

**CRITICAL MANAGEMENT IN THE EVENTS OF INTERNATIONAL  
ORGANIZATION: MITIGATING HOTEL PRICE INCREASE OF 2024 MOTOGP**

**MANAJEMEN KRITIS DALAM ACARA ORGANISASI INTERNASIONAL:  
MEMITIGASI KENAIKAN HARGA HOTEL PADA MOTOGP 2024**

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**ABSTRACT**

*Since Mandalika began hosting the MotoGP in 2022, the event has drawn a large number of visitors from various regions, showcasing significant potential for the local tourism industry. However, this success has been accompanied by challenges, particularly regarding hotel room rates that have far exceeded the limits established by the Governor of West Nusa Tenggara's Regulation Number 9 of 2022, with prices rising as much as six to seven times. This steep increase has led to numerous complaints on social media, making it difficult for many attendees to find affordable accommodations. This study analyzes crisis management strategies related to hotel pricing in Mandalika during the 2024 MotoGP event, based on Coombs and Holladay's crisis management theory, which includes three stages: pre-crisis, crisis, and post-crisis. The research follows a qualitative, case-study approach, using in-depth interviews with the Head of the Tourism Office as a key source of information. The results indicate that in the crisis stage, the sharp rise in hotel room prices—up to six to seven times the usual rates—caused significant public dissatisfaction on social media, emphasizing the need for regulatory review and stronger government action. In the post-crisis stage, this study suggests improved coordination between the government and hotel associations and recommends that visitors consider accommodations outside of Mandalika to reduce reliance on high-priced options. In conclusion, the study proposes stricter monitoring of hotel prices and increased collaboration across sectors to help maintain Mandalika positive image as a host for international events.*

**Keywords:** Public Relations, Crisis Management, Mass Communication.

**ABSTRAK**

Sejak Mandalika menjadi tuan rumah MotoGP pada tahun 2022, acara ini telah menarik banyak pengunjung dari berbagai daerah, dan menunjukkan potensi yang signifikan bagi industri pariwisata lokal. Namun, kesuksesan ini diiringi dengan berbagai tantangan, terutama terkait tarif kamar hotel yang telah jauh melampaui batas yang ditetapkan oleh Peraturan Gubernur Nusa Tenggara Barat Nomor 9 Tahun 2022, dengan kenaikan harga hingga enam hingga tujuh kali lipat. Kenaikan yang tajam ini menimbulkan banyak keluhan di media sosial, sehingga menyulitkan banyak peserta yang hadir untuk menemukan akomodasi yang terjangkau. Penelitian ini menganalisis strategi manajemen krisis terkait penetapan harga hotel di Mandalika selama perhelatan MotoGP 2024, berdasarkan teori manajemen krisis Coombs dan Holladay, yang meliputi tiga tahap: pra-krisis, krisis, dan pascakrisis. Penelitian ini menggunakan pendekatan kualitatif studi kasus, dengan menggunakan wawancara mendalam dengan Kepala Dinas Pariwisata sebagai sumber informasi utama. Hasil penelitian menunjukkan bahwa pada tahap krisis, kenaikan tajam harga kamar hotel - hingga enam hingga tujuh kali lipat dari harga normal - menyebabkan ketidakpuasan publik yang signifikan di media sosial, sehingga menekankan perlunya peninjauan ulang peraturan dan tindakan pemerintah yang lebih kuat. Pada tahap pasca krisis, studi ini menyarankan peningkatan koordinasi antara pemerintah dan asosiasi hotel dan merekomendasikan agar pengunjung mempertimbangkan akomodasi di luar Mandalika untuk mengurangi ketergantungan pada opsi harga tinggi. Sebagai kesimpulan, studi ini mengusulkan pemantauan yang lebih ketat terhadap harga hotel dan peningkatan kolaborasi lintas sektoral untuk membantu menjaga citra positif Mandalika sebagai tuan rumah untuk acara-acara internasional.

**Kata Kunci:** Hubungan Masyarakat, Manajemen Krisis, Komunikasi Massa.

**INTRODUCTION**

Indonesia's tourism business is often the topic of discussion. As a

maritime country with various natural, cultural and culinary destinations, Indonesia has great potential to

capitalise on tourism. According to a United Nations World Tourism Organization (UNWTO) report, the tourism industry significantly contributes 9% of the world's total GDP. Based on this, the Indonesian government is taking various steps to develop sustainable tourism. An example of a government project in tourism development in Indonesia is the Five Super Priority Destinations (5DSP) project. One of these destinations is Lake Toba in North Sumatra, Borobudur Temple in Central Java, Mandalika in West Nusa Tenggara, Labuan Bajo in East Nusa Tenggara, and Likupang in North Sulawesi (Ramadhan & Kusumah, 2022). One of the 5DSP projects that has successfully carried out tourism development is Mandalika. Mandalika Special Economic Zone (SEZ) is located in Central Lombok Regency. This district is one of the level II regions in West Nusa Tenggara Province with the capital city of Praya and has an area of 1,208.39 km<sup>2</sup> (Iswandi, 2024). Mandalika was developed with the concept of environmentally sound tourism, where the development of tourist objects and attractions focuses on preserving the value and quality of the environment in the community.

One of the events that attracts great attention in the Mandalika SEZ is MotoGP, a motorbike racing championship organised on a circuit based on the Federation Internationale de Motocyclisme (FIM) regulations. Since the beginning of the 20th century, various independent motorbike racing championships have taken place, and some of them use the name Grand Prix to signify a prestigious championship. The FIM, formed in 1949, serves as the governing body that sets the global rules for motorbike

racing, making MotoGP the oldest official world championship in motorbike racing history. The Mandalika circuit officially hosts its first MotoGP on 19-20 March 2022. This moment is particularly historic for Indonesia, as it returns to hosting international events after last holding MotoGP at Sentul Circuit, Bogor, in 1996 and 1997. The organisation of MotoGP in Mandalika is handled by the Mandalika Grand Prix Association (MGPA), which is part of the ITDC business unit. MGPA focuses on managing and operating the Mandalika Circuit, including organising motorbike racing events and various international entertainment events.

Crisis management is important in maintaining an organisation's image, increasing audience engagement, and strengthening public trust, especially in situations that can damage reputation, such as international events. The Mandalika 2024 MotoGP, as one of the events with a major economic impact, also creates high expectations from the public regarding the quality of the experience provided. However, behind the popularity and enthusiasm for the event, there are significant challenges in crisis management. One crucial issue was the uncontrolled increase in hotel prices during the event. This price increase not only has the potential to decrease visitor interest but can also jeopardise the image and sustainability of the event in the future. Therefore, understanding and implementing effective crisis management is crucial to minimise negative impacts and maintain the Mandalika MotoGP event's reputation in the public's eyes.

Previous studies have explored various aspects of crisis management in managing major events. For example, (Muhammad et al., 2021) highlighted the need for risk identification and

evaluation in the context of large events, while Alkhair (2023) emphasised the importance of mitigation strategies to prevent unwanted incidents. However, most of these studies have not specifically addressed the impact of hotel price increases as a risk factor affecting the event's success. Thus, this study offers novelty by focusing on the relationship between crisis management and the economic impact of international events. The main objective of this research is to identify and analyse effective crisis management strategies in mitigating the impact of rising hotel prices during the Mandalika 2024 MotoGP. This research is expected to provide practical recommendations for organisers in managing crises at future international events. Organisations can take proactive measures to maintain the event's reputation, increase visitor satisfaction, and ensure event sustainability by understanding the risks associated with rising hotel prices. The right crisis management strategy will help anticipate and mitigate potential negative impacts so that the visitor experience is maintained and the destination image remains positive in the eyes of the public.

## METHODS

This research uses a constructivist paradigm, which means that the main focus is to deeply understand how crisis management occurs due to the surge in hotel prices during the MotoGP in Mandalika in 2024. According to Creswell (2015), this approach assumes that people seek to understand the world around them based on their experiences. Thus, the understanding and meaning of this situation are expected to be derived from the interactions and experiences the visitors had during the event.

**Table 1. Research Unit Of Analysis**

Unit of Analysis	Indicators	Definition
Crisis Management Coombs & Holladay (2010)	Pre-Crisis	The steps taken include gathering comprehensive information about the potential crisis, determining the response when the crisis occurs, and determining the strategy.
	Crisis	Interact with the media to disseminate information. Respond to crises with fast, accurate, transparent and consistent responses.
	Post-Crisis	Evaluate and use the crisis as a lesson for the future to improve and deliver the messages needed after the crisis has passed.

The data collection method in this study was carried out in two ways: interviews and observations. Interviews were conducted directly by the researcher with the resource person, who in this case is the Head of the West Nusa Tenggara Tourism Office. This question-and-answer process aims to gather in-depth information about the crisis management in handling the surge in hotel accommodation prices during the 2024 MotoGP event. The data obtained from the interviews will be interpreted to generate a deeper understanding of the research context and to relate the findings to the topic under study.

In addition to interviews, observation is also a data collection method. In this study, the researcher observed the object of research, namely the situation of hotel accommodation in Mandalika during the MotoGP event. This observation involved collecting data and recording relevant information, focusing on understanding the dynamics of hotel room prices and the public's reaction to these changes.

According to Miles and Huberman (2017), data analysis in qualitative research consists of three stages. First, data reduction involves summarising and filtering data from interviews and observations to retain only important information about managing the accommodation price crisis. Second, data presentation

involves arranging the summarised data in a clear, easy-to-understand narrative to support the overall analysis. Finally, the conclusion presents the research results descriptively to provide an overview of crisis management and recommend future improvements.

## RESULTS AND DISCUSSION

Crisis management plays an important role in every organisation's dealing with various emergencies, such as natural disasters, scandals, or operational disruptions threatening the company's stability (Coombs & Holladay, 2010). Organisations risk huge losses in finances, reputation, and public trust without effective crisis management. By implementing good crisis management, organisations can respond to emergencies quickly and in a coordinated manner to minimise negative impacts (Luhukay, 2009a). Moreover, crisis management not only serves to deal with ongoing emergencies but also prepares the organisation to be more resilient in facing potential crises in the future. Thus, crisis management plays a role in building public trust while strengthening the organisation's image as an entity ready to face various challenges.

In crisis management, public relations (PR) becomes very strategic, especially in managing communication and maintaining the organisation's image and reputation amid difficult situations (Luhukay, 2009b). During a crisis, the PR team is responsible for developing transparent, consistent, and effective messages by adjusting information according to the needs of various stakeholders, including the public, customers, media, and internal organisations. Communications prepared by PR are expected to control negative perceptions, reduce

speculation, and provide appropriate clarification to prevent the crisis from developing into a worse one. At the beginning of a crisis, PR identifies the problem and assesses its potential impact, then designs a timely communication strategy so that the information received by the public is accurate and can prevent the emergence of rumours or misunderstandings (Yulianti & Boer, 2020).

PR is in charge of external communication and is responsible for maintaining effective internal communication by ensuring that all teams and employees get clear information to support crisis management efforts (Yulianti & Boer, 2020). After the crisis is resolved, PR continues restoring the organisation's reputation through media strategies and image reconstruction that may have been affected during the crisis. With the right communication strategy, PR plays a role in rebuilding public trust and strengthening the organisation's credibility in the long term while preparing the organisation for future crises through training and developing crisis response plans. Thus, the role of PR in crisis management is not only limited to crisis response but also includes efforts to build organisational resilience to face various potential crises in the future.

From the perspective of Coombs and Holladay (2010), crisis management is divided into three main stages: pre-crisis, crisis, and post-crisis. Each stage has specific objectives and approaches to deal with the crisis effectively, which aligns with PR's role in maintaining an organisation's image. In the pre-crisis stage, organisations must prepare by identifying potential risks, gathering information about possible crises, and developing a crisis

management plan, including appointing a trusted spokesperson who can communicate well (Widhara, 2023). This preparation is important so that the organisation can respond quickly and appropriately if a crisis does occur, as well as demonstrate the organisation's readiness to deal with a variety of potential threats.

At the crisis stage, when the crisis is already underway, organisations are expected to provide a rapid, transparent, and measured response to minimise the negative impact on their reputation and operations (Luhukay, 2009a). At this stage, consistency in message control is essential to avoid speculation and rumours that could worsen the situation and further damage the organisation's image. Once the crisis is resolved, the post-crisis stage focuses on evaluating and restoring the organisation's reputation, which may have been affected during the crisis (Widhara, 2023). This step allows the organisation to gain valuable lessons and identify aspects that must be refined in its crisis management plan (Luhukay, 2009a). In addition to evaluation, organisations must restore their image by providing further clarification and repairing relationships with affected stakeholders. Organisations can refine their crisis management plans by making improvements based on previous crisis experiences to improve preparedness for future crises. Thus, through effective crisis management, an organisation cannot only cope well with a crisis but also has the potential to repair and even enhance its reputation after the crisis.

### ***Explanation of the Case Study***

#### ***A. Hotel Room Price Increase***

The 2024 Mandalika MotoGP underscores the critical role of crisis management in handling international events, particularly in addressing the steep increase in hotel accommodation prices. While the MotoGP is a significant opportunity to enhance Indonesia's economy and tourism, it also poses challenges due to high demand. During the event, hotel rates around Mandalika surged 6-7 times higher than usual, prompting complaints and risking a negative image for the destination. To mitigate this, the West Nusa Tenggara government issued regulations limiting price increases to three times the norm during such events. This policy seeks to prevent excessive pricing that could deter tourists, as seen in prior events like the 2022 MotoGP. Despite these measures, enforcement remains a challenge, as many hotels disregard the price cap. A special task force involving the police and prosecutors was formed to address violations, but weak sanctions limit its effectiveness, raising concerns about sustaining tourism appeal.

Risk management, in this case, is carried out by the tourism office through intense coordination with tourism industry players and hotel associations and implementing a legal umbrella to limit price increases so as not to burden visitors too much. Based on the interview results, the government has established a governor's regulation to regulate price increases, where only up to three times the normal rate is allowed in certain areas, to avoid uncontrollable price increases as in previous years. Even so, there are still challenges in ensuring hoteliers comply with the regulation. As a precaution, the government has also formed a task force in collaboration with various parties,

including the police and the prosecutor's office, to surveil industry players who do not comply with the price regulation.

The crisis management strategy in this international event involved proactive communication with the public and the media. Clear socialisation of standard prices and the provision of alternative lodging outside Mandalika, such as in Mataram City, is an important part of maintaining visitor satisfaction. This effort is expected to maintain Mandalika's image as an affordable and sustainable tourist destination. In times of crisis, when hotel prices are soaring out of control, organisers must communicate transparently and responsively with the public and media. This is so that visitors understand the limitations of accommodation and the reasons behind the price increases. PR has a role in educating and defusing public complaints regarding prices by putting forward clear information about the situation on the ground, including the organisers' efforts to provide solutions. Given the limited number of hotel rooms in Mandalika, which is only around 2,500 units, organisers urge guests to consider accommodation outside Mandalika.

After the event, a thorough evaluation should be conducted to assess the impact of the price increase on visitor numbers and public perception. Based on the interviews, organisers must continue improving hotel cooperation to ensure that price regulations are properly implemented. Significant price increases could discourage tourists from returning, jeopardising the MotoGP's sustainability in Mandalika. Through continuous improvement and development of additional infrastructure, such as new hotels

around Mandalika, visitors will have more accommodation options at more competitive prices in the next MotoGP event. With a good crisis management strategy, the Mandalika MotoGP event has momentum for local tourism and can strengthen Mandalika's position as a sustainable international destination.

Through a systematic crisis management approach, various parties are expected to create an ecosystem conducive to the organisation of international events in Mandalika, including MotoGP. Regularly monitoring hotel prices and consistent enforcement of rules will not only maintain the stability of the regional tourism economy. However, it will also create a positive impression for domestic and foreign tourists. This is important considering that the Mandalika MotoGP is one of the long-term projects expected to continue contributing to the development of Indonesian tourism, especially NTB. It is also important to restore the destination's image post-crisis through an effective communication strategy, especially involving PR. Socialising the success of the event, price control efforts and the positive impact of the event on local communities can help strengthen positive public perceptions.

## ***B. Stages of Crisis Management according to Coombs & Holladay***

### **Pre-Crisis**

Based on the interview with the Head of the Tourism Office, it can be concluded that in the organisation of the MotoGP in Mandalika, the emerging crisis related to the uncontrolled increase in hotel prices could hurt reputation and visitor satisfaction. At this stage, the Head of Service emphasised that although hotel prices may increase during a major event such as the MotoGP, it is a major

issue that needs to be addressed immediately. One of the mitigation measures implemented is price control through Governor Regulation No. 09 of 2022, which limits the increase in accommodation prices to three times the normal price. Although this regulation is imperfect, it has significantly improved compared to the previous year and is expected to continue refining to avoid visitor complaints. The Head of Service also added that better coordination between local governments, hoteliers, and the media is needed to manage public perception and ensure that prices remain fair for all parties. With these measures, the negative impact of uncontrolled hotel price increases can be minimised, and tourism in Lombok will continue to grow sustainably.

However, at the crisis stage, problems related to high hotel prices remain a major issue that needs to be controlled. One of the solutions presented is to conduct clear and effective communication with the public through mass media and a more transparent booking system arrangement. The Head of Service also emphasised the importance of the role of the media in managing public perceptions related to rising hotel prices. With coordinated communication between the government, industry players, and the media, this issue can be minimised so as not to damage the overall reputation of Lombok tourism. In addition, risks arising from uncontrolled price increases, such as decreased tourist confidence and dissatisfaction with services, must be addressed immediately so as not to worsen the situation. In this case, managing media response is key to maintaining the tourism image and ensuring a positive experience for visitors. The Head of

Service also suggested that relevant parties continue to coordinate to ensure that the policies taken are well received and implemented by all parties, including the hospitality industry.

### **Crisis**

At this stage, the issue of significant hotel price increases during major events such as MotoGP needs to be addressed immediately to avoid negative impacts on Lombok's tourism reputation. The Head of the Department explained that although a governor's regulation exists to control prices, the price increases that occur are still not completely ideal. This shows that although regulations have been implemented, the rudimentary implementation still causes dissatisfaction among tourists. Therefore, the regulation must continue to be refined so that prices remain reasonable and support visitor comfort.

Local governments are trying to control communication with the public and tourists to address this issue, especially about soaring hotel prices. They endeavour to provide clear information regarding pricing policies and remind hoteliers of the importance of tourism sustainability. The Head of the Department also emphasised the important role of the media in managing the public response. With good communication between the government, industry players, and the media, this issue will likely be resolved and not damage Lombok's tourism image. Consistent message management is very important for the information conveyed to be timely and not add to the confusion.

In the future, regulatory updates and improved coordination between relevant parties are hoped to avoid crises such as hotel price spikes. One suggested measure is to expand the

accommodation capacity around Mandalika by constructing more hotels so that more visitors can afford to stay there.

### Post-Crisis

In the post-crisis stage of crisis management, the government's response to the impact of rising hotel prices during the Mandalika MotoGP focuses on evaluation and improvement to prevent similar problems in the future. The Head of the Tourism Office emphasised the importance of tourism sustainability in Lombok, which must continue to thrive despite challenges such as significant hotel price increases during major events. In this case, evaluation of existing policies is key to improving the situation and ensuring a better experience for visitors. It also shows that the government not only acted to respond to the crisis at the time but also sought to mitigate risks that could arise in the future.

The government is encouraging hoteliers to understand the importance of maintaining tourism sustainability by not just relying on big events like MotoGP. One of the concrete steps taken is to plan the construction of more hotels around Mandalika to anticipate an increase in visitors. With the availability of more rooms, a balance will be created between the needs of industry players and the comfort of visitors, supporting the positive reputation of Lombok tourism in the future. In the future, the government will also continue to improve regulations related to accommodation prices during major events to keep in mind the welfare of visitors without harming the tourism industry as a whole.

### CONCLUSIONS

This paper's main objective is to analyse effective crisis management strategies in the face of hotel price spikes during the Mandalika 2024 MotoGP event. The research shows that good crisis management can help maintain the event's reputation, increase visitor satisfaction, and provide practical recommendations for future organisers. Possible applications of this study's results include developing better mitigation strategies for other international events, with a focus on collaboration between the government and hotel associations to regulate accommodation prices more effectively. This can reduce the negative impact of uncontrolled price spikes and ensure a positive experience for visitors. Suggestions for future research include further studies on the long-term impact of crisis management on tourism destination image. Research could also explore other approaches to crisis management and involve visitors' perspectives to gain a more comprehensive understanding of their experiences during the event. Thus, future research is expected to provide deeper insights and applicability for managing major events in Indonesia and other countries.

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