations (PPKM & PSBB) to close the entertainment industry, one of which is the spa business, Martha Tilaar Spa had to close during the pandemic and not operate at all. |

**Figure 1 SWOT Analysis of Martha Tilaar Spa During the Pandemic**

Martha Tilaar Spa exhibits strength through its innovative collaborations with group companies to introduce new equipment and products, including health supplements, enhancing its product range and revenue potential. However, the transfer of work functions for therapists and staff from a spa business to a factory presents a notable weakness, posing challenges in operational adjustments and workforce management. Despite this, the company capitalizes on opportunities created by government regulations like PPKM and PSBB, leveraging flexible retail strategies such as online sales and home delivery services to sustain customer engagement and revenue streams amid restrictions on physical interactions. Nevertheless, these regulations also constitute a significant threat, particularly the closure of the entertainment industry including spas during the pandemic, resulting in revenue loss and operational constraints that endanger the company's financial stability and future prospects. Through strategic management, Martha Tilaar Spa can explore product differentiation potential and capitalize on opportunities in the health sector to address business challenges during the pandemic (Hitt et al., 2020).

Proactive strategic management practices aimed at addressing crises, such as adapting business models, increasing investment in innovation and employee development, and pivoting, have been observed to enhance resilience more effectively than defensive approaches (Klyver & Nielsen, 2021; Osiyevskyy et al., 2020). Interestingly, despite evidence supporting proactive strategies, many businesses tend to adopt defensive stances during crises, relying on past experiences and

reducing innovative initiatives (Lim et al., 2020; Rodrigues et al., 2021).

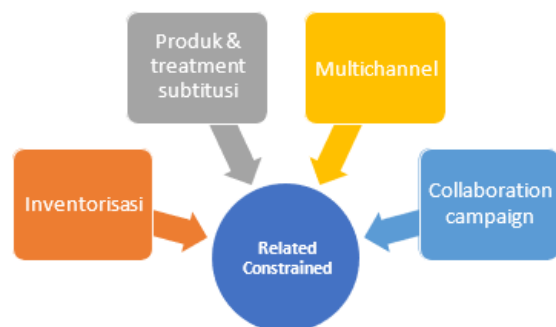


**Figure 2 Business Strategy Level of Martha Tilaar Spa During the Pandemic**

Martha Tilaar Spa demonstrated agility and resilience in responding to the challenges posed by the COVID-19 pandemic through innovative strategies. By developing new health products and introducing Home-Care services, the company adapted to the evolving market demands and restrictions on physical interactions. Despite the closure of some Martha Tilaar Spa outlets in compliance with government regulations, selected franchise outlets continued to operate with limited services, ensuring continuity and accessibility for customers. Throughout this period, the company remained committed to its core values, including the promotion of Indonesian culture, women's empowerment, innovation, and local market readiness for global competition. Moreover, the diversification of the spa business to related sectors within the Martha Tilaar Group showcased strategic foresight, aimed at bolstering resilience against the pandemic's adverse effects and ensuring long-term sustainability. This proactive approach not only helped Martha Tilaar Spa navigate through the crisis but also positioned the company for future growth and adaptation in the evolving business landscape.

Resilience is defined as the ability to adjust and manage effectively within an

unpredictable and demanding context (W. Huang et al., 2020). Resilience involves demonstrating an organization's capability and aptitude to overcome external pressures, ensuring the sustained operation and viability of businesses while simultaneously pursuing business renewal and reorientation (Muyuni & Phiri, 2024).



**Figure 3 Corporate Strategy Level of Martha Tilaar Spa**

During the COVID-19 pandemic, Martha Tilaar Spa implemented effective strategic measures. Firstly, the company conducted an inventory of existing raw materials and products, enabling innovation without additional investment. Secondly, they sought affordable product and treatment substitutes in response to operational constraints and demand fluctuations. Thirdly, they engaged in online sales through multi-channel platforms, utilizing social media and e-commerce, and provided online training. Fourthly, they launched a collaboration campaign with Kamalika Artprints to continue contributing and maintaining engagement amid the pandemic. These steps demonstrate Martha Tilaar Spa's responsiveness and adaptability in addressing unforeseen external challenges.

The external environment of Martha Tilaar Spa encompasses segments such as

demographics, economics, politics/legal, social/cultural, technology, sustainable physical environment, and global factors. Focusing on the demographic segment reveals Martha Tilaar Spa's target consumers from various age and gender groups, as well as diverse geographical areas including domestic tourists and various community groups. The economic segment highlights the impact of consumer purchasing power on the company during the pandemic. In the political/legal segment, Martha Tilaar Spa adheres to government rules and regulations during the pandemic. The social/cultural segment emphasizes the company's values, such as women's empowerment and employee protection during crises. The technology segment highlights the utilization of innovation and technology in production and marketing processes. The sustainable physical environment segment indicates the company's efforts to preserve the environment by producing environmentally friendly products. The global segment includes the company's international expansion. A deep understanding of this external environment enables Martha Tilaar Spa to formulate responsive and adaptive business strategies.

Martha Tilaar Spa maintains its competitive advantage by focusing on producing products that support the health and refreshment of society, even during the pandemic. The Competitive Rivalry strategy involves understanding the company's position among its competitors. Martha Tilaar Spa creates unique packaging, raw materials, promotions, and distribution strategies, allowing its products to compete with attractions favored by many. Amid competition in the Indonesian spa industry,

Martha Tilaar Spa, as a pioneer and market leader, leverages innovative treatments and marketing techniques that successfully secure a superior position in the eyes of customers and potential franchisees. Crisis management becomes crucial in facing challenges, with Martha Tilaar Spa implementing effective planning and organization, even during the COVID-19 pandemic, to maintain business continuity and address sudden changes. Management functions such as planning and organizing prove to be crucial in maintaining company stability.

In the organizational structure of Martha Tilaar Spa, the five divisions led by Chief Executive Officer Wulan Tilaar play key roles. The HRGA Division, under Agnes Anggraini, handles human resources empowerment. The Marketing Division, led by Perry Andiani, is responsible for business development and marketing. The Operational Division, headed by Lonny Listiani, manages manufacturing, budgeting, and relations with franchisees and suppliers. The Finance Division, under Caroline Tan, plans finances and manages product stocks. The Architectural Division, led by Fx Dwi, provides interior design. Periodic evaluations are conducted to monitor business progress and provide employees with opportunities to voice their ideas. In facing crises such as the COVID-19 pandemic, the company conducts strategic evaluations and resource inventories to formulate strategies according to market needs.

Martha Tilaar Spa has faced an unpredictable crisis, namely the COVID-19 pandemic. Wulan Tilaar, the CEO, describes it as a test without a clear reference. In response to the crisis, the company conducts

resource mapping and inventory to formulate strategies according to market needs. Fink classifies pandemic crises like COVID-19 as events that attack humans, similar to diseases. The pandemic has significantly impacted the spa business, including Martha Tilaar Spa, which experienced an 80% decline in revenue. PT Marthina Berto Tbk., as the main supplier, also experienced a decrease in net profit. This crisis follows stages of development, from a vague prodromal stage to an acute stage with operational closures of spa businesses due to PSBB in DKI Jakarta, leading to a significant revenue decline (Tilaar, 2022).

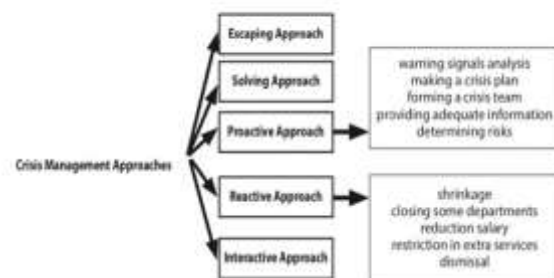


**Figure 4 Net Profit of Martha Tilaar Spa 2019-2021**

After a year and a half of the pandemic, many spas and entertainment businesses have gone bankrupt. Numerous business outlets, including spas, have closed down, and their assets have been sold off. The pandemic has caused financial problems, difficulties in paying rent, and other needs. However, Martha Tilaar Spa has taken a simple approach to crisis management. By selling various products such as ginger and lemongrass, the company has managed to increase its income. Wulan Tilaar, the CEO of Martha Tilaar Spa, acknowledges that this "conventional" selling approach has helped

the company survive and overcome financial difficulties. Despite the impact on revenue, the company has conducted internal inventories to find new opportunities. During the pandemic, Martha Tilaar Spa experienced an 80% decline in revenue, but with the right strategies, the company has managed to survive and gradually recover over time. What Martha Tilaar Spa faced was a crisis during the pandemic, causing their revenue to decline by 80%, and they are currently experiencing a slight increase. This recovery is the result of the efforts or strategies the company has implemented in response to the crisis. Moreover, Martha Tilaar Spa is a major player in this business.

**Figure 4 | Crisis management approaches by Sahin et al.**



**Figure 5 Crisis Management Approaches**

Martha Tilaar Spa navigated the crisis by employing crisis management approach, particularly the Reactive Approach. Short-term measures included production and employee reductions, as well as financial evaluation actions (Vašíčková, 2020). Despite the risks involved, these measures were considered proactive steps in the financial context. The company conducted internal mapping and monitored market opportunities, making the Reactive Approach a suitable strategy for addressing uncertainty. In crisis management, steps such as crisis identification, crisis analysis, crisis isolation, recovery strategy, and control program



implementation were carried out to minimize crisis impact through internal and external coordination (Vašíčková, 2020). This approach enabled Martha Tilaar Spa to make quick decisions and adapt to changes in line with the applied crisis management theory.

Martha Tilaar Spa tackled the crisis through several stages reflecting crisis management approach. The pre-crisis phase involved prevention, prediction, and preparation efforts, although the COVID-19 pandemic was considered difficult to predict. In the crisis onset phase, crisis signs became evident, and organizations like Martha Tilaar Spa responded by reducing production and facing declining consumer purchasing power. As the crisis peaked, tactical responses included implementing new policies and health precautions at Martha Tilaar Spa. Post-crisis, organizations strive to return to normalcy, and Martha Tilaar Spa reopened outlets with strict health protocols and sought innovations to boost revenue. This crisis management process illustrates the importance of learning from crises to prepare for the future (Pharaoh & Visser, 2024).

Figure 1 – Adapting the disaster management cycle



Figure 6 Disaster Management Cycle

Kilhoffer (2021) identifies the crisis management cycle, including preparedness, response, and recovery. Martha Tilaar Spa responded to the COVID-19 pandemic with preparedness involving risk assessment and

coordination with Martha Tilaar Group. In the crisis response phase, the company took effective steps, such as strategic changes and functional shifts, with a focus on staff protection. In the recovery phase, Martha Tilaar Spa learned from the crisis experience, enhanced preparedness, and adapted to quality wellness tourism trends. They participated in the IWTCF 2022 event, reflecting involvement in the recovery of the wellness tourism industry noted by the Indonesian government. As a player in the wellness industry, the company is poised to seize opportunities from shifting trends and enhance its presence in the post-pandemic recovery era (Vašíčková, 2020).

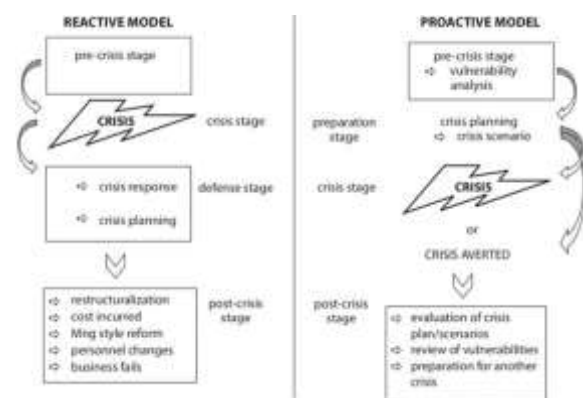


Figure 7 Issues and Crisis Management Relational Model

Crisis management needs to emphasize proactive actions, unlike a reactive approach that focuses more on crisis identification and handling (Abdalla et al., 2021). Crisis management is a systematic process aimed at identifying and effectively managing potential crises to minimize their negative impact on an organization's objectives and survival (Iftikhar et al., 2023). Crises like the COVID-19 pandemic may be difficult to avoid, but companies like Martha Tilaar Spa can take proactive steps in responding to and

dealing with crises. While pandemics are rare occurrences, this company has become a reference in formulating cleanliness, health, safety, and environment for the spa business. The difference between reactive and proactive approaches is evident in Martha Tilaar Spa's actions, which initially faced the crisis with a reactive response, but with good planning and response, the company can face future crises, including in the financial sector.

The Human Resource and General Affairs (HRGA) division is an essential part of any company, focusing on development management and administrative needs. At Martha Tilaar Spa, HRGA, also known as Human Capital, underwent significant changes during the COVID-19 pandemic. Despite facing limitations, this division still strives to its fullest potential by following the HC Framework. During the pandemic, HRGA underwent restructuring, adapting to WFH, and taking aggressive steps to sustain the company. Some functions such as recruitment management and employee development underwent adjustments. In terms of development, the company relocated employees to other units to remain productive. Performance management was conducted by retaining employees who are the backbone of the company. Efforts were also made to motivate employees through weekly Zoom sessions and transparent communication via internal memos. The company's familial culture remained strong, and HRGA played a crucial role in maintaining employee motivation and well-being during the crisis. Despite implementing efficiency measures, Martha Tilaar Spa emphasizes the importance of supporting each other to sustain the company's continuity.

According to Kotler and Armstrong, marketing management involves individual or group efforts to achieve profits and establish positive relationships with customers through various beneficial ways for the company (Priansa, 2017). The marketing division at Martha Tilaar Spa, known as the Business Development Division, focuses on franchise and joint venture search as well as marketing communications, including collaborations, social media management, media relations, and outlet publications. The COVID-19 pandemic brought changes to the company's marketing strategy, especially concerning Martha Tilaar Spa. In the context of The 4P (Product, Price, Place, Promotion), Martha Tilaar Spa innovated its products such as hand sanitizers and inhalations, as well as adjusted prices with discounts and bundling. Distribution is organized with Home-Care services and Pop-Up Salon & Spa at offices. Promotion is carried out through social media, e-commerce, and collaborations to reach the right market (Hoekstra & Leeftang, 2020). Marketing management is related to appropriate, planned, and adaptive communication strategies during the crisis, including scenario preparation, written responses to the media, audience identification, crisis team formation, and staff training (Kotler & Armstrong, 2021).

Operational management is the core business arrangement effort to run processes accurately, effectively, and optimally. The process of transforming inputs into outputs is the essence of operational management, involving tangible actions that produce valuable goods and services (Labibah et al., 2024). At Martha Tilaar Spa, the Operational Division involves manufacturing, purchasing

retail products for spas, and setting up new outlets. The COVID-19 pandemic significantly impacted the company's operations, especially regarding franchise outlets and declining purchasing power. Despite no production of goods, the operational division liaises with suppliers, the parent company, and franchises. Adjustments were made with the implementation of pandemic-related SOPs, such as SWAB tests, disinfection, and strict health protocols. The operational division is also involved in opening new outlets with the application of operational management concepts to achieve the company's long-term goals. The arrangement of transforming inputs into outputs is done through SOP updates and adjustments to external changes, including pandemic-related adjustments and operational strategies during the crisis (Patrinley et al., 2020).

Financial management at Martha Tilaar Spa is crucial in regulating the inflow and outflow of funds, including cash flow, advances, payroll, and invoices. During the pandemic, the company's cash flow experienced a drastic decrease, with sales declining by up to 80%. The financial division had to make crucial decisions regarding supplier payments, purchasing goods, and other expenses. In financial management, there are three main decisions: investment, financing, and asset management (Aljughaiman et al., 2023). Martha Tilaar Spa focuses on responsive and recovery decisions in facing the pandemic. Salary, tax, and supplier payments were deferred, while external funding was avoided. The financial division implemented salary cuts and sought substitute goods to maintain cash flow. Responsive components were implemented

by leveraging regulations that provided relief and deferred payments. For recovery, the company focuses on gradually repaying debt installments, showing signs of economic improvement with the reopening of spa businesses. Courage and decisiveness in decision-making are key in facing financial uncertainty. Although not fully recovered, there are active efforts to increase revenue and manage finances wisely (Chang et al., 2020).

The study examines Martha Tilaar Spa's journey as a prominent figure in Indonesia's health and beauty sector, boasting more than 85 outlets. The COVID-19 pandemic has profoundly affected the spa industry, leading to an 80% drop in revenue and prompting changes in operational strategies. Martha Tilaar Spa encountered a crisis, navigating through prodromal, acute, chronic, and resolution phases. Crisis management focused on internal factors, covering financial, organizational, physical, technological, human resources, innovation, and reputation management. Various crisis management theories were applied, including SWOT analysis and division-specific strategies. The adopted approaches emphasized product differentiation and enhancing customer experiences through exceptional service. To address the pandemic-induced crisis, Martha Tilaar Spa implemented crisis management tactics such as SWOT analysis and business diversification while upholding corporate values. Corporate and business strategies involved product innovation, multi-channel marketing, and collaborations. The HRGA division maintained a familial atmosphere, while the Marketing division adjusted its offerings and pricing. Operations prioritized

health protocols and support for franchise partners, and the Finance division tackled challenges through salary reductions and financial streamlining. Ultimately, the company effectively preserved its competitive edge through innovation and adaptable strategies during the crisis.

## CONCLUSION AND SUGGESTION

### Conclusion

The study sheds light on Martha Tilaar Spa's resilience and adaptability in the face of the unprecedented challenges posed by the COVID-19 pandemic. Despite experiencing a significant downturn in revenue, Martha Tilaar Spa navigated through the crisis with strategic agility and a steadfast commitment to internal crisis management principles. By employing a diverse range of crisis management theories and tools, such as SWOT analysis, the company was able to devise effective business and corporate-level strategies tailored to address various operational and market challenges. Through a focus on product differentiation, customer experience enhancement, business diversification, and prudent financial management, Martha Tilaar Spa not only weathered the storm but also emerged stronger and more resilient. Moving forward, the lessons learned from this experience will undoubtedly serve as a valuable blueprint for navigating future uncertainties and ensuring sustained success in the ever-evolving landscape of the health and beauty industry.

### Suggestion

For the company, it is recommended to continue investing in digitalization and online platforms to diversify revenue streams and reach customers beyond physical outlets.

Emphasizing health and safety protocols will also be crucial to reassure customers and maintain their trust. Additionally, fostering agility and adaptability in business operations will help navigate uncertainties in the future. It is recommended that future research explore the long-term impacts of the pandemic on consumer behavior and preferences within the spa and wellness industry. Additionally, investigating the effectiveness of specific crisis management strategies employed by Martha Tilaar Spa, as well as their applicability to other businesses in the industry, could provide valuable insights for enhancing organizational resilience and preparedness in the face of future crises.

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