An Anthology of Nusantara International Collaboration

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An Anthology of Nusantara International Collaboration

By: team members of Nusantara Wordwide Collaboration Project

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Editors: Dr. Liem Gai Sin, M.Bus (Adv)

Design Cover and Layout: Yohan

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Indonesia**

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A FOREWORD FROM THE EDITOR

The Anthology of International Collaboration is a peer-refereed academic journal of a new kind. The Anthology is the compilation of works of students from different universities who worked together in providing solutions, ideas or analysis for the companies. The Anthology book is dedicated to business people, academics or students who want to learn about the real-life challenges and issues that are faced by current companies.

Recently, many business people complained that university graduates do not have skills that are needed in current business. The issue is caused by the lack of applying theory into practice. To solve it, we provide students with international project, named as Nusantara Worldwide Collaboration Project. This project provides students with an opportunity to apply theory that they learned from classroom into practice and provide them with working experience with students from different countries and cultures. This challenge in the Nusantara Worldwide Collaboration Project is the real-life challenge that they will face when they work in the global environment.

I would like to thank many people who created the opportunity for the Anthology Book to be born and who made it happen. The list includes all current Editorial Board, the reviewer team, Lecturers who involved in the Nusantara Worldwide Project and many others. In particular, my greatest thanks are due to Mr. Slamet General Manager of Sahid Montana Hotel and all Sahid Montana Hotel Management.The last, but not the least my greatest thanks goes to Dewi Kristiana, B.Com, CFP the owner of Sahid Montana Hotel, who put a lot of her time and energy into this project , and became the supporter for the Nusantara Worldwide Collaboration project.

Dr. Liem Gai Sin, M.Bus (Adv)
The Coordinator of Nusantara Worldwide Project
Sydney- Australia
E-mail address: liemgaisin@nusantaraproject.org

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ENHANCING BUSINESS PERFORMANCE OF SAHID MONTANA HOTEL MALANG USING ONLINE REVIEWS

Mario Deskarlie
University of Padjadjaran

RahimaniahTitisDewanti
Heilbronn University

Victoria Kryuchkova
Haute ecole de gestionGeneve

PopyRufaidah, S.E., MBA., Ph.D.
University of Padjadjaran

Prof. Dr. Kathrin Köster
Heilbronn University, Germany

Supervisor (Lecturer)'s Name (member)
University/ Organization

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Executive Summary

The purpose of this report is to identify performance gaps of Sahid Montana Hotel in Malang and to propose the solutions in order to enhance company's performance and its profitability. Aspects like product and service quality as well as price and convenience continue to play an important role in a consumer's purchasing decision in hospitality industry. Based on interactions with company's management and online research, the performance gaps of Sahid Montana Hotel in Malang are identified using gaps model analysis from Zeithaml&Bitner. These findings will allow the company to acknowledge its challenges and opportunities on how the company can create growth and creating competitive advantages by closing its performance gaps and developing a new strategy. A new concept towards business improvement will be introduced and developed.

Keywords: gaps analysis, performance gaps, hotel industry, hospitality industry, online reviews, Indonesia, Sahid Hotel Malang

1 Introduction

In the last fifteen years, the digital era has come to reach people with knowledge and information. At the same time, the challenges for business owners and practitioners have significantly increased due to the online channel that has given people opportunities to market their product and services. Thus, business practitioners have to cope with the change and to adapt to the new environment.By expanding their business through internet, enormous potential target groups can be reached and recruited.

This report will analyze the Indonesian hotel of Sahid Montana Hotel and it will propose a possible solution to enhance company's performance and to create desired growth. Firstly, the company profile will be briefly described. Afterwards, basic concept of service management, gaps model analysis in service management and the current state of research in hospitality industry will be briefly explained. By having a basic understanding of service management and analyzing the current trend in hospitality or hotel industry, one could have a basic understanding of important factors in delivering a service and inexamining possible solutions to solve the problems based on current trends. The chapter afterwards will analyze the findings based on collected online reviews and the interview with the business owner. Furthermore, the chapter will also conclude the business environmental, gaps analysis in service management and SWOT analysis that will recognize the challenges that are being faced by the hotel. Finally, the analysis will be summarized and a solution will be proposed.

2 Company Profile

Continuing to grow in the last 20 years and employing over 100 staff, Sahid Montana is a hotel that is based in Malang, East Java, Indonesia. Asa part of hotel chain Sahid Group that has been expanding in the last 20 years throughout Indonesia, Sahid Hotel Malang operates as a wholly-owned entity.Sahid Montana Malang consists of Sahid Montana Malang (SHM1) and Sahid Montana Dua Malang (SHM2) (previously Griyadi Hotel).

Sahid Montana's Vision

To develop into a professional and capable hotel aiming to enhance creativity, innovation, productivity, proven highly qualified human resources and service conforming to international standard without neglecting the values and self-esteem of Indonesian culture.

Sahid Montana's Mission

- Improving a quality of products and a quality of services with an objective of giving satisfaction to consumers.
- Improving a quality of human resources to be skilled and has a capability to give the best service in order to satisfy customers professionally and proactively in encountering a change of people's demand that is increasingly sophisticated and a competitive environment.
- Accelerating the development of the Company to be a professional, productive and efficient company, which is superior in an increasingly competitive environment.
- Improving efforts of business development in the primary core business or the secondary core business to that it is capable to strengthening its superior position in the Indonesian economic activity in general and the Indonesian tourism industry specifically.
- Seeking financing resources that are more innovative and profitable to the company to financing the construction and development of business through a capital market, national and international financial institutes as well as making a cooperation with other parties in an effort to improve efficiency and productivity of the company.

Sahid Group's Organizational Structure

- Prof. DR. H. Sukamdani S. Gitosardjonoas President Commissioner
- Ny. Hj. JuliahSukamdanias Vice President Commissioner
- Dra. Hj. Sarwo B. WiryantiBudiwiryantiSukamdani, CHAas Vice President Commissioner acting as Daily Commissioner
- Muhammad Nurdin, SE as Independent Commissioner
- Prof. Dr. Ir. BudiartoSubroto DEA as Independent Commissioner concurrently as Head of the Audit Committee

Current Situation

Sahid Montana Malang has not fully adapted to the recent trend on online marketing and it has remained as a great challenge until today. The business situation has reached mature stage and therefore, a new wave of innovation is needed in order to enhance company's growth.

3 Methodology

The purpose of this project research is to analyze (a) the current outlook of Sahid Hotel Malang from macro and micro environmental point of views, (b) the current problems of SHM and how can the problems be analyzed, and (c) what actions/strategies are required to enhance company's performance and create growth.

This chapter describes (a) the research methodology of this paper, (b) the research procedure and (e) the analysis of the data, which is used to examine the results. Moreover, the limitations of this paper are explained.

Research Methodology

The qualitative method of interview was initially proposed. However, due to challenging time zones and time limitations, the interview was shifted into forms of essay questionnaires using Google Form that contains open-end questions that are similar to interview questions.

Research Procedure

Prior to the questionnaires, current state of research in service management and hotel industry were analyzed and analysis tools was chosen. Parallel to that, online research was conducted to gather findings for data analysis. The questionnaires were constructed based on literature review, analysis theories and the given research questions. Afterwards, the possible strategy will be developed based on the analysis and the current findings.

Data Analysis

MS Excel was used to collect the verbatim statements from online reviews in several online portals. The reviews are ranged from 2010 to 2015. After collecting the verbatim statements, coding system was used to classify the statements. By doing so, the positive and negative feedbacks of Sahid Malang Hotel couldbe identified. One statement of review can include several codes.

<u>Limitations</u>

The findings in this paper are limited due to limited information given by the company. The unanswered questions during the research project may lead to unrepresentative interpretations of the outcome. Further research is needed to confirm and extend the results of this paper. Flick (2009) suggests that a research in form of interview should be combined with other methodological research approaches in order to achieve a better outcome.

4 Literature Review

Service management has been standing as the backbone of hotel industry. Unfortunately, it has not always been well implemented in business practice. This chapter will give a brief summary on the definition of service management and on how to measure the delivered service in order to assess its quality, which relates to customer satisfaction. Additionally, a brief review of the necessity for engaging in information technology in hotel industry will be explained.

4.1 Service Management

Zeithaml&Bitner(2003, p.7) defined service as "deeds, processes and performance", whereas in a simpler manner, Merriam-Webster (2015) translates service as "the work performed by one that serves". Several literatures refer service as intangible aspect and experts have found different ways to measure the "intangible" to become more tangible.   Mudie&Pirrie. (2006, p.3-5) identified following four key elements of service characteristics:

1. Intangibility, which makes the deliverability harder to see and to assess.
2. Inseparability, which correlates service strongly with the evidence of the products.
3. Heterogeneity, where offered services are varied within the same industry.
4. Perishability, which refers to inability of service to be stored in a warehouse.

The key elements of service have made one clear that service has to be managed as a product doesthat however, differently. Furthermore, the concept of service has developed in the last decade to more holistic way of thinkingMudie&Pirrie(ibid.).Zeithaml&Bitner (2003)) by extending the essence offour aspects in service strategy ofprice, product, promotion and place to three more areas: people, physical evidence and process, famous as the seven S of service quality.
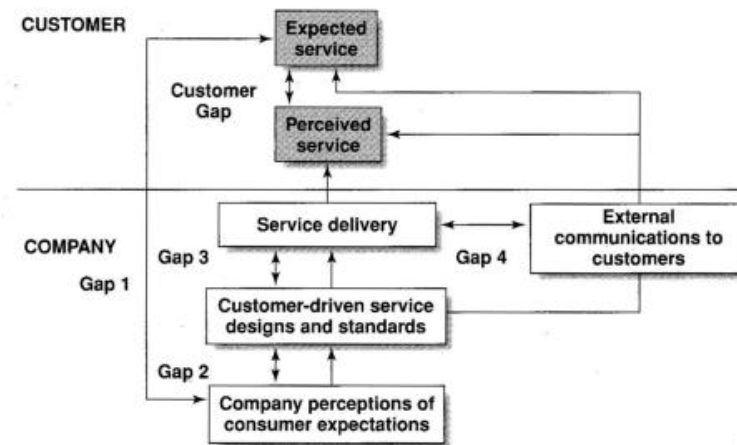
4.2 Gaps model of service quality

Figure 1: Gaps Model of Service Quality

Source: Zeithaml and Bitner (2003)

Figure one above shows the gaps model of service quality that was created by Zeithaml&Bitner (2003) and aims to help management and business owners to assess customer expectation. They compared this with the perceived service, which one company has distributed through the different levels of product and service management as well as distribution and communication management. The analysis tool will help management to cope with complex matters since service itself is intangible product. Through the gaps analysis model, one can systematically analyze the service quality as one of available measurement tools towards improvements of a company's service quality.

One can start with consumer expectations of a service and go further to company's perception of consumer expectations. The gained knowledge of consumer insight should then be translated to the design of services based on consumer insight. Furthermore, the designed service should be delivered and communicated to the consumers. From there, the consumer perceptions of perceived service will be assessed and analyzed, whether a designed service is well executed and communicated.

The last gap refers to customer gap, which is the main idea of the model that is pointing out the necessity of closing the customer expectations and customer perceptions. Therefore, gap one to gap four should be closed in order to close the customer gaps. However, since expectation and perception have been a matter of subjectivity and heterogeneity, Zeithaml et al. (1993, as cited in Mauri et al. (2013)) developed diverse factors that can influence customer expectations in service quality.
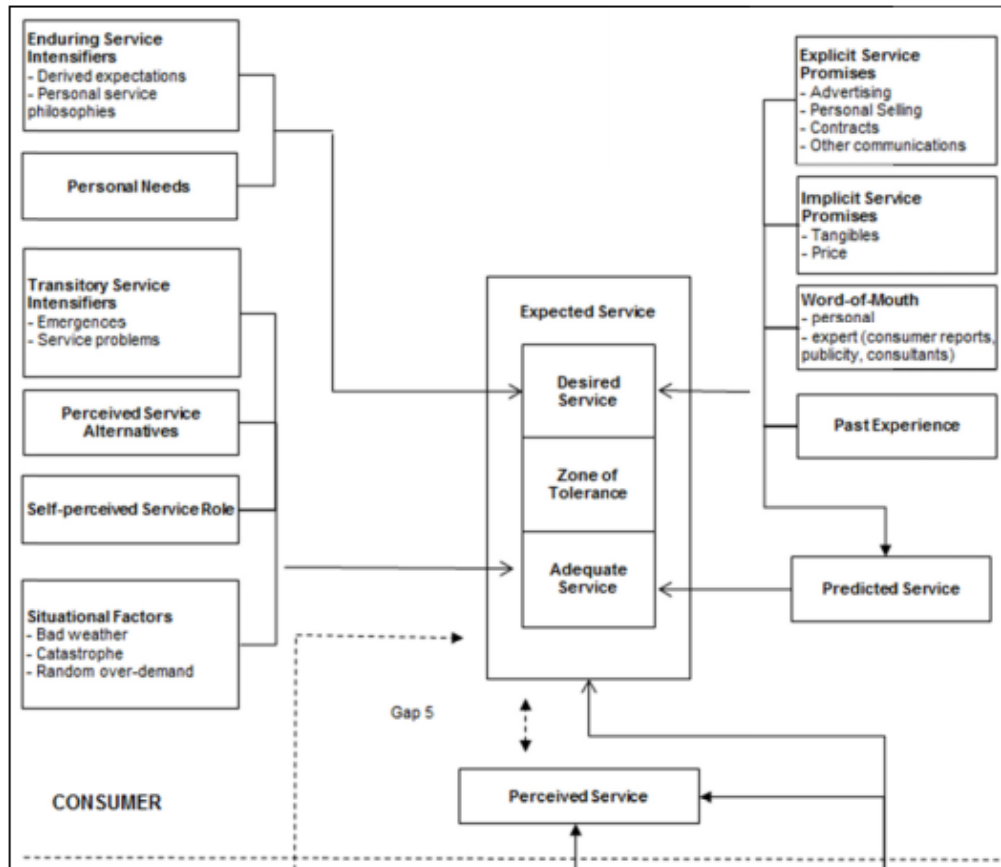
Figure 2: Influencing factors of expected service in Gaps Model of Service Quality

Source: Mauri et al. (2013)

Zeithaml et al. (1993, as cited from Mauri et al. (2013)) divided expectations into three different level of expectations: 1) desired service, 2) zone of tolerance, and 3) adequate service (ibid.). As illustrated from the figure above, two major factors can influence how customer expect their service to be delivered: internal environment and external environment. The external factors are factors that cannot be influenced directly by the service provider whereas internal factors are factors that can influence directly by the provider. According to Zeithaml&Bitner (2003, p. 532), a customer gap usually occurs in business practice. Therefore, the goal is mainly to keep the gaps as narrow as possible. Table one below shows the key factors of that contribute to the gap range of customer perceptions and expectations.

Gaps	Key factors leading to the customer gap	
Gap 1	Not knowing what customer expect	Inadequate marketing research orientation
		Lack of upward communication between management & customer as well as management & employees
		Insufficient relationship focus on customer
Gap 2	Not having the right service quality designs and standards	Poor service design
		Absence of customer-defined service

		standards
		Inappropriate physical evidence and servicescape
Gap 3	Not delivering service standards	Deficiencies in human resource policies
		Failure to match supply and demand
		Customer ignorance of roles and responsibilities
		Problems with service intermediaries
Gap 4	When promises do not match performance	Lack of integrated services marketing communications
		Ineffective management of customer expectations
		Overpromising in advertising and personal selling
		Inadequate horizontal communications between sales and operations as well as between advertising and operations & differences in policies procedures across branches or units

Table 1: Key Factors in Gaps Model of Service Quality
Source: Zeithaml and Bitner (2003)

4.3 Digital era involvement in hotel industry

Since the digital era has started, internet has given the significant impactfor doing business globally. These have included the hospitality and tourism industry worldwide, including Indonesia. Several theoretical findings based on conducted researches have given additional perspectives on the importance of doing business through internet.

Minazzi (2015) has acknowledge the urgency for hotel owner to engage their business through online presence. According to Nielsen's (2012, as cited in Minazzi, 2015) research, hospitality business is one of major business areas of online shopping, where social media plays an important role for customer to determine their purchase intention. Some researchers have noted that the online business presence in hotel industry has allowed business owner to seize new opportunities and resources to improve their business and destinations competitiveness and profitability in the future (Buhalis 1998, 2003; O'Connor 1999; Buhalis and O'Connor 2005, as cited in Minazzi, 2015). Thus, the new way to conduct business has also changed the way customers behave as well as their changing expectations (Minazzi, 2015). Therefore, it is unavoidable for business owners to understand the new consumer behavior by gathering consumer experiences that usually occur in three stages: before, during and after the trip (ibid.). Hence, by examining the generated results, business owners can derive strategy to fill the missing gaps between the given services and the expected services.

Xie et al. (2014) have indicated a correlation between the electronic Word of Mouth (eWOM) information and offline hotel performance by conducting a research using a time-series consumer reviews and management responses of 843 hotels in TripAdvisor.com. The

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electronic Word of Mouth refers online reviews, online recommendations and online opinions (Cantallops& Salvi, 2004, as cited in Xie et al., 2014) that have been considered to influence potential consumers more than the old-fashioned product promotion (Yang & Mai, 2010, as cited in Xie et al., 2014). The study finds that the online reviews could have more impact for hotels, which have large consumer reviews. In other words, several major points in online reviews that have been mentioned by each different user are considered to be more convincing to depict hotel quality. Overall rating, location rating and cleanliness rating are the three mentioned points by Xie et al. as the large consumer reviews. One of the major findings has found that management responses have both positive impact for the hotel location rating and negative impact for the cleanliness rating. Therefore, reasonable explanations from management should be provided in order to enhance the online ratings. Although management responses that focus solely on one aspect, for instance, cleanliness, would not give a great impact for the online brand image, the management responses for other aspects are still advisable in order to complement the online reviews and can enhance hotel performance (ibid.).

5 Results and Analysis

Overview ofSahid Montana's Business Model Canvas

Business Model Canvas (Osterwalder, 2012) consists of nine building blocks that are used to give a brief insight of a business model and can give a clear understanding in a bigger picture, in which aspects are still have rooms for improvements as well as developing a new business.

- *Key Partners:* Suppliers of food and beverages, Sahid Group hotel, investors, partners for several products that are sold through other logistic partners, legal partners.
- *Key Activities:* Delivering product and services by renting their rooms, provide hotel services, selling jewelries and other products.
- *Key Resources:* Human resources, financial capital, buildings, and utilities.
- *Value Proposition:* Local taste, good location and good price with a good quality service of the staffs that are professional and have many experience in their field.
- *Customer Relationship:*No proper CRM programs are identified.
- *Channels:* Advertisement in radio and newspaper, online portals, and references.
- *Customers Segments:*Focusing on retail and institutions.
- *Cost Structure:* Wide-range of variety of cost that usually includes taxes, salaries, building maintenance, etc.
- *Revenue Streams:* Revenue from renting the rooms and banquets, selling jewelries.

6   Business Environmental Analysis

6.1   Industrial Analysis

Hotel industry in Indonesia is a challenging one and has immense business potential since tourist numbers have been increasing the last few years. Based on Indonesia's statistical data, Indonesia Investment (2014) examined the raise of growing foreign tourist number in Indonesia. This has resulted the growing investment in the hotel industry as well. The number of growing foreign tourist is depicted as below.
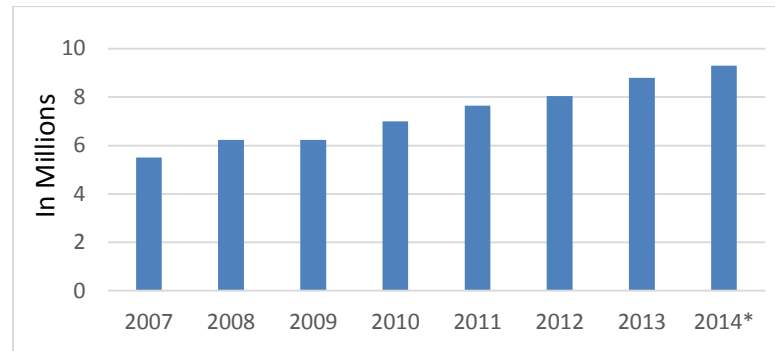
Figure 3: Growing Foreign Tourist Numbers in Indonesia

Source: Indonesia Investment (2014)

In order to determine the threat level of current industrial analysis of hotel industry in Indonesia, Porter's five forces is used as the analysis tool.

Threat of New Entrant

Economic of Scale	: Medium
Capital Requirements	: High
Product Differentiation	: Medium-high
Cost of Advantage of Independent Scale	: Medium
Government Regulation & Legal Barriers	: High
Access to distribution channel	: High

Economic of Scale.SHM1 and SHM2 have already matured and experienced in their business category, which makes them meet the effective level in managing the cost. There are also a medium-level economy barrier for a new competitor, because the capital requirement for hotel business is high. There will be not easy for a new competitor to enter the competition.

Product Differentiation. It is hardly said that there are no product differentiation among hotel business. Appropriately, every hotel has its own differentiation, which makes the customer more likely makes a choice depend on their budget and preference. In the same level (three star hotel level), the goods and services offered are mostly the same in term of the core product benefits.

Cost of Advantage of Independent Scale. There are no significant advantages for Hotel SHM1 and SHM2 for creating an independent scale barrier over their competitor. The access to the resources, the technology needed, and the managerial capabilities are opened for every party. The CEO of SHM1 and SHM2 mentioned that they are sort of lack of innovation and ideas.

Industry Rivalry

Competition	: Very high

Threat of Substitute Product

Threat level of Substitute Product	: Very high

There are so many substitute product for SHM1 and SHM2. The main substitute is their competitors andother three-starred hotels. Additionally, other substitutes are four stars and five stars hotel around Malang city. It is the same risk as for the event-holder service from SM hotels. There are much more substitute places for holding an events. People could use another hotel, public area, etc. for their events.

Bargaining Power of Buyer
Number of Buyer   : High
Price Sensitivity   : High
Switching Cost   : Low

Number of Buyer. There are many potential customers for hotels in Malang. This means that the customers have the bargaining power over hotels because the customer choice structure is much vary. Customers in SHM are mostly for business & leisure.

Price Sensitivity. Relatively high because SHM's consumers are not high-end consumers.

Switching cost. There are enough hotels so that customer can easily switch hotels.

Bargaining Power of Supplier
Number of Supplier   : Medium
Price Sensitivity   : Medium to High
Switching Cost   : Medium

Number of Buyer. There are several supplier choices for hotel industry. Those are, for instance, property owners, employees, food & beverages suppliers and construction company. The supplier provide common rarity product, which is not hard to find and substitute.

Price Sensitivity. There are enough suppliers, whose price will depend on the quality and reliability. The price for some of the hotel supply will be affected by rupiah currency and Indonesian season. For example, food price will be increased significantly in the dry season and when *Ramadhan* come (approximately July - August).

Switching cost. There are enough suppliers so that the company can easily switch suppliers. The cost of switching supplier will be However, this will also depend the quality of the suppliers.

6.2   Competitor Analysis

For the industrial competitor analysis, possible competitors was categorized with the main idea that usually price, stars and location determine the choice of the appropriate accommodation for the customers. The analysis does not include any of two-star hotels from the area, as usually people tend to pay "slightly more" for better services and rather take four-stars if there is no nice three-star hotels. The area is explored with accordance to the websites like booking.com. Based on the research, the major competitors of Sahid Montana Hotel and Sahid Montana Dua are listed below.

Name	Stars	Price USD	Rating (if given)
Regent's Park Hotel	***	33.78	
Ibis Styles Malang Hotel	***	34.96	7.6
Horison Ultima Malang Hotel	****	51.04	7.3
Dewarna Hotels Sutoyo	***	31.00	6
UMM Inn	***	32.13	
Kertanegara Premium Guest House	***	33	8.1
Grage Malang Hotel	***	28.15	5.8
The Grand Palace Hotel Malang	***	29.12	6.9
Ijen Suites Resort and Convention	****	83	
Swiss-Belinn Malang	***	29.15	7.7
HARRIS Hotel & Conventions Malang	****	37	7.9
Best Western OJ Hote	****	41	7.7
Atria Hotel and Conference Malang	****	57	7.9
Aria Gajayana Hotel	****	37	7.9
Hotel Santika Premiere Malang	****	53	7.8
Savana Hotel 4 Star Hotel	****	46	7.8
MaxOneHotels at Malang	***	29	7.5
Hotel Kartika Graha	***	27	7
The Balava Hotel	****	26	7.4
Ubud Hotel & Villas	***	23	7
D'Fresh Guest House and Resto	***	27	6.2
Gajahmada Graha Hotel	***	28.85	7.4
Sahid Montana Dua Hotel	***	31	6.3

Figure 4: Competitor List of Sahid Montana Malang
Source: Self Research (2015)

From the listed competitors above, the majority (60%) are chain hotels with reputation and recognition. In average, by the current data, the 81% of the competitors have higher rating marks among consumers than SHM and SM2 and the maximum price difference is 15 dollars (for four stars hotel). In addition to existing hotel variations (from low budget hotel to five stars hotels), the current trend of AirBnB& Couchsurfing is increasing. Everyone in Indonesia has access in renting his or her rooms through online platform. Therefore, the threat level tends to berelatively high.

6.3 Consumer Analysis

As the fourth most populated country in the world of more than 250 million people (World Bank, 2015), Indonesia has absorbed the attention as the BRICS countries have weakened economically. This includes a list full of agenda of multinational companies targeting Indonesian consumers. McKinsey (2013) classified the consumer classes and the new pattern of their buying behavior since the country has developed rapidly in the last ten years.

Some figures below show the estimated new consumers in Indonesia as well as their preferences towards brand and consumption.
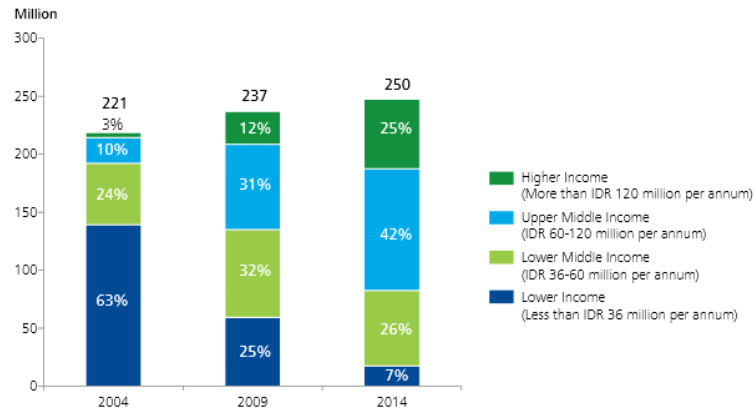

Figure 5: Indonesian demographic middle class

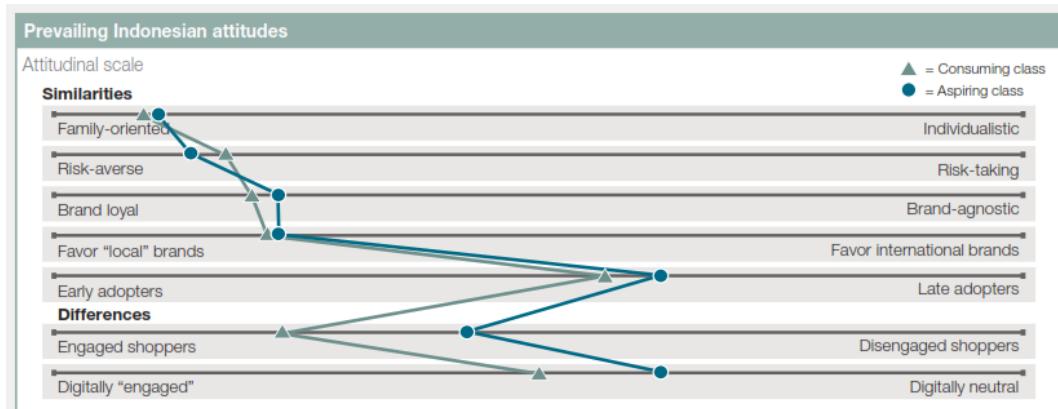Source: Deloitte Consumer Insights (2015)

Figure 6: Indonesian consumer value towards brand

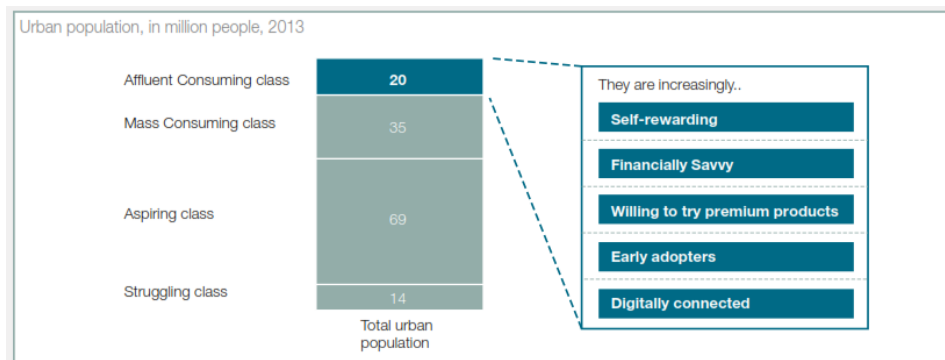Source: McKinsey & Company (2013)

Figure 7: Indonesian consumer value towards consumption

Source: McKinsey & Company (2013)

As seen from the figures above, Indonesia's middle class has rapidly increased in the last ten years. Whereas the sum of upper-middle class and the ones with higher income counted only 13% of the population, the numbers have grown over five times within ten years. Moreover, given the low score of individualism of Indonesian culture (Hofstede, 2015), the family-oriented value and brand loyalty are two of several core values in their buying behavior. However, this does necessarily mean that they will prefer local brands over global brand. Figure 7 shows that Indonesian slightly tend to prefer international brand over local brand. Hence, this could be one of the challenges for local companies to compete with globally well-known brands. Furthermore, McKinsey (2013) also identified the relatively high activity of Indonesian consumer when it comes to social media. Thus, the dependency of Indonesian consumer in using internet and the power of word-of-mouth in buying decision is identified as relatively high as well. These findings have shown the immense potential of Indonesian consumers and the rising amount of the middle class.

6.4 Results of Online Reviews

Explored the seven most reliable booking websites such as Foursquare.com, Traveloka.com, Tripadvisor.com, Agoda.com, Pegipegi.com, Expedia-aarp.com, Booking.com, evaluation from people based on the online reviews are collected. The 282 collected reviews are documented, coded and analyzed (Appendix 2, p. 25).

Sahid Montana Hotel

According to the analysis, the main challenges for SHM1 are the need in renovation of the rooms, its appearance and sanity (darkness and bed smell in rooms). Moreover, the number and quality of facilities provided to consumers must be improved. In SHM1, the majority of reviews were negative. The expectations of customers based on the booking description were not meet. The approached consumers claim that the price is not relevant to the quality provided. 67% of negative comments come from foreign travelers, experienced staying in the hotel. The big part of positive reviews are for location and restaurant (food variety and quality).

Good												
		Hotel / Room										
General	Appearance / Comfort	Quite	Cleanliness	Bathroom	Price	Service	Online Reservation	Location	Facilities	Business / Meeting	Family	Food / Restaurant / Coffee Shop
1	0	0	0	0	0	0	0	1	0	0	0	0
0	0	0	0	0	1	1	0	0	0	0	0	1
5	0	3	3	0	0	6	1	7	2	1	1	1
4	3	0	4	0	6	9	0	18	3	2	1	6
12	24	7	34	4	12	55	3	83	7	0	1	44
22	27	10	41	4	19	71	4	109	12	3	3	52

Figure 8: Coding of Good Reviews SHM1

Source: Self Analysis

															Communication
	Hotel / Room					Bathroom									Poor
Appearance / Comfort	Old	Loud	Bad Smell	Dark	Cleanliness	Old	Water Problem	Sanitation	Price	Service	Online Reservation	Facilities	Location	Food Quality/Variety	Deviation Gap 4
0	0	2	0	0	0	0	0	0	0	0	0	0	1	0	2
0	1	0	0	1	0	1	1	1	0	0	0	0	0	0	0
1	0	2	6	0	1	1	6	9	8	4	0	6	2	0	0
6	0	4	12	1	1	5	6	3	6	4	0	4	0	8	0
1	44	0	9	37	4	0	0	15	9	20	5	7	11	1	38
8	45	8	27	39	6	7	13	28	23	28	5	17	14	9	40

Figure 9: Coding of Poor Reviews SHM1
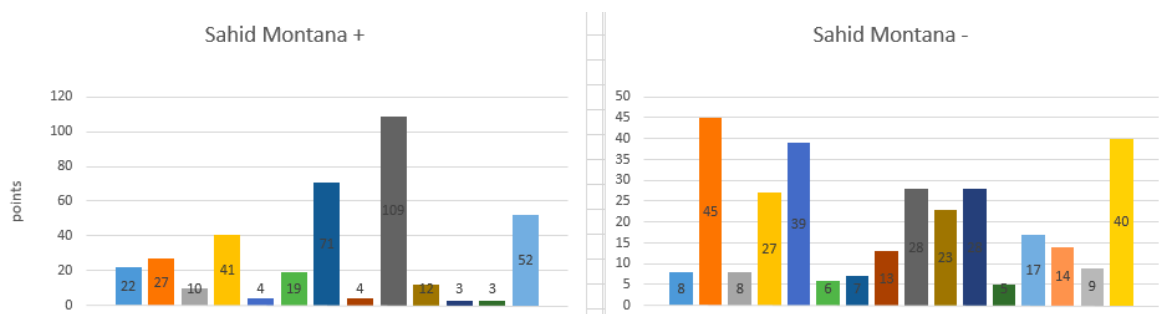
Source: Self Analysis

Figure 10: Coding Result SHM1

Source: Self Analysis

Sahid Montana Dua Hotel

In case with SHM2, the deviation gap is appreciable and the price tend to be relevant. The improvements should be made in facilities provided and service quality (also in HR). For appearance and comfort of the rooms, the comments are neutral, but improvements still have to take a place there. Moreover, attention should be paid to cleaning services, consumers complain about rooms being not properly cleaned.

												Good
		Hotel / Room										
General	Appearance / Comfort	Quite	Cleanliness	Bathroom	Price	Service	Online Reservation	Location	Facilities	Business / Meeting	Family	Food / Restaurant / Coffee Shop
5	4	0	1	0	1	7	0	5	1	1	2	2
2	2	0	0	0	0	2	0	4	1	1	0	3
0	2	0	0	0	0	2	0	2	0	0	0	2
2	7	7	7	1	1	10	0	5	3	0	4	8
9	15	7	8	1	2	21	0	16	5	2	6	15

Figure 11: Coding of Good Reviews SHM2

Source: Self Analysis

| Appearance / Comfort | Hotel / Room | | | | | Bathroom | | | Price | Service | Online Reservation | Facilities | Location | Food Quality/Variety | Deviation Gap 4 |
	Old	Loud	Bad Smell	Dark	Cleanliness	Old	Water Problem	Sanitation							
4	1	1	0	0	0	1	1	0	1	2	1	3	0	3	
1	1	0	0	0	2	0	3	0	0	1	0	1	0	1	
3	2	0	3	0	2	0	0	3	1	1	1	3	1	0	
6	9	2	6	0	9	4	6	6	4	11	2	17	0	7	
14	13	3	9	0	13	5	10	9	6	15	4	24	1	11	

(Header note: "Poor" above Bathroom group; "Communication" above Deviation Gap 4)

Figure 12: Coding of Poor Reviews SHM2
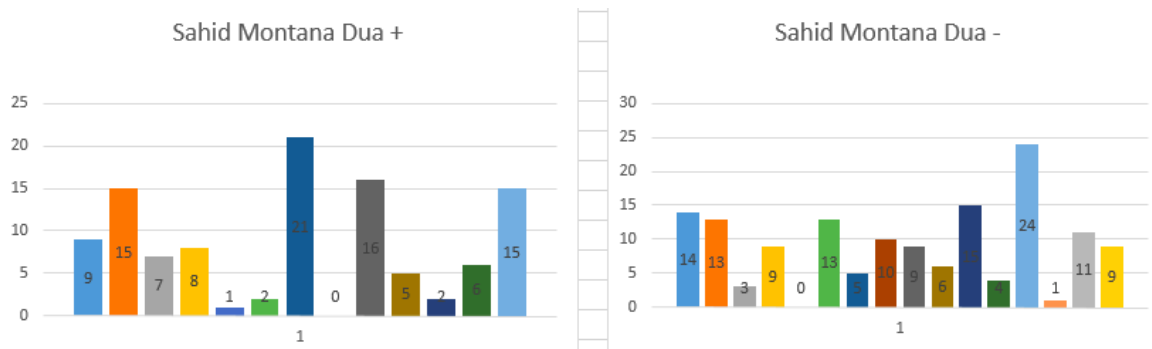
Source: Self Analysis

Figure 13: Coding Result SHM2

Source: Self Analysis

<u>Major Challenges for Sahid Hotel Malang and Sahid Hotel Dua Malang</u>
SHM1 and SHM2 are facing with similar problems that are the old condition of the hotel condition that is old, promises do not match performance (deviation 4), dark, and unclean with several bathroom condition that are old, have water problems and with bad sanitation. An amount of reviews mentioned the deviation between the photos in the website/online portal that do not respond to the real room quality. One reviewer in 2015 from Traveloka mentioned the bad experience of having insects on his bowl of pudding. This has shown the critical current stand of cleanliness in the hotel.Additionally, service quality is highly expected to be better and the complaints of the price range that does not match the hotel quality are relatively high as well.However, SHM2 has the major problems of the wide range in the lack of facilities. For instance, old television, no internet connection andvery limited parking space.

6.5 Gaps Model Analysis

Due to the high competition on hotel industry in Malang, the available online reviews on several online portals could have been used to understand customer expectation and therefore, could help to design a better service design for the customers. Based on the result

of the online reviews, it can be seen that Sahid Malang Hotel have enormous potential and rooms to improve its product and service management quality.

Examples of several following verbatim statements have indicated the existing gap three (not delivering service standards) and gap four (when promises do not match performance) that are listed as follows:

Sahid Montana Hotel (SHM1)

"Standart.....rate kurang sesuai dgn interior kamardanfasilitas....nilai + letaknyaajaygstrategis..." – Foursquare, 2014.

"Very disappointing, dirty room, musty etc. 3 star hotel but lousy. TV is still the form of a tube that old school, all the dol water tap, the hot water is no clock his limited power jack, mangkak white bed linen, etc. Which certainly suck all." – Traveloka, 2015.

"Desainhotelnyatua. Air panasterbatasberdasarkan jam. Sarapanstandar. Padahaldenganharga yang sayabayarkan, sayamengharapkanfasilitas yang lebihdariitu. Yang menolonghanyalokasistrategiskarenadekatdenganbeberapatempatterkenal di Malang." – Tripadvisor, 2015.

Sahid Montana Dua Hotel (SHM2)

"Sayadapatkamar yang tidaklayak, speibaupesing, kamar apek Karena gak pernah dipakai dan TV jadul (masihpakai TV tabung). Sangat berbeda dengan foto yang ada di booking.com. Tidakada yang menarik." – Booking.com, 2013.

"The cleanliness of facilities is so bad, it's bedcover, toilet, bathroom, must be ask to clean and replace after we entered the room. Especially for toilets it is so poor..." – Booking.com, 2015.

"Pelayanankurang. Untukhargabintangtiganamunfasilitassangatkurang, terbatasnyapermintaan hair dryer kepadaresepsionisdantidakadanyatisu di kamarhotel,tisuhanyaada di toilet. tempattidur juga kurangnyaman." – PegiPegi, 2015.

The reviews are varied for most of the aspects. This can imply either a) the inconsistency of the delivered service (gap two) or b) customer ignorance of the delivered service (occurring condition in gap three). However, existing reviews and findings have shown the lack of knowledge of customer expectation (gap one) and the poor service design (gap two) that are, according to Zeithaml&Bitner (2003),equally important to reduce the existing gaps in service management.Therefore, in order to close the gap, management has to focus on the four aspects in the gaps of service management quality as one will affect the next step and eventually, it will end on the customer perception of the brand image of the hotel. Based on the interview with the management, a feedback procedure originally exists. However, the mechanism in unknown as the authors did not receive any answers on whether, for instance, any standard operating procedures are applied in the hotel management or on how management measures as well as improves performance based on the customer feedback.

6.6 SWOT Analysis

The strengths and the weaknesses of the company will be analyzed and the threats as well as opportunities will be identified.

Strengths of Sahid Hotel Malang
- Good service and location
- Strong Indonesian traditional values that embed in hotel characters

Weaknesses of Sahid Hotel Malang

- Poor product quality (room and bathroom condition, old hotel conditions, cleanliness)
- Lack of desired customer facilities
- Quality of product and services haven't fully met customers expectation
- Absence of online marketing capability and therefore, missing performance reviews on the internet.

Threats of Sahid Hotel Malang

- New governmental regulations that forbid public institutions to held meetings in hotels, therefore losing one of major customers: public institutions.
- Increasing trend of AirBnB, Couchsurfing and global players in Indonesia.

Opportunities for Sahid Hotel Malang

- Growing middle class in Indonesia with increasing income
- Acquiring/Recruiting new target group: Family, youngsters, foreign tourist.

Strengths and Weaknesses of Sahid Hotel Malang in Marketing

Instruments	Strength	Weakness
Product	Distinct atmosphere (SHM1 and SHM2)	The facilities doesn't meet the customer needs (SHM2)
Price	Relatively cheap price (SHM1)	Expensive price (SHM2)
Promotion	Periodic promotion activities (SHM1 and SHM2)	
Place	Good location (SHM1 and SHM2)	Poor review about the room and bathroom (SHM1)
People	Professional and experienced employees (SHM1 and SHM2)	Lack of expert in online marketing (SHM1 and SHM2)
Process		Inconsistency in delivering service quality (SHM1 and SHM2)

Table 2: Strengths and Weaknesses of Sahid Hotel Malang in Marketing

Source: Self Analysis

Product. Both hotels have a distinct and unique atmosphere, which differ them for their competitors. They focus on building a local taste in their hotels, for the entire aspects of the hotels (design, etc.), to give customer great experience in Indonesian culture. Online reviews

were analyzed from five types of hotel booking websites have shown that most of the "unsatisfactory" reviews from the customer for SHM2 Hotel were about the facilities.

Price. There are 22 possible competitors in Malang area. SHM1 is ranked at the last place and SHM2 is ranked at 10th place among their competitors in the terms of the average rate to stay for one night.

Promotion: Based on the interview with the current CEO of SHM1 and SHM2, the hotel holds periodic promotion activities. They make special events in their hotels and have a marketing team, which is responsible for building of the cooperation with retails and institutions. They put advertisements to online sources, in radio, and newspaper. Their marketing team areresponsible for maintaining relationship with the customers.

The CEO stated that the company is mainly focused on the offline marketing. They tend to use traditional media other than online media to promote their marketing programs. The CEOexplained that the hotel group does not specialize in online media, which is probably because of the lack in experts to cover the online media.

Place. Both hotels are positioned in a strategic location in Malang city, which gives the customers easy access to the hotels. The most of "satisfactory" reviews are about the location.

People. The employees are professional and experienced. They are also being trained to give the best service for the customers.

Process: In relevant with what the CEO already said about the well-trained employees, Most of the customers give a good review about the service in both SHM1 (service is 2nd most good-reviewed) and SHM2 (service is 1st most good-reviewed). However, since the reviews are varied and identified as inconsistent, it is necessary for the hotel to focus constantly on the good service quality.

Strengths and Weaknesses of Sahid Hotel Malang in Human Resources

Sahid Hotel Malang has strengths in training and developing their staff who are trained to deliver the desired service. However, the employees' quality is still considered low if compared with their competitors. The CEO mentioned their main competitors, which are chain hotels, have better quality employees than their own employees.

6.7Summary

From the analysis, it can be concluded that several problems are need to be solved in order to create growth and to generate customers' intention to revisit SHM again. As service is for most of the time relatively difficult to measure due to its nature of intangibility, management can benefit from the gaps model analysis and use the method. By doing so, the performance gap of the hotel can be reduced and customer satisfaction can be achieved. If the performance gap is not well managed, the result can be reflected in the customer feedback. In this digital era, the Word of Mouth is spreading like a virus, especially in Indonesian society that is highly connected with the internet and is highly influenced by the power of word of mouth.

Customer satisfaction is crucial for business, especially in hospitality business like hotels. Business owners and managers have to understand what the customer needs and wants by

listening and evaluating them. Finally, the customer expectation should be provided the desired service for customer.

Minazzi (2015) and Xie at al. (2014) have identified the urgency in engaging every possible business on the internet. Xie et al. (2014) has emphasized the powerful influence of the electronic Word of Mouth (eWOM) and on how the eWOMcan reflect the real hotel quality. Therefore, high engagement in online media is mandatory for each business player. Especially in the service industry, where satisfaction is relative and culture-based that give different perceptions of customer expectations.

As can be seen earlier, Indonesian market has enormous potential and the middle class segment is growing rapidly. More and more Indonesian will be able to afford a better quality of life. Additionally, the internet users are expected to increase in the future and this is the new opportunity as well as challenge for Sahid Hotel Malang to create desired growth. The new government regulation has pushed to recruit other target groups beside retails and institutions. On that account, creating a new strategy to reach wider audience is highly advisable for Sahid Hotel Malang.

Therefore, the list below will explain the three major improvements that are highly necessary and inevitable for Sahid Hotel Malang:

1. Regularly conducting customers' survey to find precise answer about what most customer wants. Additionally, to conduct a benchmarking among three and four stars hotels to see what facilities that could be added and improved or what could be provided as the substitute of the needed facilities, instead of competing in the price range. This suggestion will improve customer satisfactory toward the hotel facilities.
2. Staff training for service and cleanliness. Cleaning schedule must be arranged, implemented and controlled. Assigning a 'special force' of cleaning team with advanced cleaning skill and commitment is considerable.
3. Engaging in Online Marketing. Hotel management have to improve and maintain their official website as the website can reflect the hotel personification on the internet. Any customer who accesses and wants to book a hotel through a hotel booking service website will be directed to hotel website directly to see any further information. This is when the website become crucial and should be user-friendly. Benchmarking with competitors' websites is highly advised.

7 Specific Suggested Improvement

Based on the three suggestions mentioned earlier, the authors will concentrate on the Customer Relationship Management that should focus on Complaint Management. Due to the lack of a specific management tools regarding customer feedback/evaluation in the company, the authors found it to be highly recommended to establish such program and to make a fully committed person or a team to bridge the missing gap between customers and the hotel. It can be in a form of a team, a person or a division. Therefore, it is also important from the management side to acknowledge the importance and the urgency of the purposed program so that they can ensure the program works. The basic concept of it is to monitor, to maintain and evaluate online customer reviews as well as offline customer reviews.

Many of hospitality business owners in USA, Canada and Europe have established the concept in the recent years and successfully gaining a positive brand image as companies that value their customers. The part of the complaint management program is to respond to the online customer reviews directly. Hence, the potential hotel visitors can understand

directly what happened in the past and how management side responded to the given claims. Figure 14 below shows good examples from a hotel in Canada, in which the General Manager responded directly to customer complaints as well as customer positive feedback. As can be seen from one review, despite the lack of facilities given by the hotels, a proper service design/proper handling policy that focuses on customer satisfaction and expectation can help the hotel to receive good review. The management response has the similar function as a possible damage control in service management.

The list below can help management on possible to-do list for several things are needed to be considered and to be done so that Sahid Montana Hotel is be able to establish such program:

1. Creating a division, hiring a person or a team, that/who is/are committed to customer satisfaction.
2. Creating a handling policy or standard operating procedures to handle unsatisfied customers.
3. Pro-active collecting online and offline complaints as well as finding what the source of the problems. Thus, improvements can be examined and can be implemented.
4. Using proper available complaint management software or creating a tailor-made software for handling the complaints.
5. Training the staff for the complaint procedures.

Figure 14: Examples of Management Responses in Tripadvisor

Source: Tripadvisor (2015)

Further research in Complaint Management is needed on how to create such policy and for having the right procedures. By establishing the complaint management system, it is expected that the company can understand consumer expectations and can deliver a better service design. Additionally, it can give positive and a brand new image on how service excellences can be done by Sahid Montana Malang.

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Appendix 1

Questions and answers of the CEO and the owner of Sahid Hotel Malang

<u>Part 1</u>

Q: Could you explain to us what your responsibilities are?

I am one of the owner I monitor the performance of hotel

Q: What is your motivation for you to participate in the Nusantara Project? / What do you expect from us?

It is part of our initiate to support the education and nusantara project is a good education platform Solution, creative ideas, analysis report

Q: What is your strategic goal for the company?

Increase the profitability - develop the brand - increase the market share

Q: What are your product & services?

We have jewelry and coffee shop, travel agency, transportation company to support the hotel we also held many events and also involve in social activities.

Q: Who are your target groups?

Our market are: retail and institutions. we have marketing teams who activities goes to conduct cooperation with institutions. our price range is rp.350.000-500.000 so i can say it is middle class.

Q: Could you map your price segment using this scale? (1-10, 1 as the lowest & 10 the highest)

6

Q: Could you map the benefit / added value of your brand using this scale? (1-10, 1 as no benefit & 10 most beneficial)

7

Q: What is your value proposition?

Local taste, good location and good price with a good quality service our staffs are professional and have many experience in their field they also have been trained well so they will provide a good service for our guests.

Q: What is your competitive advantages? / Why people go to your place insteadto competitors?

The location and service is good staff is friendly our hotel is designed well and give Indonesian experience to our guests

Q: How do you reach your customer to go to your place?

We have marketing teams who market our hotel and we put advertisement in radio and newspapers.

Q: How do you sustain your relationship with your customer?

We have team who market and conduct relationship

Q: From what kind of product & services do your customers currently pay? And how much do they pay?

Please contact GM for the detail.

Q: Who are your key partners?

Family members and sahid group members.

Q: What are the strengths of the company?

Experience in the hotel well trained human resource location

Q: What are the weaknesses of the company?

Staffs, we have problems with increasing star as we need to build many rooms etc. Online marketing..We are not specialist in that area and we focus on offline marketing

Q: Where you do see opportunities for the company?

We have good location and network good service and well trained staff design of hotel is unique-- Indonesia style so we want to market our hotel to overseas

Q: What do you think could be the hurdles/threats to improve the company's growth & performance?

Competitor for chain hotel government regulation

Q: Who are your main competitors?

Chain hotels

Q: What are their strengths and weaknesses?

Their price is lower they have better staff and online marketing

Q: What do you think the problem(s) you are facing now? What is the current condition?

We are in mature stage and need innovation

Q: Why did the problem(s) occur in the first place?

It is because we do not have significant growth so we need something new to help us increase performance

Q: In which area do you think you can improve your company's performance?

I am not involve in daily operational but i expect you can help in increase our brand and build our brand to be better brand

Q: In which area do you think you don't need to improve and why?

Staff price marketing strategy

Q: Do you have a review tool to gather customers' feedback?

Yes

Q: If yes, how do you address the problems and value the given feedbacks(either positive or negative)?

I am not sure as i am not involve in operational stuff

Q: If no, how do you recognize your problems and establish improvements?

[No answer]

Q: What have been done so far to improve your company's performance? If it worked, how? If it didn't work, why?

I am not sure as i am not involve in operational stuff.

Part 2

Q: Could you tell us general overview of the business?

Number of workforces: around 100 staffs including marketing, hotel staffs, administration and security how long have Sahid Hotel Malang been in the business: more than 20 years sales numbers in the last 5 years: I am not sure about this number. What is your revenue stream, our revenue is from renting rooms, conference or meeting.

Q: What is your marketing strategy?

- door to door - partnership

Q: Do you think you need to improve your marketing strategy?

Yes

Q: If yes, why?

Although we have special market but the competition in hotel in malang is quite high. if you do research in malang now many new hotels are opened. our competitors is including hotels in city near malang such as batu

Q: If no, why?

[No answer]

Q: How do you measure your company performance? What KPIs do you use?

[No answer]

Q: How do you think the customers have perceived your brand, your products & services?

Good. We are quite mature hotel and we have special segment and we do not only depend on retail market

Q: Have you ever heard about Tripadvisor and other online review systems on the internet?

Yes

Q: Have you ever reviewed your company's performance through those websites?

Hmm..not sure

Q: What steps have you already done for innovation?

Hmm..we don't have time that why we need you to think about the innovative idea

Q: Do you see opportunities to expand to other markets?

We think to get market from overseas who love indonesia culture. it will fit with our hotel philosophy and hotel design

Q: What economic relations do you have with jewelry shop and coffee shop?

Yes..it impact to the selling . the government policy is also impact to our selling as many people now try to slow down their consumption as tax regulation become strict. not many

people want to invest and buy jewelry as some of them feel insecure with the new tax policy the economy condition indeed impact to selling volume. Price is sensitive in Malang

Q: Is it possible to bring more partners for the business?

No. as we are family oriented hotel

Appendix 2

The list of sources of the online reviews. Accessed on 3rd of November 2015.

Sahid Montana Malang 1

Platform	Source	Year	Numbers of Reviews
Foursquare	https://foursquare.com/v/hotel-sahid-montana/4e5de8a5e4cdfc603ed3be9c	2010-2014	2
Booking.com	http://www.booking.com/hotel/id/sahid-montana-malang.de.html	2013	1
Traveloka	http://www.traveloka.com/en/hotel/indonesia/hotel-sahid-montana-1000000477752?spec=25-10-2015.27-10-2015.3.1.HOTEL.1000000477752.#	2015	31
Tripadvisor	http://www.tripadvisor.com/Hotel_Review-g297710-d2186595-Reviews-Hotel_Sahid_Montana_Malang-Malang_East_Java_Java.html	2011-2012	25
Agoda	http://www.agoda.com/hotel-sahid-montana/hotel/malang-id.html	2011-2015	130

Table 3: Sources of Online Reviews for Sahid Montana Malang 1

Source: Self collected sources

Sahid Montana Dua Malang

Platform	Source	Year	Numbers of Reviews
PegiPegi	http://www.pegipegi.com/hotel/malang/hotel_sahid_montana_dua_malang_960685/	2010-2015	15
Expedia	https://www.expedia-aarp.com/Malang-Hotels-Sahid-Montana-Dua-Malang.h9281772.Hotel-Information	2014-2015	6

Booking.com	http://www.booking.com/hotel/id/griyadi-montana-malang.de.html?aid=356985;label=gog235jc-hotel-XX-id-griyadiNmontanaNmalang-unspec-de-com-L%3Ade-O%3Aunk-B%3Aunk-N%3AXX-S%3Abo-U%3AXX;sid=38007bd7d94626c1d397679ea954ba60;dcid=1;dist=0&sb_price_type=total&type=total&#tab-reviews	2013-2015	9
Traveloka	http://www.traveloka.com/en/hotel/indonesia/hotel-sahid-montana-dua-1000000477757?spec=26-10-2015.28-10-2015.2.1.HOTEL.1000000477757.	2015	63

Table 4: Sources of Online Reviews for Sahid Montana Malang 2

Source: Self collected sources

Hotel Sahid Montana Malang

"Developing A Viable Business Proposal To Solve Problems And Generate Ideas"

TEAM LEADER
Andrew Williams
University Of Heg Geneva

ACTIVELY PARTICIPATED

Ihsan Muhammad Chairul
University Of Unpad

Darryl Max Hagi
University Of UPI

Paulus Turangan
University Of Unima

Zhenhua Liu
University Of Heg Geneva

Introduction

We are an international group of students appointed to conduct a consulting survey for providing a research report about managerial improvement and strategic solutions with viable business proposal to solve the problems and generate ideas for the company.

Nusantara is the world's largest archipelago with 17'508 islands and where the tourism industry plays an important role. The main topics of the following report, which has been written to present the most important aspects of our strategic solutions proposal, are going to discuss the issues for optimizing the management of Hotel Sahid Montana, and finding out ways to enhance the marketing and boost the sales of Hotel Sahid.

In 2013, according to the World Travel and Tourism Council, the contribution of the tourism industry is around 15% of the Indonesian GDP, which is the largest among any G20 country. Malang, the city where Hotel Sahid is located, doesn't seem to be the most attractive place among all other Indonesian destinations, but still keeps a potential for becoming a growing touristic place.

The idea behind this project is to analyze Hotel Sahid Montana Malang with the help of management tools that we have learned to use during our business studies. It is an interesting challenge which will enable us to experience a real-life study case in order to understand the situation and generate solutions for enhancing the management of the Sahid Montana Hotel, promoting their marketing and boosting their sales. This document has been divided into sections summarizing various points of interest and business idea.

2. Business Synopsis

Organizational Structure Company Presentation

The Hotel Sahid Montana is a cozy three-star hotel based in Malang which is the second largest city in East Java Island after Surabaya (Jawa Timur).This "kota" of approximately 1 million people is about the 18th largest city in Indonesia. It is a pleasant city whose nickname is "the Paris of Oriental Java" and which is located around 2 hours from the Indian Ocean in the south and 1h$^{1/2}$at north to the Bali Sea (Java Sea).

In fact, Hotel Sahid Montana is divided into two distinct entities: Hotel Sahid Montana (72 rooms) and Hotel Sahid Montana Dua (68 rooms), aka Griyadi. They are both located in the city of Malang but in a distance of 20 minutes (~ 7 kms) one to another. Hotel Sahid is a good place for gathering, wedding and exhibition (5 meeting rooms). Hotel Sahid Montana is more adapted for business travelling due to its location right in the heart of the city, surrounded by government office and business area. Sahid Montana Dua can be considered more suited for leisure and party thank to its luxurious outdoor swimming pool, charming restaurant and typical Indonesian decoration.

Hotel Features

General	Room Service, Restaurant, Mini Bar, Refrigerator, Cable / Satellite TV, TV, En suite, Private Bathroom, Private Toilet
Activities	Swimming pool, Bath, Garden, Playground, Child Pool
Services	Laundry service
Internet	High-speed Internet is available at this hotel.
Parking	Parking is available. There is an airport shuttle that runs from the hotel.
Check-in	From 2:00 PM

Hotel Features

General	Room Service, Air Conditioned, Mini Bar, Refrigerator, Cable / Satellite TV, Coffee / Tea Maker, TV, Shower, Smoking Room
Activities	Bath, Garden, Spa & Wellness Centre
Services	Concierge, 24-Hour Reception, Safe-Deposit Box, Wake-up Service, Meeting Rooms, Laundry service
Internet	High-speed Internet is available at this hotel. Wireless internet on site.
Parking	Parking is available. There is an airport shuttle that runs from the hotel.
Check-in	From 2:00 PM
Check-out	Prior to 11:00 AM

The Sahid Group

Founded in 1953, The Sahid Group is the leading hotel chain in Indonesia with business experience of developing, building and managing hotels, resorts and apartments. This conglomerate was founded in 1953 by Sukamdani Sahid Gitosardjono and is currently operating 27 hotels and new apartment portfolios under the Sahid Hotels chain in Indonesia. It is listed at the IDX and also has businesses and holdings in the media (Bisnis Indonesia), healthcare, textiles, real estate, and education industry.

Sukamdani Sahid Gitosardjono

Profesi	:	Pengusaha
Posisi	:	Chairman & President SAHID GROUP
Birth Place	:	Solo Jawa Tengah
Date of Birth	:	Wednesday, 14 March 1928 (Age : 87)
Gender	:	Pria
Religion	:	Islam
Home Address	:	Jl. Imam Bonjol No. 50, Menteng Jakarta Pusat 10310

Office Address	:	Grand Sahid Jaya Hotel
Website	:	www.grandsahidjaya.com
Status	:	Menikah
Wife	:	Hj. Juliah Sukamdani
Children(s)	:	1. Yanti Sukamdani, perempuan
		2. Exacty B. Sryantoro (Sakti), perempuan
		3. Nugroho Budi Satrio (Nunu), laki-laki
		4. Hariyadi Budi Santoso (Aik), laki-laki
		5. Sri Bimastuti Handayani (Anda), perempuan

Indonesia is currently the fourth most populous country in the world and its economy is the 16th largest in the world. The economic growth has recently declined as the inflation rose by 3% and the Rupiah has depreciated in 2013. However, the hotel sector remains optimistic with an estimated growth of 4% nationally and 13% in East Java.

Board of Commissioners

Prof. DR. H. Sukamdani S. Gitosardjono

President Commissioner

SAHID HOTELS

Dewan Komisaris
Board of Commissioners

Komite Audit
Audit Committee

Direktur Utama
President Director

Wakil Direktur Utama
Vice President Director

Audit Internal
Internal Audit

Sekretaris Perseroan
Corporate Secretary

Direktur Operasi
Operational Director

Direktur Keuangan
Financial Director

GM Hotel
Grand Sahid Jaya

Corporate Legal
Departement

Finance & Accounting
Department

Ny. Hj. Juliah Sukamdani
Vice President Commissioner

Muhammad Nurdin, SE
Independent Commissioner

Dra. Hj. Sarwo B. Wiryanti Budiwiryanti Sukamdani, CHA
Vice President Commissioner acting as Daily Commissioner

Prof. Dr. Ir. Budiarto Subroto DEA
Independent Commissioner concurrently as Head of the Audit Committee

Board of Directors

Ir. H. Hariyadi B. Sukamdani, MM
President Director

Rakhmat Raharja
Director

Hj. Exacty B. Sryantoro, MBA
Vice President Director

Dyah Trianjayani
Director

SAHID HOTELS
Beta

Where Tradition, Culture
and Services Merge

Sahid Connexion Card Benefit

Legend

⭐⭐⭐⭐⭐ Hotel

1. Grand Sahid Jaya Hotel - Jakarta
2. Hotel Sahid Jaya Cikarang – Bekasi
3. Kusuma Sahid Prince Hotel - Solo
4. Hotel Sahid Jaya Solo - Solo
5. Hotel Sahid Jaya Makassar – Makassar
6. Sahid Kuta Lifestyle & Resort - Kuta, Bali

⭐⭐⭐⭐ Hotel

1. Hotel Sahid Raya Yogyakarta - Yogyakarta
2. The Sahid Rich Yogya - Yogyakarta
3. Hotel Sahid Bintan Beach Resort - Bintan

⭐⭐⭐ Hotel

1. Hotel Sahid Bandar Lampung - Lampung
2. Sahid Mandarin Pekalongan – Pekalongan
3. Hotel Sahid Papua - Jayapura
4. Hotel Sahid Surabaya - Surabaya
5. Sahid Montana Dua Malang - Malang
6. Hotel Sahid Montana - Malang
7. Hotel Sahid Gunawangsa - Surabaya
8. Sahid Senggigi Beach Villas - Lombok
9. Hotel Sahid Toraja - Tana Toraja
10. Hotel Sahid Manado - Manado
11. Hotel Sahid Kawanua – Manado

⭐⭐ Hotel

1. Griyadi Blue Pacific - Jakarta
2. Griyadi Kusuma - Solo

Apartement

1. Sahid Metropolitan Residence - Jakarta
2. Istana Sahid Apartement – Jakarta
3. Sahid Sudirman Residence - Jakarta

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3. Managerial System

The vision of the Sahid Group is to develop into a professional and capable hotel aiming to enhance creativity, innovation, productivity, proven and services conforming to international standards without neglecting the values and self-esteem of the Indonesian culture. The managerial system is based on the following five values:

1. To live is to give life
2. To humanize humans
3. To act reasonably
4. To be prepared for change
5. To live life as a noble mandate

The main missions of the Sahid Group are:

- Improving the quality of products and the quality of services with an objective of giving satisfaction to customers.
- Improving the quality of human resources to be skilled and possess a capability to give the best services in order to satisfy customers professionally and proactively.
- Accelerating the development of the Company to be a professional, productive and efficient company, in an increasingly competitive environment.
- Improving efforts of business development in the Indonesian economic activity in general, and the Indonesian tourism industry in particular.
- Seeking financing resources that are more innovative and profitable
- To finance the construction and development of business through the capital market, national and international financial institutes.

Sahid Group complies with all obligations and also runs a corporate social responsibility (CSR) program and community development to support the application of Good Corporate Governance. To ensure that good corporate governance is implemented well, the Board of Commissioners ensures that the company adheres to the principle of Good Corporate Governance (GCG) and Good business. Ethics and work ethics applied consistently is the pressure point of Good Corporate Governance (GCG) application. The application of GCG shall also position all organs of the Company to run their functions in accordance with their rights and obligations.

Hotel Sahid Montana's hierarchical management system is organized in a classical corporate form with the following traditional and conventional departments:

1. General Manager
2. Accounting & Finance
3. Human Resource
4. Sales & Marketing
5. Front Office
6. Food & Beverage
7. House Keeping
8. Laundry
9. Engineering & Security

4. Corporate Review

Management & HR

The Hotel is well-managed and proud of identifying itself as an Indonesian brand with its own type of hospitality, derived from a philosophy based on its Javanese roots. The Sahid Group puts efforts to provide the following training and education to employees by providing training and courses of foreign languages (English and Japanese), SOS evaluation, production and services of Food & Beverage, Front Office and Housekeeping, Sales and Marketing, Security and Drivers, and Executive Office.

Source : *Executive Office* Hotel Sahid
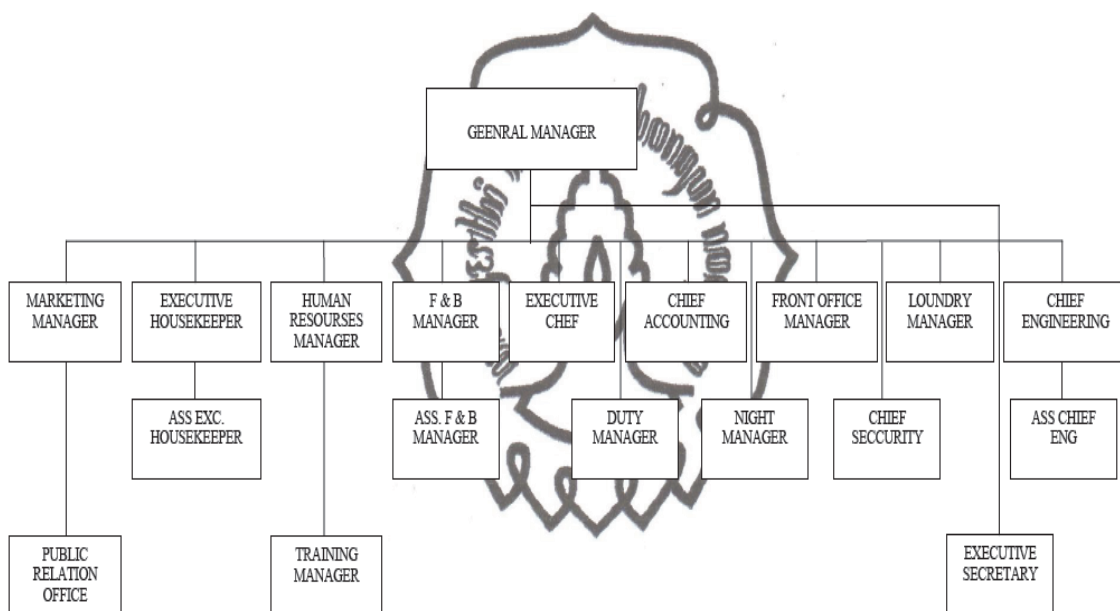
Organization Chart
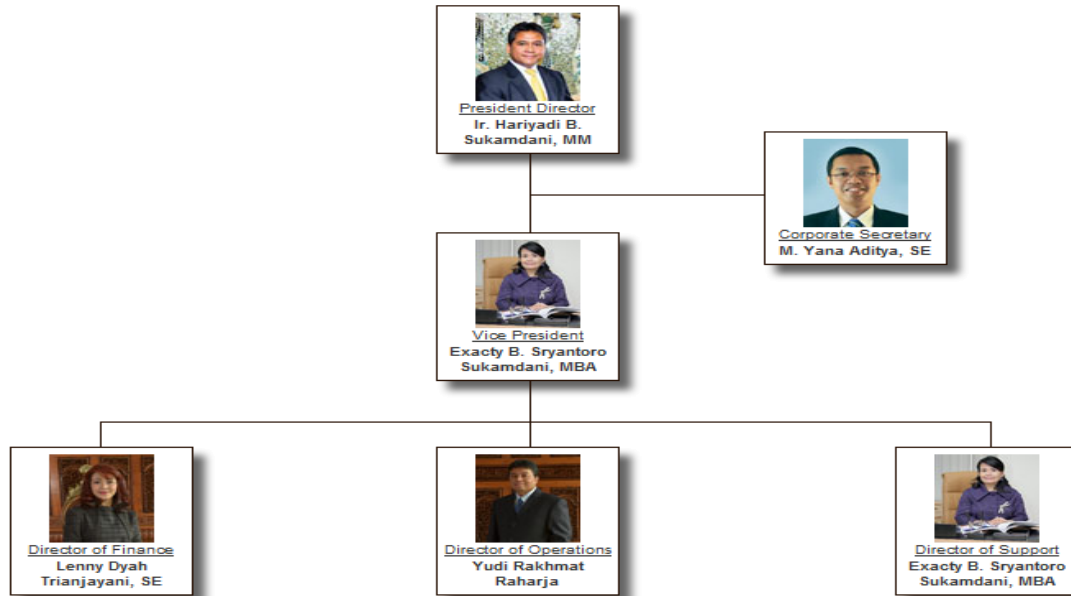
The Sahid Group employs mainly people of male gender with basic education, and also supports a program for Occupational Safety and Health (OSH) to increase productivity of employees' performances. As employees can perform better if their feelings of security are assured, some Health and life insurance are granted to all employees including their family, i.e. husband/wife, and up to three children.

Accounting &Marketing

The Sahid Group Board of Commissioners controls the supervision of Policies and Operational Strategies, the financial policy, and the Sustainable Business Development. It is assisted by the Audit Committee for conducting regular evaluation of the overall performance, implementing duties and obligations, reviewing financial reports, and submitting reports and recommendations in the interest of the stakeholders.

Therefore, it is important to note that Sahid Group complies with the laws and regulations of the capital market and other legislation in conjunction with its activities. Its business activities were run by internal control which quality was continuously improved, in accordance with the policies outlined by the Board of Directors. Financial Statements have been developed and presented well in accordance with the Generally Accepted Accounting Principles in

Indonesia. Recommendations were submitted to the Board of Commissioners concerning the appointment of public accountancy.

The internal accounting control system of the Hotel Sahid Montana is based on reporting procedures complying with accounting standards in order to improve the relevance of information used by the management. Hotel Sahid already has the advantage of using a computerized information system. Therefore, the management of the Hotel Sahid should monitor its internal control system to make it more effective as it is crucial for decision taking and for supervise the hotel activities during the revenue cycle. The revenue cycle corresponds to the events related to the distribution of services and the collection of related payments. The monitoring of the revenue cycle refers to topics such as data security and access permission, documentation availability, and facility security.

The success of the organization relies on the accuracy of the environment control and the risk assessment. The inevitable monitoring of the hotel's activities shall meet the management's control related to the reports of rooms and restaurant sales. Internal control system becomes a priority in the daily hotel management as it is a process providing a proof of the company's effectiveness, reliability and compliance. Special emphasis are required on the following topics: organization structure, revenue procedure control, implementation procedure, documents archival, recording and authorization procedures, Standard Operating Procedures (SOP), management policies, sufficiency of documents and information.

Hotel Sahid Montana is a relatively small company where the manager could afford to directly monitor the accounting system, but due to the fact that Hotel Sahid is a subsidiary of Sahid Group, which is Indonesia's largest independent hotel chain applying complicated reporting standards, there is a need for an efficient internal controlling system in order to avoid negative operational flows. The application of the IFRS accounting standards is therefore certainly an important decision.

Hotel Sahid should focus on the following points for improving its internal controlling system. There are still manual recording activities and the procedure implementation which is not in accordance with the hotel standards or procedures can cause hotel performance problems. There should be a management tool for income sources control and monitoring. The fact that there are double duties in one function leads to a lack of control, therefore a separation of authority and responsibilities would reduce the risk of any wrongdoing and ease the supervision by the superior authority.

Logistics, IT & Facilities

This section will discuss the weaknesses in procedures related to some aspects of the logistical management. There is a risk of decrease in the number of guests because of the significant growth of hotels in Malang. But Hotel Sahid still has advantages because of its strategic location and competitive prices.

Hotel Sahid is a good quality/price hotel located in an optimal central place close to the city. But its infrastructures such as building, rooms and furniture are too old, and they need some refurbishing. The rooms, bathrooms, beds and sheets are also too small and sometimes dirty as they smell unfresh and are poorly maintained. The AC is noisy and doesn't work properly as well as the TV and phone. Another important issue is that there is no hot water for shower after 5 pm, it is difficult to combine, and the water pressure is too strong. The bar is very nice, but some customers mentioned that the food is not always very good. Some other problems are that it is noisy during the week-end, extras are frequently unavailable, the parking lot is too small, and there is a bad security.

The Standard Operation Procedures (SOP) in Hotel Sahid is already written for each staff. The SOP is given to each staff so that they can understand their responsibilities and they know their job descriptions. These SOP are important as being an operational process reference for parties involved in the revenue cycle. The management policies are already written and explained to the staff. The specific policies are also mentioned in SOP which is given to each staff based on their position. The management policies are sufficient so that there is a control in staff activities.

To minimize the risk concerning food quality, the purchasing department buys the food ingredients from supplier so the quality of the product can be supervised. The receiving department also checks the quality of the products. The policy of Hotel Sahid not to provide alcoholic drink enables to avoid any inappropriate behavior from guests. In addition, to avoid the customer/guest who doesn't pay after they order, restaurant and cafe's staffs especially the waiter/waitress and F&B cashier have to be vigilant.

The procedure of room sales starts from the receptionist at the Front Office, either by phone reservation or guest walk-in. During the checkout, the Front Office cashier asks the roomboy to check if anything is missing or damaged in the room, then processes the invoice, and

gives the documents to the guest. The Front Office cashier creates an income recap sheet and puts the money in the remittance envelope at the end of each shift. All reports, documents, and remittance envelopes are taken in the morning by the General Cashier. When a customer orders something, the waiter serves him, gives the order to the kitchen, and finally takes the cash. If the customer is not staying in, he has to pay immediately, but if he is a guest, the bill will be directly charged on his roombill. The weakness of these procedures concerning with is that there are double duties for the night shift who is also in charge as a night auditor.

CCTVs are installed in the hotel for security control, but the staff has to supervise areas that are not equipped with CCTVs such as hotel corridors. There is a night auditor in the hotel but his role is performed by the night shift of the Front Office. This weakness may cause moral hazard due to a lack of control.

5.   Market Analysis

Hospitality Sector

Tourism is a strategic sector of the Indonesian economy with 9 million international travelers annually, and the main destinations remain Bali, Jakarta and Surabaya. Two-third of the visitors comes mainly from the ASEAN or countries like Singapore, Malaysia, China and Japan, but more people are going to Thailand, Malaysia or Singapore.

The economic growth of Indonesia has increased the disposable income of the Indonesian middle-class population allowing them to take holidays. This had for effect to raise the domestic tourism and flights outbound travel, and by doubling over five years the amount of passenger movements. In fact, Indonesia's touristic sector is growing so rapidly that this unanticipated growth has caused new challenges concerning the development of infrastructures.

To enable destination development, Government initiatives such as the Indonesian National Tourism Master Plan (RIPPARNAS) established a tourism promotion strategy and the identification of a list of seven special categories to promote tourism: culture and heritage, nature and ecotourism, sports, cruise, culinary and shopping, health and wellness. The Government's MICE policy for Tourism was created to promote Meetings, Incentives, Convention and Exhibition.

To attract more international visitation, new routes are opened between Indonesia and international targeted well-performing places. In five years, there has been over 500 new hotels totaling over 50'000 hotel room supply equivalent to a 50% growth rate, resulting in the development of budget and economy class hotels with a 9% average annual growth in East Java only. Most respondents are very optimistic about the expectations of the 2015 Hotel Performance indicators, which are affected by factors such as local/global stock market and economic growth trends, local tourism trends, new competitive supply additions, global oil prices, currency exchange rates.

SHARE OF RESPONDENTS BY LOCATION, MARCH 2014
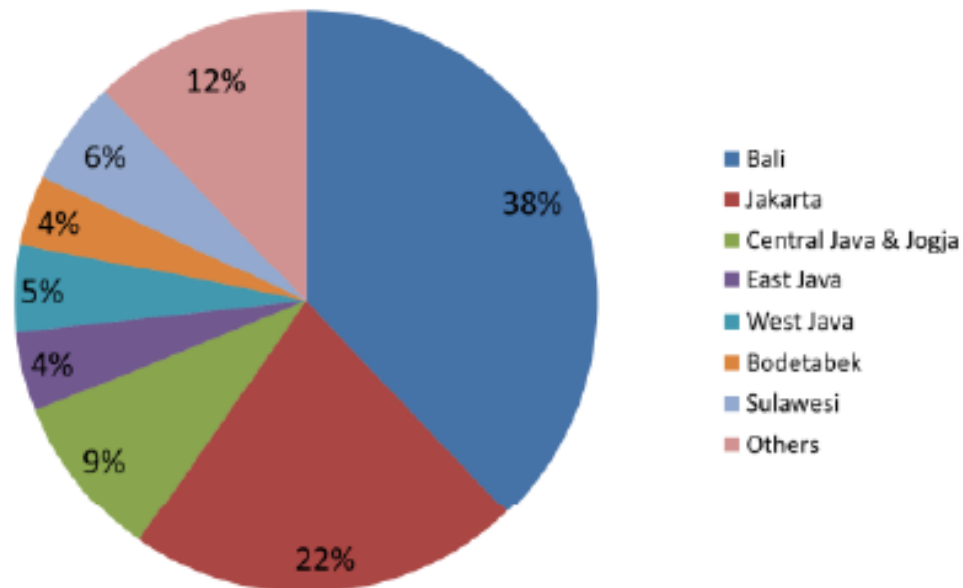
The Horwath HTL 2015 Indonesia Hotel Market Sentiment Survey which has been designed to provide the hotel industry with a quick assessment of the future market outlook allowing trends to be observed over time on a scale from -150 (worst) to +150 (best).According to this report, Indonesia's score is 7 and East Java's is 15, which have dropped significantly since last year after being heavily affected by the negative sentiment towards occupancy.

Indonesia is one of Asia's most popular tourist destinations with 40% of visitors going to Bali and 25% to Jakarta. Since the 90s, Indonesia has observed a booming expansion of the hotels sector due to investment regulations favorable prospects. In 2014, the hotel

construction growth rate was 12.26% achieving approximately 2'000 units of the 2-3-4 star hotels segment.

Nowadays, one-third of the total hotel establishment is composed of the three-star hotel category, and the presence of two- and four-star hotels has diminished over years.

Growth of Hotel Industry in Indonesia

Therefore, the fact that Hotel Sahid stands in the three-star hotel category is not an advantage in the catering industry, and an upgrade could be a solution. Indeed, it seems that there are too many three-star hotels, whereas four-star hotels are lesser in number and are supplying a niche market for "high-end corporate and wealthy tourism market".

Customer Segmentation

IDeaS Revenue Solutions is a software and consulting firm which has organized the Driving Hotel Revenue Indonesian Summit by inviting 200 representatives from the Indonesian hotel sector to discuss about issues like education, new technologies and economical growth in the catering sector. They forecasted a 10% growth as an outlook for the Indonesian hotel sector, however to reach such expectancy, hoteliers will need to adapt their strategy about pricing and revenue management, the growth in digital hotel bookings and also improve tourism

infrastructure. Two major challenges preventing the recovery of previous occupancy level were highlighted during this Summit as the increased competition from global hotel chains leading to an excess of hotel rooms.
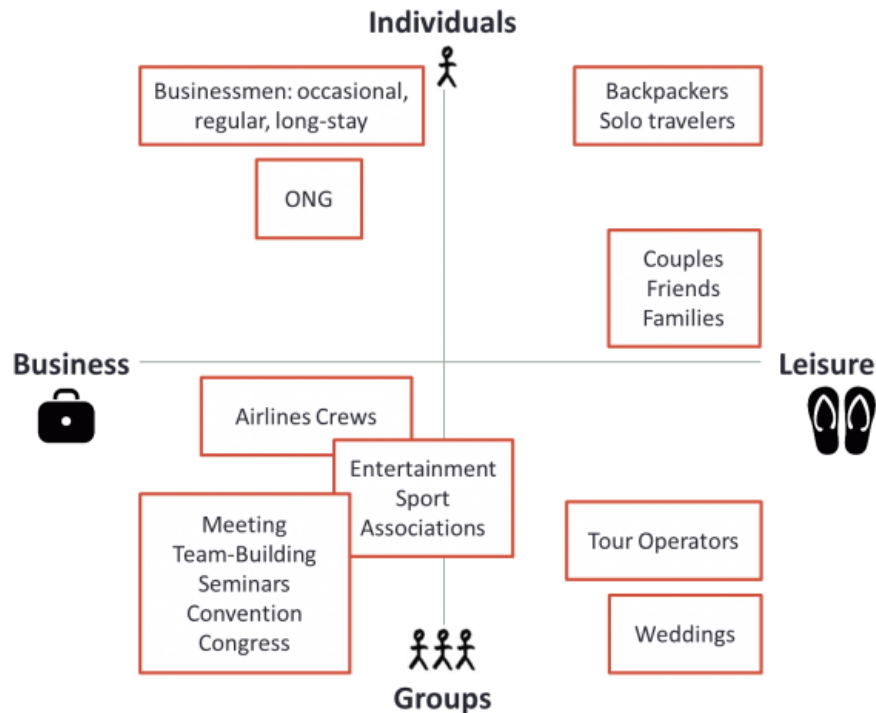
Here is a diagram showing the different kinds of hospitality customer segments. Hotel Sahid needs to figure out if customers are coming for leisure or business? Alone or in group? That information will help to analyze the customer segmentation of Hotel Sahid:

1. Which are the special needs of each segment?
2. Should hotel Sahid Montana prepare service to attract them?
3. Which are the segments that give the best contribution for company's profit?
4. Are there any segments that would be grown in the future?
5. How is usually each segment booking process?
6. How could hotel Sahid Montana's management better to attract them?
7. Did Hotel Sahid's management give the facilities to attract certain segment?

Hotel Sahid's management should answer those customer segmentation matters, and focus on adapting an appropriate business strategy.

Concurrency & Competition

The Indonesia Hotel Market is estimated to $2.5 billion and represents 50% of the total revenue from the tourism industry. In 2015, Accor Group and Swiss-Belhotel which are leading hotel chains announced a plan to construct six new hotels, respectively twenty hotels in Indonesia. Great economical opportunities are lying in the expansion of mid-range hotels and the creation of cheap airlines improved affordable transportation providing a better access for tourists.

However, a recent diminution of the occupation rate has affected the Indonesian hotel market, due to Government Reforms to cut cost by preventing institutions from using hotel facilities. Thankfully, the domestic market relies a lot on the growing Indonesian middle-class, and therefore needs to keep the prices at the today's level considering the fact that rates have yet doubled in ten years.

Indonesia — 10 Years Journey
Occ%, ADR and RevPAR in IDR

Legend: Average daily rates (ADR) — Revenue per available room (RevPAR) — Occupancy %

Source: STR Global
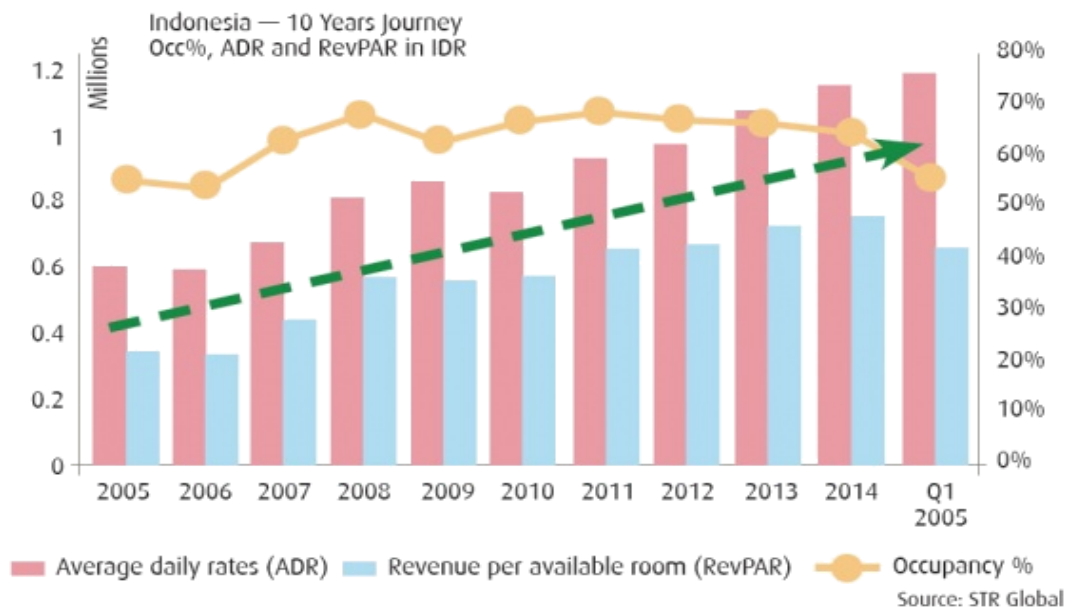
In 2015, many Indonesian hoteliers' major concern is new supply and they expect less MICE business due to the Government's decision to limit MICE activities at hotels. They believe that the average daily rate growth will outstrip falls in occupancy. In the last three years, big investments were done in the Indonesian sector of tourism.

TOURISM INVESTMENT, INDONESIA (2006 - 2013)

Source: Indonesia Investment Coordinating Board

6.   Business Proposal

Problem Overview

Consumer Reviews

After searching on the internet, we have gathered various customer reviews, and we have noted all the consumer comments, which are listed below.

Central location near the train station	Old building, rooms and furniture
Very central and well located	Dirty rooms, bathrooms, beds and sheets
Strategic location in the city	Small rooms and beds

Good quality / price	Unfresh smell, poorly maintained
Impressive lobby entrance	AC noisy and not working, same for TV
Nice ground decoration	No hot water for shower, difficult to combine,
Friendly, helpful and polite staff	too strong water pressure, no water supply
Big meeting room	after 5 pm
Comfortable double bed	Not very good food
Great live music band	Noisy during week-ends
Nice bar and nice service	Frequent unavailability for extras
Nice ambiance in the lounge	Reservation problems, slow response
Tasteful food	Annoying room numbering
Great breakfast	Telephone not working, bad wifi
Convenient packed breakfast	Small parking lot, bad security
Early check-in with no extra fees	Better with a pool
Free upgrade to executive room	Needs an elevator to upper floors
Everything quite fine, we've enjoyed it!	We will never come back in this place!

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agoda

Guest Reviews

Hotel Sahid Montana **5.0** | 16 guest reviews

Rating summary

Cleanliness	5.0
Dining	5.0
Facilities	5.0
Location	8.0
Rooms	5.0
Service	6.0

Guest Reviews

Griyadi Montana Hotel Malang ★★★ | **5.3** | 6 guest reviews

Rating summary

Cleanliness	5.4
Dining	5.3
Facilities	5.3
Location	5.9
Rooms	5.1
Service	6.0

Hotel Griyadi Montana Malang

5 ★
4 ★
3 ★
2 ★
1 ★

4.0
★★★★☆

8 reviews

Filter by Traveler Type

All reviews	(110)
Business travelers	(12)
Couples	(22)
Solo travelers	(16)
Families with young children	(30)
Families with older children	(21)
Groups	(9)

Pleasant 6.5 based on 110 reviews

Value for Money	6.6
Location	6.9
Staff Performance	6.4
Hotel Condition/Cleanliness	6.3
Room Comfort/Standard	6.4
Food/Dining	6.3

Filter by Traveler Type

All reviews	(142)
Business travelers	(23)
Couples	(36)
Solo travelers	(16)
Families with young children	(30)
Families with older children	(30)
Groups	(7)

Pleasant 6.6 based on 142 reviews

Value for Money	6.2
Location	7.8
Staff Performance	6.2
Hotel Condition/Cleanliness	6.1
Room Comfort/Standard	6.6
Food/Dining	6.6

Hotel Sahid Montana Malang (Indonesia) - Hotel Reviews ...
www.tripadvisor.com › ... › Java › East Java › Malang › Malang Hotels ▾
★★½☆☆ Rating: 2.5 - 25 reviews - Price range: $
Book **Hotel Sahid Montana Malang**, **Malang** on TripAdvisor: See 25 traveler **reviews**, 6 candid photos, and great deals for **Hotel Sahid Montana Malang**, ranked ...

Hotel Sahid Montana Malang, Indonesia - Booking.com
www.booking.com › Indonesia › Java › East Java › Malang Hotels ▾
★★★☆☆ Rating: 5.5/10 - 30 reviews
Hotel Sahid Montana Malang is a 5-minute drive from the Mall Olympic Garden, and a ... #52 out of 62 **hotels** in **Malang**, based on 3,532 verified guest **reviews**.

Hotel Sahid Montana Malang, Indonesia: Agoda.com
www.agoda.com › Indonesia › East Java Province › Malang ▾
★★★½☆ Rating: 6.6/10 - 141 reviews
Jump to: Available Rooms; Facilities; Policies; Useful Info; See all **reviews** ... Located in the lovely area of **Malang** Center, **Hotel Sahid Montana** enjoys a ...

Sahid Montana Dua Hotel Malang, Indonesia: Agoda.com
www.agoda.com › Indonesia › East Java Province › Malang ▾
★★★☆☆ Rating: 6.5/10 - 110 reviews
Book Sahid **Montana** Dua **Hotel Malang**. Instant confirmation and a best rate guarantee. Big discounts online with Agoda.com.

Griyadi Montana Hotel (Malang, Indonesia) - Ranch ...
www.tripadvisor.com › ... › Malang Specialty Lodging › Ranch Malang ▾
★★½☆☆ Rating: 2.5 - 5 reviews - Price range: $
Apr 19, 2011 - Book **Griyadi Montana Hotel**, **Malang** on TripAdvisor: See 5 traveler reviews, candid photos, and great deals for **Griyadi Montana Hotel**, ranked ...

Griyadi Montana Hotel Malang - Compare Deals
www.hotelscombined.com › Indonesia › East Java › Malang ▾
★★½☆☆ Rating: 5.3/10 - 6 votes
Griyadi Montana Hotel Malang - Find the best deal at HotelsCombined.co.uk. Compare all the top travel sites at once. Rated 5.3 out of 10 from 6 reviews.

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Booking Process

Hotel Sahid's reservation system should be improved in order to avoid useless customer complaints due to problems of slow response in the reservation process.
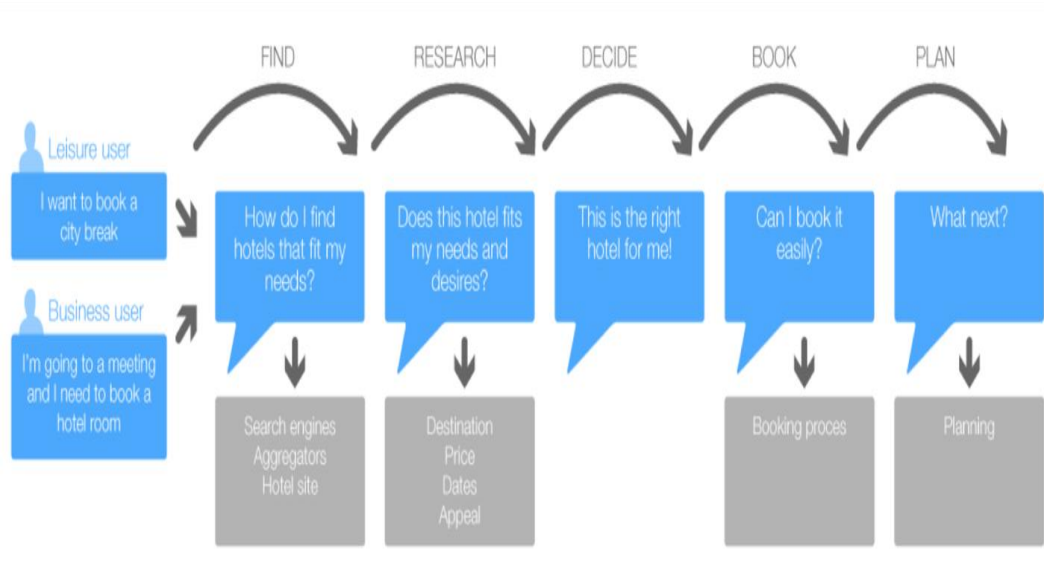
Hotel Sahid's **Hotel Management Software** could enhance management performance.

Internal Audit

Each input documents and report created by the Front Office and the F&B Department are controlled and supervised. The files are saved in a locked shelf and put in a different room with access permissions and back-up data. Hotel Sahid's managers protect the files by providing a limited access for entering in the Front Office, but the fact that another hotel staff is aside the Receptionist/Front Office department staff can lead to a lack of control because someone else can enter the Front Office and access the files.

The permanent archival of documents relates to recording procedures, authorization concerning room sales, and input documents such as reservation forms. The first copy is for the guest, the second copy is for the Front Office and the third copy is for the Manager. Manual recording is started from recording guest data in registration card and inputting in guest folio. The recording of registration card and guest folio is already put in numbered form which can minimize and prevent fraud by employees because non-numbered form is easier

to be manipulated by the staff. Computerized recording is carried out by input reservation and registration data to the system. From that computerized data recording, the input data will be processed into Front Office Cashier Sheet. Authorization is done by the receptionist or the Front Office cashier on duty who signs the document produced and the remittance envelope.

There are some weaknesses in the environmental and organizational control, such as double duties in one function. The night shift also takes charge as a night auditor and this can lead to a lack of control. Indeed, it is a function that physically holds the assets (both data and money), records, and authorizes transaction. Operational process in restaurant and cafe has been conducted by several staffs, such as waiters, cooks, stewards, chef and F&B cashier who in each shift have responsibility to F&B Manager. The waiter also serves as F&B Cashier leading to a lack of control. Hotel Sahid should take measures to minimize risks which can affect its goals. Because of lack of supervision, there is a risk when the General Cashier takes the money and reports in the morning at the Front Office. The process of taking the money is only supervised by the Front Office Supervisor and should be improved to avoid any malpractice.

Table 9: Income Statement

(Rp bn)

Income Statement	2008	2009	2010	2011P	2012P
Sales	88	100	124	131	155
Cost of Sales	(33)	(40)	(46)	(47)	(56)
Gross Profit	**55**	**60**	**78**	**84**	**99**
Operating Expenses	(67)	(69)	(73)	(77)	(81)
Income from Operations	**(12)**	**(10)**	**5**	**6**	**17**
Other Income (Charges)	25	25	13	13	8
Pre-tax Profit	**13**	**15**	**18**	**19**	**25**
Tax	2	(6)	0.1	(3)	(4)
Minority Interest	(0.1)	(0.0)	(0.1)	(0.1)	(0.2)
Net Profit	**16**	**9**	**18**	**16**	**21**

Source: PT Hotel Sahid Jaya Internasional Tbk., Pefindo Equity & Index Valuation Division Estimates

Table 10: Balance Sheet

(Rp bn)

Balance Sheet	2008	2009	2010	2011P	2012P
Assets					
Cash and cash equivalents	15	7	7	14	56
Receivables	61	18	16	22	26
Inventories	1	2	111	99	87
Other short term assets	1	1	1	3	3
Due from related parties	-	44	48	50	59
Direct placements	1	1	1	-	-
Fixed Assets	211	284	431	1,042	1,222
Other long-term assets	306	264	5	8	9
Total Assets	**596**	**620**	**619**	**1,237**	**1,463**

Figure 13 : P/E & P/BV
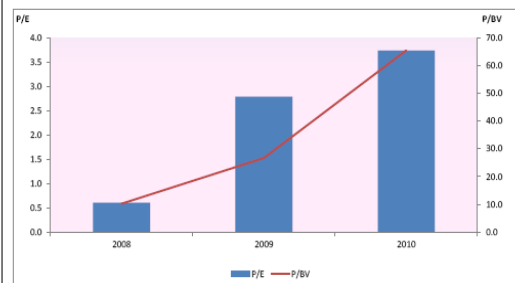
Figure 14: ROA, ROE & TAT
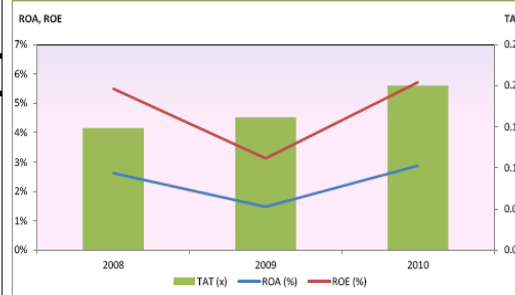
Table 11: Key Ratios

Liabilities					
Trade payables	75	67	35	44	52
Tax payables	39	42	39	41	48
Other payables	7	13	19	19	22
Current maturities of bank loan	31	30	32	24	24
Other Short-term liabilities	9	16	12	12	14
Bank loans	82	97	111	96	272
Long-term liabilities	69	61	60	71	79
Total Liabilities	**311**	**326**	**307**	**307**	**511**
Minority Interest	**1**	**1**	**1**	**1**	**1**
Total Equity	**284**	**293**	**311**	**930**	**951**

Source: PT Hotel Sahid Jaya Internasional Tbk., Pefindo Equity & Index Valuation Division Estimates

Ratio	2008	2009	2010	2011P	2012P
Growth [%]					
Sales	(11)	13	24	6	18
Operating Profit	61	17	151	29	170
EBITDA	89	4	(52)	364	19
Net Profit	187	(41)	94	(8)	31
Profitability [%]					
Gross Margin	62	60	63	64	64
Operating Margin	(13)	(10)	4	5	11
EBITDA Margin	29	26	10	44	45
Net Margin	18	9	14	12	14
Solvability [X]					
Debt to Equity	110	111	99	33	54
Debt to Asset	52	53	50	25	35
Liquidity [X]					
Current ratio	0.5	0.2	1.0	1.0	1.1
Quick ratio	0.5	0.2	0.2	0.3	0.5

Source: PT Hotel Sahid Jaya Internasional Tbk. Pefindo Equity & Index Valuation Division Estimates

The financial management of Sahid Group is performed in a very professional way, as all the accounting information such as income statement, balance sheet or financial key ratios are available to shareholders and investors, or to the general public.

7. Strategic Diagnosis

Strategic Business Unit (SBU)

On the following growth-value map graph, we can notice that Hotel Sahid (SHID) is positioned in the Q-2 section, which means that its Current Performance (CP) is not very high, but that the Growth Expectations is greater than all other hotels. This sounds quite optimistic and therefore we are now going to use the management tools that we have learned during our studies. The following analysis of Hotel Sahid's Strategic Business Unit will focus on product offering, market segment, marketing plan, analysis of competition, and marketing campaign, even though it is part of a larger business entity.

Figure 1: Growth–Value Map
(SHID, Tourism, Restaurant & Hotel Sub Industry)
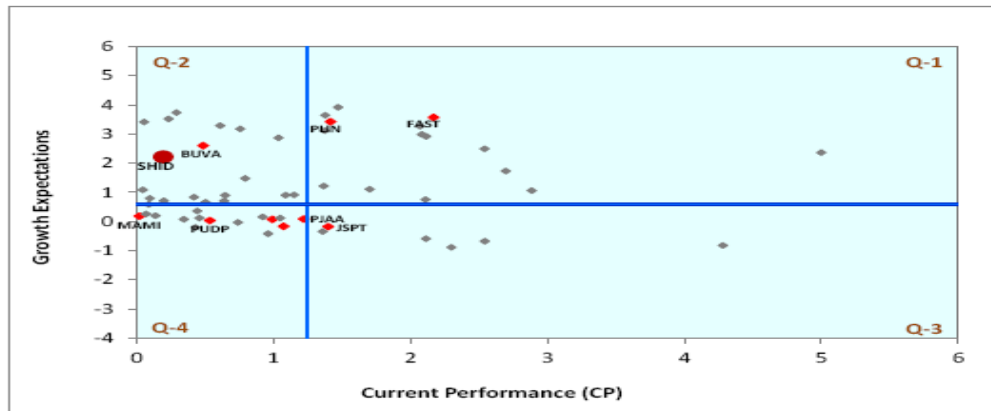
Source:Pefindo Equity & Index Valuation Division Estimation

SWOT, PESTEL, Porter-5, VRIO

SWOT Analysis of Hotel Sahid Montana	
Strengths	**Weaknesses**
• Location close to the town center • Located in premium business area • Long experience in hotel industry • Big meeting room • Good responsiveness • Staff's hospitality even if they don't speak good English • Main attractions of Malang: Bird & flower market, town square, city market, train station.	• Old hotel, needs renovation • Too many rooms • Rooms not taken good care of • Good place to stay, but dirty, smelly, dusty, problems with water heater, sometimes no water at all, • Problems with air conditioner, some rooms have small windows facing another building, bad lighting • Food is not good even if live music band
Opportunities	**Threats**
• In a process of hotel renovation • Growing amount of travelers • Positive outlook in hotel business	• Intense competition among hotels • Limited funds to finance its expansion plans

PESTEL Analysis of Hotel Sahid Montana	
Political	• Political situation in South East Asia • Acts of terrorism or threat of act of terrorism • Corruption in Indonesia
Economical	• National macroeconomic situation in Indonesia • Extent of economic growth in Indonesia • Value of IDR against other major currencies • Rate of inflation
Social	• Demographic changes in Indonesia and worldwide • Changes in family patterns and shifting values in society • Increasing role of social media
Technological	• Need for renovation and refurbishment of facilities • Technological breakthroughs in catering industry • Increasing integration of internet into various aspects of life • Advancing hotel booking functionalities
Environmental	• Impact of changes in weather conditions • Potential damage to the brand image due to environmental pollution • Seasonality of catering business • Effects of natural disasters (wood forest fires)
Legal	• Changes in Indonesian rules and regulations in the catering industry • Indonesian consumer protection rules and regulations • Immigration rules and regulations in Indonesia

Porter's Five Forces Analysis

Threat of New Entry
- Economies of scale
- Proprietary product differences
- Brand identity
- Switching costs
- Capital requirements
- Access to distribution
- Absolute cost advantages
- Government policy
- Expected retaliation

Bargaining Power of Suppliers
- Differentiation of inputs
- Switching costs
- Presence of substitute inputs
- Supplier concentration
- Importance of volume to supplier
- Cost relative to total purchases
- Impact of inputs on cost or differentiation
- Threat of forward integration

Rivalry Among Existing Competitors
- Industry growth
- Fixed costs / value added
- Overcapacity
- Product differences
- Brand identity
- Switching costs
- Concentration and balance
- Informational complexity
- Diversity of competitors
- Corporate stakes
- Exit barriers

Bargaining Power of Customers
- Buyer concentration
- Buyer volume
- Buyer switching costs
- Buyer information
- Ability to integrate backward
- Substitute products
- Price / total purchases
- Product differences
- Brand identity
- Impact of quality / performance
- Buyer profits

Threat of Substitutes
- Relative price performance of substitutes
- Switching costs
- Buyer propensity to substitute

VRIO Analysis : Impact on Performance

Valuable ?	Rare ?	Difficult to Imitate ?	Supported by Organization ?	Competitive Implications	Performance
No				Competitive Disadvantage	Below Normal
Yes	No			Competitive Parity	Normal
Yes	Yes	No		Temporary Competitive Advantage	Temporary Above Normal
Yes	Yes	Yes	No	Sustainable Competitive Advantage	Sustainable Above Normal
Yes	Yes	Yes	Yes	Sustainable Competitive Offer	Sustainable Above Normal For You

BCG, McKinsey, ADL, Ansoff Matrix

In this section, we are going to analyze the different management modeling tools that exist and which can help the managers of Hotel Sahid to optimize its performance.

BCG Matrix of Sahid Group

Relative Market Share (Cash Generation)

		HIGH	LOW
Market Growth Rate (Cash Usage)	**HIGH**	STARS Five-star hotels(Jaya Solo)	QUESTION MARKS Three-star hotels (Hotel Sahid)
	LOW	CASH COWS Four-star hotels ()	DOGS Three-star hotels (Hotel Sahid)

GE-McKinsey Matrix of Sahid Group

		Business Unit Strength		
		HIGH	MEDIUM	LOW
Market Attractiveness	**HIGH**	Push growth Search for leadership Maximize investment	Search for growing segments Heavy investments Keep other positions	Defend global market share Search for cash flow Balance investments to defend share
	MEDIUM	Segmentation to find leadership Challenge weaknesses Reinforce strength	Focus on growing segments Specialization Selective investments	Divest unhealthy items Minimum investment Harvest and keep ready to divest
	LOW	Specialization Search for Market niches Think of acquisitions	Specialization Search for Market niches Think of divestments	Support management Plan timing for divestments Attack competitors on cash producers

ADL Matrix of Sahid Group

		Industry Life Cycle Stage			
		Embryonic	Growth	Mature	Aging
Competitive Position	Dominant	All out push for share. Hold position.	Hold position. Hold share.	Hold position. Grow with industry.	Hold position.
	Strong	Attempt to improve position. All out push for share.	Attempt to improve position. Push for share.	Hold position. Grow with industry.	Hold position or Harvest.
	Favorable	Selective or all out push for share. Selectively attempt to improve position.	Attempt to improve position. Push for share.	Custodial or maintenance. Find niche and attempt to protect it.	Harvest or phase out withdrawal
	Tenable	Selectively push for position.	Find niche and protect it.	Find niche and hang on, or phase out withdrawal.	Phased out withdrawal, or abandon.
	Weak	Up or out.	Turnaround or abandon.	Turnaround, orphaned out withdrawal.	Abandon.

Ansoff Matrix ofSahid Group

		PRODUCTS	
		PRESENT	NEW
MARKETS	PRESENT	Market Penetration Innovative management Long experience in hotel industry	Product Development New architectural buildings New types of decoration

Market Development	Diversification
Management of residential apartments. Continuous development of building, hotels, resorts and apartments	3, 4, 5 star-hotels Javanese decoration Luxury spa & wellness

(NEW)

Application Methods

The Sahid Hospitality School will help with the training of human resources, to develop its education system for promoting the tourism industry and to create new jobs. With the differentiation of the Sahid Group which has a high level of quality in the hospitality sector. Government measures are reinforcing this phenomenon but there is still a delay in comparison to Indonesia's neighbors and these proceeding ought to be more targeted and strategic. The investment in infrastructures encouraged the development of new airport and more frequent flights are great measures to increase the number of tourists visiting Indonesia.

8. Ideas Generation

Management Solutions

There are various methods to improve Hotel Sahid's management and one them is through the "Six Maxi's" to guarantee the boost of sales as follows:

1. Maximize Repeat Sales
2. Maximize The Revenue Per Sale Per Client
3. Maximize Client Loyalty
4. Maximize Cross Selling
5. Maximize Your Referral Network.

There are some weaknesses in the room sales procedure, such as double duties in one function. Some functions suppose to control each other by physically holding the assets (both data and money), records, and authorizing transaction. The people responsible for the custody of assets should not be responsible for recording the assets in the books of record. Employees are less likely to misappropriate or waste assets if they realize that others are recording their use. Lack of control, fraud and moral hazard can be avoided by selecting the proper employees.

There is a risk when the General Cashier takes the money and reports in the morning at the Front Office because there is a lack of supervision. The process of taking the money is only supervised by the Front Office Supervisor. On the other hand, the management has already well managed the morality risk that the cash in the Front Office cashier could be missing during the changing shift. A security member should supervise the collection and calculation processes that done by the General Cashier

The check-in and check-out procedures implementation is already well performed by parties concerning room sales. Each staff performs its duty according to the standard operating procedure (SOP). Check-in and check-out procedures are already sufficient and effective to be used for guests. For reporting procedure, the night auditor creates a summary of the Front Office cashier sheet and a room sales recapitulation. All reports, documents, and remittance envelopes are taken by the General Cashier in the morning.

Transaction recording is carried out in 2 ways, manually and computerized. The numbered forms are used for recording the transaction related to room sales and F&B sales. Input documents and information produced already have some copies and have archived by the involving department.

Authorization is already done by the receptionist or Front Office cashier on duty who signs the document produced and also signs remittance envelope. Specific management policies are also mentioned in SOP that is given to each staff based on its position. In general, the documents used are already sufficient to minimize fraud and the information produced is sufficient decision making.

The monitoring process in the form of data security, documentation and facilities security control is already well done by the management even though there are some weaknesses. The data security provides limited access to enter Front Office, but in the operation process, there is another hotel staff aside the Receptionist/Front Office department staff that can enter the Front Office.

For security control, there are some CCTVs installed in the hotel, however the CCTV is not installed in all areas such as hotel corridors. The staffs are used to supervise areas without CCTV, and this is not effective because they have their own responsibilities and cannot supervise the areas completely. The installation of CCTVs in all strategic areas would increase general security, decrease risks and prevent facility damage.
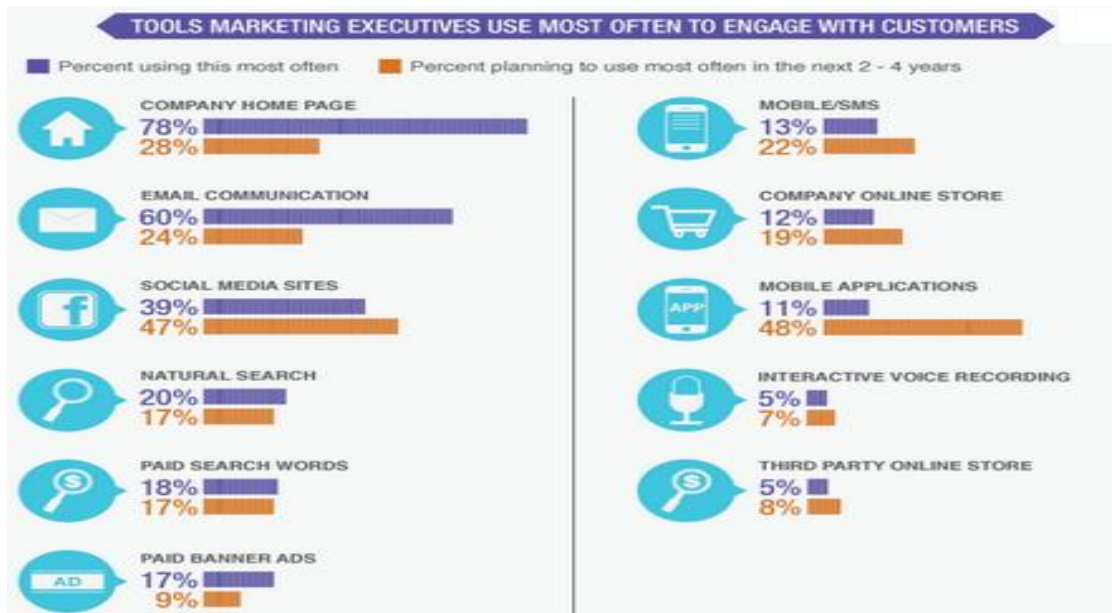
Marketing Solutions

There are also other marketing techniques such as the following ways to boost sales:

- Future-use coupons
- Product packages
- Seasonal specials
- Free meal night
- Live music
- Contests
- Bring-Your-Own night
- Family entertainment
- Upsell suggesting
- Offer samples
- Offer a take-home option
- Bulk order rewards
- Featuring particularities
- Customer reviews
- Cross-promotion B2B
- Charity donations
- Club membership
- Free gift with purchase
- Express check-out
- Give a guarantee
- *Partner up B2B*
- Make it convenient
- Add-ons purchasing
- Rewards and level

Infrastructure Solutions

The website of Sahid Hotel should be improved towards graphic quality and enhanced for marketing and advertising. In order to adapt the website in a performing way, we can advise the management of Hotel Sahid with the following advices.

TOOLS MARKETING EXECUTIVES USE MOST OFTEN TO ENGAGE WITH CUSTOMERS

■ Percent using this most often   ■ Percent planning to use most often in the next 2 - 4 years

COMPANY HOME PAGE
78%
28%

EMAIL COMMUNICATION
60%
24%

SOCIAL MEDIA SITES
39%
47%

NATURAL SEARCH
20%
17%

PAID SEARCH WORDS
18%
17%

PAID BANNER ADS
17%
9%

MOBILE/SMS
13%
22%

COMPANY ONLINE STORE
12%
19%

MOBILE APPLICATIONS
11%
48%

INTERACTIVE VOICE RECORDING
5%
7%

THIRD PARTY ONLINE STORE
5%
8%

Hotel Sahid's website should be adapted to new technologies such as Smartphone devices which require a faster load time, larger layered imagery elements, and emphasis on scrolling and improved intuitive usability.

An effort should put into promoting general social media hubs such as LinkedIn (Business Card), Facebook (Likes, QR Codes), Twitter (Followers, HashTags), Youtube (Video Series), Pinterest (for Hoteliers), Instagram (Hotel Indigo), FlickR (Photo storage & sharing), GooglePlus (Search Engine Referrals, Hotel Finder, and Google Analytics).TripAdvisor is a professional website that reviewsFrequency, Recency and Volume.

It emphasizes information such as customer loyalty by email review, check-out (How was your stay?), website widget (TripConnect), Review Express (TripAdvisorWatch), 10-20% discount for the next stay, contest with free week-end stay.Other hospitality-specialized Hotel Search Enginescan be used for finding new customers.

Many websites like Hotel-specific (iXiGo, Combined, HotWire), FourSquare (Optimizing Hotel Business), SEO for Hotels (Optimized Local Listings), Rate Parity (Expedia, Orbitz, Travelocity), STAAH (Preferable Channel Manager), Reconline (GDS – Global Distribution System).
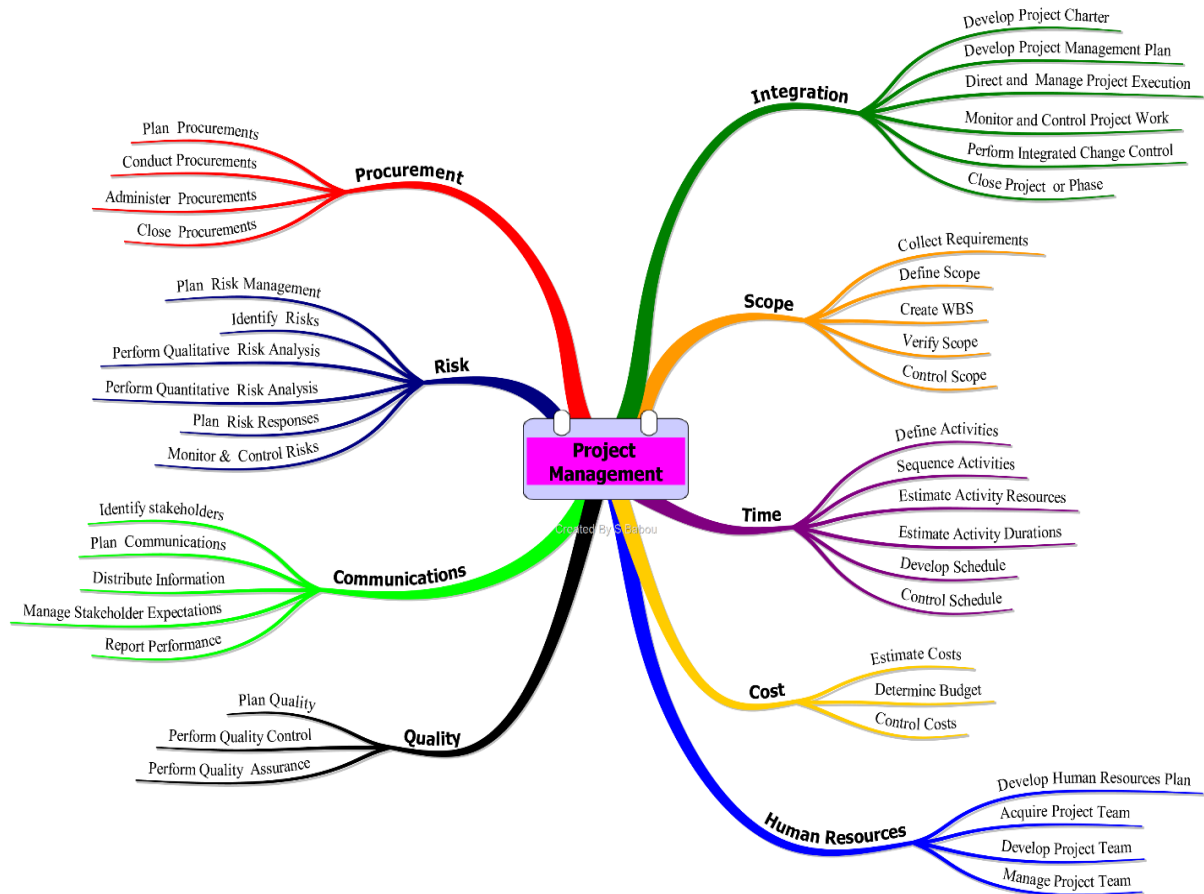
Finally, thanks to OTAs using Hotel Website Links, you can promote the following kind of information: Hotel Booking Websites Referencing, Occupancy boost, New guests, Dynamic packaging, Personal attention, Direct bookings, Bookings and Rankings, Competitor Price Monitoring. There are also promotions on OTA's such as Basic Deal, Early Booker deals, Last Minute, 24-hour promotions.
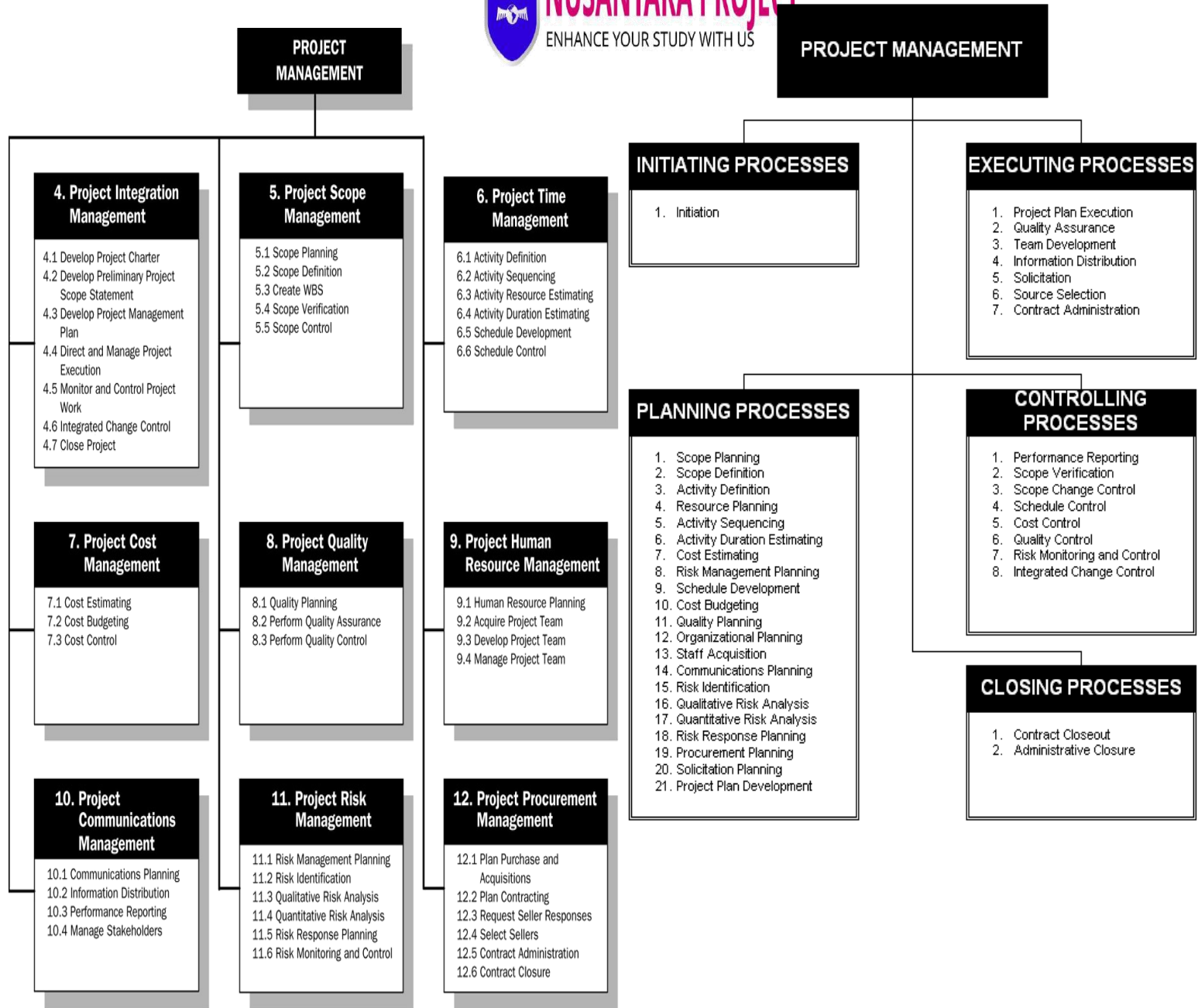
Hotel Sahid could boost occupancy report by using techniques such as critically analyzing its reservation rate (amount of inquiries turning into reservations), relying solely on organic SEO or PPC campaigns is vulnerable, tracking its marketing decisions and their results is the only way to book rooms, exercising some expertise in its city can work tremendously to its advantage, increasing its hotel's exposure is a slow process but there are some very effective changes it can make right now.

9. Strategy Solution

Project Management

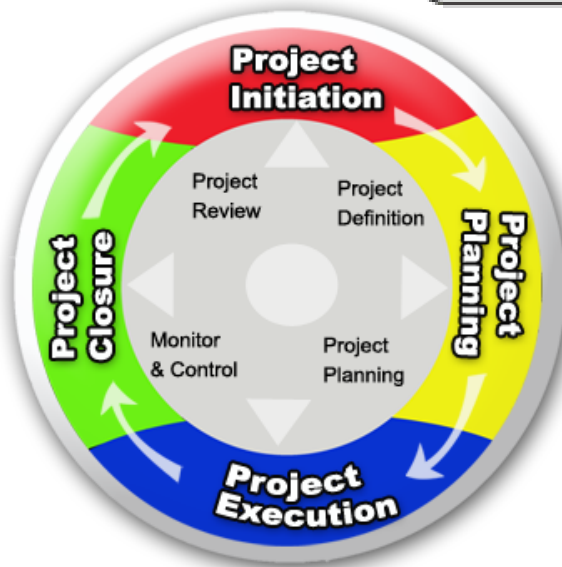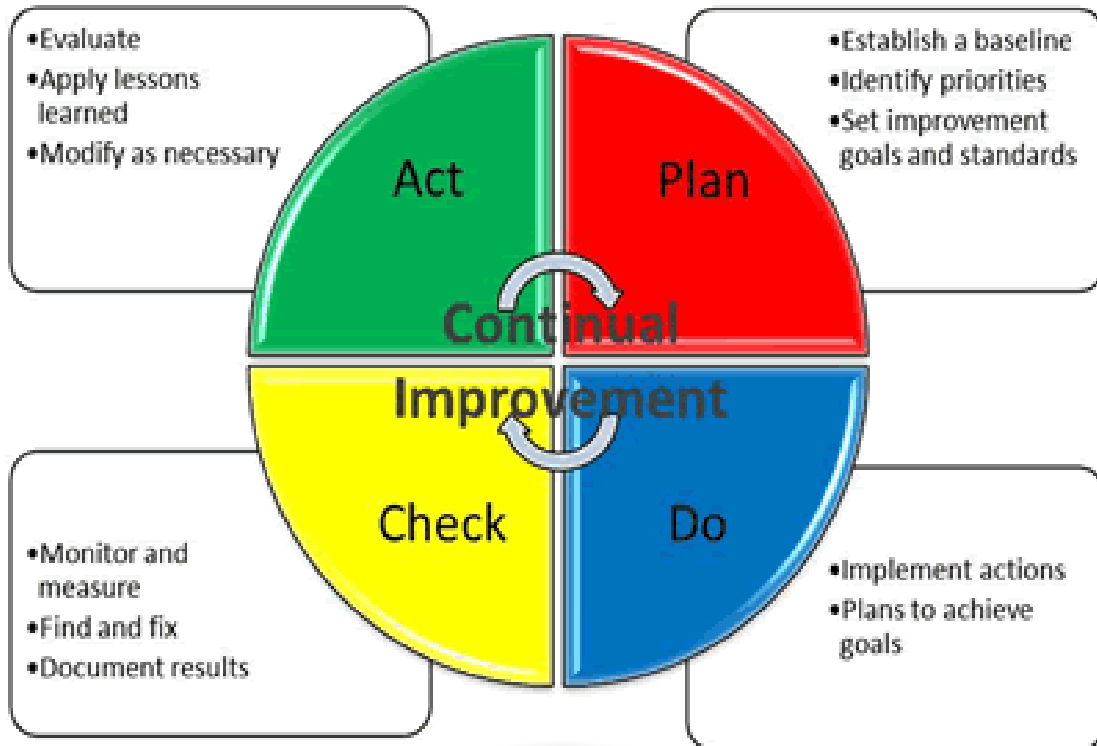In order to launch a strategy solution, Hotel Sahid will need to use various tools for implementing and controlling the project management. We propose the use of the following tool which is known for being the world's most famous method. Indeed, the PMI System was developed by the Project Management Institute and is very powerful for establishing all parameters of the projects and prioritizing its various tasks.
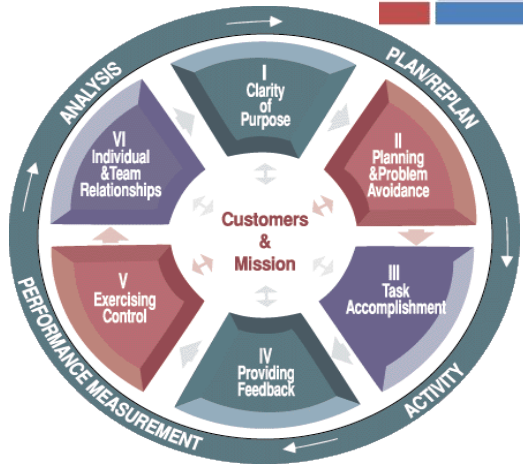
NUSANTARA PROJECT
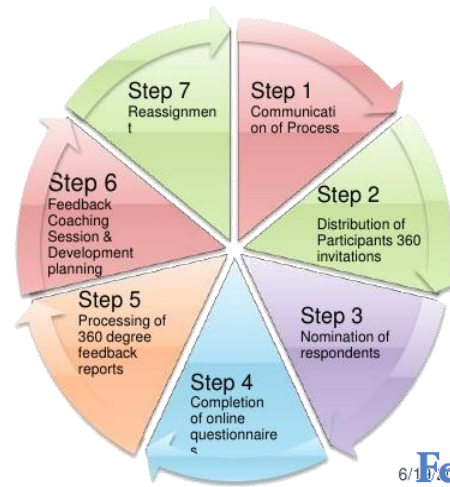ENHANCE YOUR STUDY WITH US

PMI®
Project Management Institute

Project Management

Integration
- Develop Project Charter
- Develop Project Management Plan
- Direct and Manage Project Execution
- Monitor and Control Project Work
- Perform Integrated Change Control
- Close Project or Phase

Scope
- Collect Requirements
- Define Scope
- Create WBS
- Verify Scope
- Control Scope

Time
- Define Activities
- Sequence Activities
- Estimate Activity Resources
- Estimate Activity Durations
- Develop Schedule
- Control Schedule

Cost
- Estimate Costs
- Determine Budget
- Control Costs

Human Resources
- Develop Human Resources Plan
- Acquire Project Team
- Develop Project Team
- Manage Project Team

Procurement
- Plan Procurements
- Conduct Procurements
- Administer Procurements
- Close Procurements

Risk
- Plan Risk Management
- Identify Risks
- Perform Qualitative Risk Analysis
- Perform Quantitative Risk Analysis
- Plan Risk Responses
- Monitor & Control Risks

Communications
- Identify stakeholders
- Plan Communications
- Distribute Information
- Manage Stakeholder Expectations
- Report Performance

Quality
- Plan Quality
- Perform Quality Control
- Perform Quality Assurance

Created By S.Baibou

PROJECT MANAGEMENT

4. Project Integration Management

4.1 Develop Project Charter
4.2 Develop Preliminary Project Scope Statement
4.3 Develop Project Management Plan
4.4 Direct and Manage Project Execution
4.5 Monitor and Control Project Work
4.6 Integrated Change Control
4.7 Close Project

5. Project Scope Management

5.1 Scope Planning
5.2 Scope Definition
5.3 Create WBS
5.4 Scope Verification
5.5 Scope Control

6. Project Time Management

6.1 Activity Definition
6.2 Activity Sequencing
6.3 Activity Resource Estimating
6.4 Activity Duration Estimating
6.5 Schedule Development
6.6 Schedule Control

7. Project Cost Management

7.1 Cost Estimating
7.2 Cost Budgeting
7.3 Cost Control

8. Project Quality Management

8.1 Quality Planning
8.2 Perform Quality Assurance
8.3 Perform Quality Control

9. Project Human Resource Management

9.1 Human Resource Planning
9.2 Acquire Project Team
9.3 Develop Project Team
9.4 Manage Project Team

10. Project Communications Management

10.1 Communications Planning
10.2 Information Distribution
10.3 Performance Reporting
10.4 Manage Stakeholders

11. Project Risk Management

11.1 Risk Management Planning
11.2 Risk Identification
11.3 Qualitative Risk Analysis
11.4 Quantitative Risk Analysis
11.5 Risk Response Planning
11.6 Risk Monitoring and Control

12. Project Procurement Management

12.1 Plan Purchase and Acquisitions
12.2 Plan Contracting
12.3 Request Seller Responses
12.4 Select Sellers
12.5 Contract Administration
12.6 Contract Closure

PROJECT MANAGEMENT

INITIATING PROCESSES

1. Initiation

EXECUTING PROCESSES

1. Project Plan Execution
2. Quality Assurance
3. Team Development
4. Information Distribution
5. Solicitation
6. Source Selection
7. Contract Administration

PLANNING PROCESSES

1. Scope Planning
2. Scope Definition
3. Activity Definition
4. Resource Planning
5. Activity Sequencing
6. Activity Duration Estimating
7. Cost Estimating
8. Risk Management Planning
9. Schedule Development
10. Cost Budgeting
11. Quality Planning
12. Organizational Planning
13. Staff Acquisition
14. Communications Planning
15. Risk Identification
16. Qualitative Risk Analysis
17. Quantitative Risk Analysis
18. Risk Response Planning
19. Procurement Planning
20. Solicitation Planning
21. Project Plan Development

CONTROLLING PROCESSES

1. Performance Reporting
2. Scope Verification
3. Scope Change Control
4. Schedule Control
5. Cost Control
6. Quality Control
7. Risk Monitoring and Control
8. Integrated Change Control

CLOSING PROCESSES

1. Contract Closeout
2. Administrative Closure

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Implementation Guidelines

The Deming Wheel, which is also known as the PDCA Cycle (Plan, Do, Check, Act) is probably the best management tool for controlling all tactical aspects regarding the implementation of the project management. Indeed, with this tool, the managers of Hotel Sahid will be able to take appropriate measures as for managing the integration of tasks.
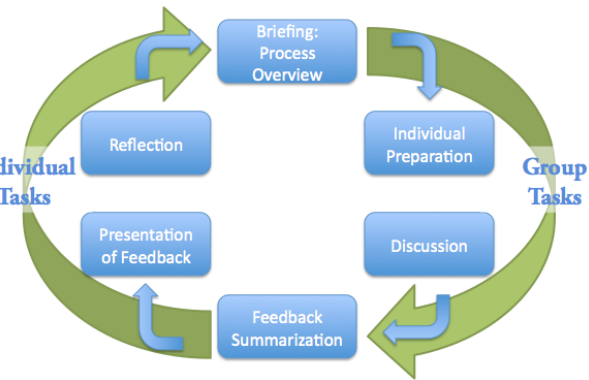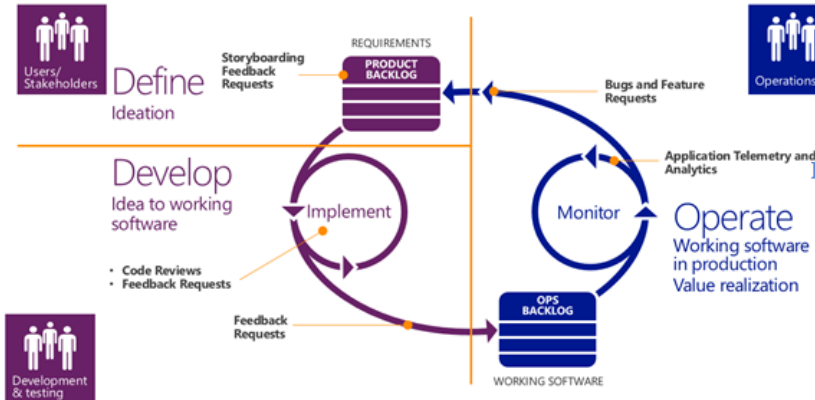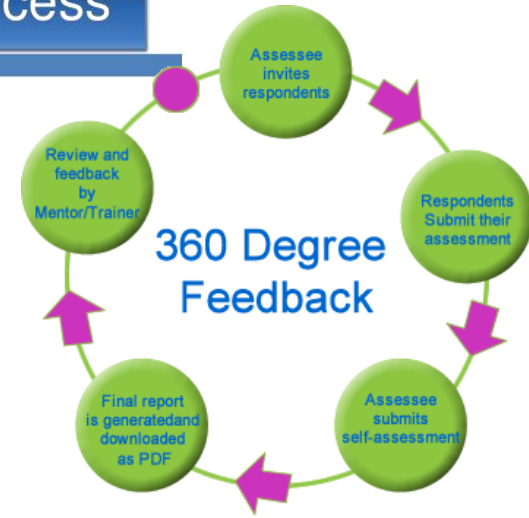
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360 Degree Feedback Process

Continuous Feedback

- I Clarity of Purpose
- II Planning & Problem Avoidance
- III Task Accomplishment
- IV Providing Feedback
- V Exercising Control
- VI Individual & Team Relationships
- Customers & Mission
- PLAN/REPLAN
- ANALYSIS
- PERFORMANCE MEASUREMENT
- ACTIVITY

Step 1 Communication of Process
Step 2 Distribution of Participants 360 invitations
Step 3 Nomination of respondents
Step 4 Completion of online questionnaires
Step 5 Processing of 360 degree feedback reports
Step 6 Feedback Coaching Session & Development planning
Step 7 Reassignment

360 Degree Feedback

- Assessee invites respondents
- Respondents Submit their assessment
- Assessee submits self-assessment
- Final report is generatedand downloaded as PDF
- Review and feedback by Mentor/Trainer

Feedback Process Model

6/17/...

Users/Stakeholders — **Define** Ideation
Storyboarding Feedback Requests
REQUIREMENTS
PRODUCT BACKLOG

Develop Idea to working software
- Code Reviews
- Feedback Requests
Feedback Requests
Implement

Development & testing

Bugs and Feature Requests
Application Telemetry and Analytics
Monitor
Operate Working software in production Value realization
OPS BACKLOG
WORKING SOFTWARE

Operations

Individual Tasks — **Group Tasks**

- Briefing: Process Overview
- Individual Preparation
- Discussion
- Feedback Summarization
- Presentation of Feedback
- Reflection

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10.   Business Report

Global Syllabus

We have analyzed Hotel Sahid way of functioning and we have reviewed all the aspects related to its general management to implement the Javanese leadership philosophy represented by natural aspect to differentiate Hotel Sahid from other budget hotel brands who all look the same. Indonesian hospitality staff members take better care of customers as this is part of the Asian culture and is deeply engrained in Asiatic nature.

For four and five star hotels, Sahid Group is looking to make multiuse projects as high end hotels have a longer payback period. So Sahid Group will combine the hotel with other facilities such as a shopping mall which Sahid Group has done previously in Bali and so this is an option for international markets. China is a key market for Sahid Group as well as investors are strong in capital and the number of Chinese tourists is rising quickly. As such, Sahid Group is thinking to enter Chinese market in the medium term.

Sahid Group should welcome potential partners and investors to join, as Indonesia's tourism industry is flexible and there is plenty of room with an abundance of new opportunities. The investment costs are highly competitive in Indonesia for labor and building materials. Also land prices in many key locations are very competitive for new projects. It is believed that the residential sector for foreign property ownership is very promising as changing regulations are enabling foreign investors to purchase properties in major cities such as Jakarta and as such there is a lot of potential there. Sahid Group should combine its expertise and experience in hospitality as well as its capital and network to create new and innovative projects.

Business Proposal

According to scientific management, focal point solutions would help Hotel Sahid developing a viable business proposal to solve problems and generate ideas. Our advice is to set up customer's evaluation mechanism related to staff wages and to consider staff feedback by setting up an advice management system. Hotel Sahid should refurbish its obsolete equipment, improve staff low efficiency and solve internal problems (incentives/punishment, wages, promotion/demotion, management problems).

11.   How to Improve Hotel Sahid's Performance?

a   Staff Management

Staff is the core of the hotel's management, staff's work enthusiasm influence the customer satisfaction directly. Improve the hotel service and satisfaction is the key to improve employee satisfaction. Improving employees' satisfaction is helpful to improve the hotel service and satisfaction. According to a survey of China, The influence factors of employees' job satisfaction is the hotel leader's social responsibility, work remuneration, working environment and working relationships.
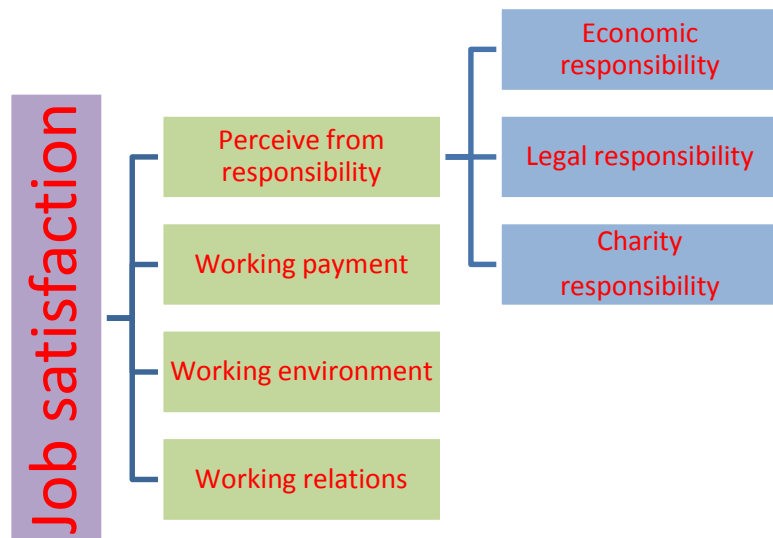
Model validation result

Research conclusions:

I. The stuff's job satisfaction influenced by social responsibility of manager, working payment, working environment and working relations.

II. Wage is the biggest factor affecting job satisfaction, followed by leader's social responsibility, working environment and working relationship.

III. In circumstances where control working payment, working environment and working relations, employees' job satisfaction have a great relationship with lead's attitudes towards law, followed by lead's attitudes towards economic and moral responsibility.

Suggestions about how to improve Hotel Sahid employees' job satisfaction:

I. The manager of Hotel Sahid should regulate employees' salary according to the performance of the employees. Rewarding the employee who work seriously and made outstanding contributions to the hotel timely. The aim is to get the hotel staff to increase momentum for the hotel services.

II. Formulating a set of performance management system, including reward and punishment. Hotel Sahid's manager must attach great importance to this aspect, in order to improve the employee's service level.

III. The methods of motivate staff has the following points:

a. Salary reward. If they have made outstanding contributions to the hotel or obtain customer high praise, it should be to raise the salary as a bonus. This is the most effective measures to improve enthusiasm of the staff.

b. Job promotion. Compared with other employees in the same job, if someone can do a great job, you should get jobs ascending or get more job training in the work at ordinary times. These people should be trained seriously, because they create more benefit for the hotel. According to the incentive theory, the staff will work more hard for the enterprise after get their boss appreciated. Pay attention to employees, let them get satisfaction have more effect than material rewards sometimes.

c. Job transformation. Hotel Sahid's manager should fully understand the employee's interests and preferences. Of course, their work performance also included. If the employee cannot play their functions in a certain position effectively, it need to be converted in time. Let them work for more suitable job, this not only can let them work effectively, but also can eliminate negative emotions and improve the whole service level of the hotel.

IV. Hotel Sahid's manager must comply with the legal system and professional ethics, if they want to improve employees' job satisfaction. First, managers should be prepared for personnel deployment, let employees to work on time, refuse to work overtime work overtime or do it rarely. Second, the employees work overtime payment and bonuses should be paid timely and full specified amount. Once more, managers should do business lawfully; do not do dishonest behaviors, such as false accounts and commercial fraud, etc. There is a proverb in China, *the below follows the behavior of the above*. It means that the manager's behavior affected employees profoundly. Therefore, the higher the position they have, the more they should pay attention to their behavior.

V. Listen to the voice of the employees. Communication is also a good method of management, it helps to solve the problems, there is no exception in hotel management.

Leaders need to find problem and correct it, listening to the advices of the front-line workers also is right choice. In a word, managers need to pay great importance to, as long as it closely related to employee benefits.

b. Cost Reduction

I. Hotel Sahid should introduce strategic cost management system. Cost leadership strategy as the hotel's overall development strategy, take greatest efforts to reduce cost, pay more attention to the control of operating costs and management costs.

- a. Checking the existing value chain detailed, manage the cost of each activity.
- b. Restructuring the value chain to eliminate unnecessary work procedures and low value activities.

Formulating corresponding human resource strategy, marketing strategy, cost strategy, information strategy, build a comprehensive budget management as the basic method. Forming a comprehensive financial management control system, which is based on standard cost management, cash flow control and information technology. Using the value chain analysis, cost driver analysis and strategic positioning analysis tools analyze and manage hotel's strategic cost management, the hotel logistics, cash flow, information flow and value stream.

II. Hotel Sahid should reduce the cost of its internal control system

a. Building inventory management system of business department.

① Setting standards work processes, simplify the name of inventory.

② According to the standard working process, confirming each department standard usage amount. According to the customer reception quantities, ascertaining hotel supplies inventory.

③ Checking thoroughly the actual number of public supplies, cleaning supplies, office supplies, food supplies, etc. Comparing the actual number and standard inventory, excess amount as audit, at same time, complement the number of inadequate in time.

④ Develop outbound specification items, reward and punishment regulations.

b. Building inventory management system of non-business department.
File transfer in the form of mail to minimize the use of paper documents. Conform minimum usage of office supplies according to the practical work. Get office supplies according to the normal demand every month, if the demand is not more than limit. In the same way, report to leader if the demand is exceeds the limit.

III. Hotel Sahid should build up a system of internal control mechanism, perfect the assessment of purchasing.

- a. Each department put forward the use of dosage, brand and specifications. Avoid waste from the source.

b. Hotel's manager should establish the files of price; assess the performance of purchasing staff. Encouraging buyers strive for the lowest price to buy products and meet the requirements of quality, quantity and time. Reward employees who have saved the cost of purchasing, and give punishment to the employees who waste the purchasing fund.

c. Improve the internal control mechanism. Each department get the required items according to the actual usage. Improve cost standards according to the standard workflow, and determine the number of guest consumables usage amount and brand. At the same time, determining the suppliers.

The Hotel Sahid's manager should pay attention to the following questions when they try to reduce the cost of hotel:

a Cost management is not just a matter of finance department, but involves all the departments of the hotel. All departments should be a concerted effort to reduce the cost of hotel operation. The whole process of cost savings requires all departments cooperation and hotel senior leadership's support and encouragement.

b The effective method to control cost is to premise understanding hotel's developmental strategy, the actual operational information, and so on.

c Setting up the practical cost control plan according to the actual situation. The plan should be practical, neither too difficult nor too easy.

d Practice is the sole criterion for testing truth. Correcting the problems in time in the process of operation, in order to ensure the smooth implementation of the overall solution.

C. Updating facilities

According to the customer's feedback, a part of the basic facilities in the Hotel Sahid are dilapidated and need to be improved. Therefore, how to replace the old equipment become a huge problem. Here is the process of update infrastructures:

I. Hotel Sahid's administrator should check out the related facilities regularly, including air-conditioner, refrigerator, lamps and lanterns, bath facilities, etc. Register the quantity and brand of infrastructures which need to be changed.

II. Give the list to the hotel manager, the time and quantity of related facilities should decide by him. By the way, talking about the way of purchasing, open tendering or purchase on specific manufacturer.

III. Determine the manufacturer. No matter what way to choose, there should be ensured that the purchase price is reasonable, short installed period, high quality assurance.

IV. The process of installation and commissioning must be monitored carefully. After the installation it also need pay more attention to the situation of the equipment.

d. Maintain facilities

Hotel Sahid not only need to update the equipment, but also should pay more attention to daily management and maintenance. The management of equipment is as important as the management of the staffs.

The principle of the equipment maintenance:

I.   Equipment maintenance must adhere to the principle of the combination of prevention and daily maintenance. Using normally, maintaining carefully and timely, reduce the damage.

II.   Put into practice a system that the operator is responsible for the equipment compulsorily. The operator use and maintain the equipment must with serious attitude and scientific method.

III. Hotel must train maintenance personnel with a high level, the same as the operator.

IV.   Equipment operators operate equipment in accordance with the relevant rules and regulations. Maintenance personnel must check out the equipment operational condition on time, make the record carefully.

V.   The Hotel Sahid staff must have relevant stuff inspect infrastructures in the room, when customers check out. Prevent damage and the loss of hotel facilities, it also provides guarantee for the division of responsibilities.

e. Improve Customer Service

I. Improvement of hardware facilities

   a. Hotel Sahid need attach great importance to the construction of guest room.

      1.   The grade of the facilities should be consistent with the hotel's star. That means a five-star hotel's facilities quality should be higher than a four-star hotel's facilities equipment quality, it should luxury and gorgeous.

      2.   Facilities not only should reach high levels of use value, at the same time should have the characteristics of the elegant, comfortable and beautiful appearance.

           All kinds of facilities should be in good working condition, the expected reception capacity and strict maintenance system.

   b. Attaching great importance to the guest room's decoration and design.

      1.   The decoration and design of room should meet the customers' diversified and personalized needs. With the enlargement of the female market, for example, may have some smokeless room or female guest room, the room decorate some dolls, magazines or city shopping guides.

      2.   Hotel culture atmosphere and culture value need to be known and identity by the guests. Indoor interface color should highlight the theme. Hotel's

cultural construction can reference the local traditional culture, art and historical stories and folk characteristics.

II. Improvement of soft service ability.

a. Positioning market and product accurately. The clear positioning of market and product is a necessary premise for the further development of the hotel. Super 8 hotel have a very clear market positioning, which target on the intermediate consumption, mainly for individual customers, self-help tourists and family unit. So super 8 provides a simple and elegant decoration environment, clean and comfortable beds, clean toilet and high quality service for them. At a price of Super 8 is below the luxury hotel, but the service level is much higher than general hotel. By segmenting market, discover blank market and locate a certain target customer group that has common requirements.

b. Service innovation. The hotel need to establish their core competitive advantages, the service innovation will be one of the most important contents. For example, 7 Days chain hotels have made great success in China. First of all, the 7 days created its own e-commerce platform, including the network reservation, telephone reservation, WAP and short message service reservation (SMS). Second, it launched "my room", happy 24 hours reception, healthy nutrition breakfast, self-help and convenient service, our special care, and other service innovation projects. Provide convenient service to customers, maximum satisfy customer's various demand. Third, adopt customer reviews to encourage customers to participate in hotel reviews with the method of rewarding points. On the one hand, it help customers to form their spending habits, on the other hand it also provides the management problems through customer evaluation so that manager can correct immediately.

c. Provide personalized service.
1. Obtain information about customers through various channels, and then sort and classify the information resources, provide satisfactory service mode according to the customer's preferences and habits.
2. Provide specific services to guests and improve their service scope of the hotel according to the characteristic of itself. Such as, provide the morning call service for businessmen, put some business magazines on their desk.
3. Bring surprise to customers by providing differentiated and personalized services. Provide cartoon theme room for cartoon fans, and provide DVDS and audio for music lovers.

III. Set up a scientific system of service quality management.

   a. Revise and improve working process and service standards. Further optimize service process, develop a complete unified service quality standards, and implement the standardization of the service quality. Such as, registration should be completed within 5 minutes, room cleaning in 25 minutes, wash the clothes must be send to room within 24 hours. Therefore, we suggest hotel to design their own service quality standards according to their own actual situation.

   b. Established service quality managerial system on the basis of the customers' satisfaction. Hotel service quality evaluation system mainly has three components, *the evaluation of subject, the evaluation of object and evaluation of the medium*. In general, evaluation subject is mainly refers to the customer, hotel organizations and third party assessment institutions. Evaluation of the object mainly contains two aspects: the hotel's equipment and services. Evaluation of medium contains a variety of channels, such as the customer's praise, complaints, hotel's rewards and punishment system, in addition to the third party evaluation reports. This requires the hotel take everything into consideration when constructs evaluation index, find the advantages and disadvantages of hotel service, and provide effective guidance for the improvement hotel service.

   c. Improve the hotel service quality supporting and controlling system.

      1. Supporting system. Including service recovery system, hotel staff satisfaction and service quality information system. First of all, solve the customers' problem in the first time. Set up the consciousness of the customer is god. Second, respect employees, know the employee's needs and meet their needs. Only the employees get satisfaction can they improve their service quality to a great extent. Third, establish a complete information management system, acquire and manage the information from the internal and external hotel.

      2. Set up and improve the customer information feedback system. As a type of service enterprise, the customer is god, customer's demand is the direction of hotel's development. If you want to improve the competitiveness of the hotel, you must attach great importance to the customer's opinion and the suggestion. The manager can interview or do a questionnaire from customers, then give them small gifts.

      3. Establish service quality control system. The hotel service quality control can be divided into advance control, local control and feedback control.

First, solve all of problems before the customer check-in. Second, managers command and supervise on the scene, when problems arise. Third, according to the problem to find out the reasons, put forward the improvement measures, avoid the mistake from happening.

f. Marketing & Advertising

Optimize the strategy of marketing

I.   Environmental marketing, using the concept of green environmental protection.

The hotel's development with environmental protection as the way of business. The environmental marketing concept can not only improve the economic benefits of hotel, but also can protect the ecological, promote the sustainable development of the hotel, the environment and products. On diet, provide consumers with health, nutrition and pollution-free green food. In the guest room, use energy-saving lamps inside the room to avoid energy waste, use flowers instead of the air freshener, use shower gel instead of the disposable soap, etc. Environmental marketing idea is to start from the hotel itself to change people's traditional ideas, not only reducing the damage of the environment and resources, but also helping consumers establish a good image of the hotel.

II.   Brand marketing, break the homogeneity of brand value.

Present the hotel's image, popularity and good reputation to consumers, make consumers form a good image of enterprise product or service. Brand is the intangible assets of the hotel, and the hotel can set up the hotel brand marketing through the theme of marketing. Select one or more of the scenic spots or historical themes to attract consumers, according to the characteristics of consumers, resource characteristic and social hot spots, etc. In addition, the hotel can also choose to culture of scenic spots as the theme of the hotel, such as the local culture, product and holiday culture, etc. Let culture integrate in harmony with the hotel. Hotel staff dressed in local characteristic costumes, make food or provide local characteristics show in live, let consumer experience different humanistic and amorous feelings.

III.   Marketing channel, broaden their own direct sales channels.

Direct marketing channels refer to the hotel products and services in the process of flow to the consumer without any intermediate link marketing methods. That means the hotel disseminate their product and services to consumers directly. The advantages of direct channel are that the sales and promotion can be effectively controlled; collect consumers' information in time and save money on advertisement.

The hotel can build efficient e-commerce platform. The hotel promote the enterprise image through the Internet, introducing supporting facilities of the hotel, the internal environment, product price, features and travel information of the scenic spot. Let the consumer more comprehensive, more clearly and faster understanding of the hotel. The hotel provide consumers with the online booking in the form of e-commerce platform to reach the room sales on a global scale. It not only expand channels of the hotel's customers, but also accept consumers' opinion of hotel and feedback in time, interact with consumers.

IV. Network marketing, using the new way of marketing.

Network marketing also known as online marketing or electronic marketing, it is based on the Internet, with online marketing as the guidance, take the network as tools. In addition to establish e-commerce platform, hotel still can use some new kind of network marketing, such as Wechat marketing, Facebook marketing and so on. Mobile phone has become an important way of access to information, Mobile phone WAP website and mobile APP application software are more and more popular among consumers, such as travel booking, hotel reservation, ticket booking and business management, etc.

V. Relationship marketing, establish a mutually beneficial alliance.

Relationship marketing refers to marketing activities as a process of interaction, the enterprises and consumers, suppliers, distributors, government agencies, competitors, etc. Its core is to establish a good relationship with the public. If Hotel Sahid wants to get more customers in the fierce competition in the market, it would better to do a good job in relationship marketing, form an alliance to sell with peers. Forming a strategic alliance, hotels and scenic spots, hotels and travel agencies, hotels and other institutions. The combination of the hotel and tourist attractions, not only satisfy the tourism and leisure needs of tourists, but also expand the consumer market of hotel and tourist attractions. The combination of the hotel and travel agency, can increase the demand for hotel, and enhance the mutually beneficial relationship with the travel agency

VI. Experience Marketing

It is a marketing method which is by the means of Seeing, Hearing, Using, Participating to fully stimulate and mobilize consumers Sense, Feeling, Thinking, Action ,Relation and other emotional and rational factors, redefine and design of a way of thinking marketing methods.

The differences between traditional marketing and experience marketing

	Experience marketing	Traditional marketing
The focus of product promotion	Customers' experience and feelings	Product Features
The suppose of the customers	Customers are rational decision makers	Customers of both rational and emotional
Competition	The judgment is based on situational consumption	Occur in product category
Additional value	high	low
Profitability	high	low
Attract elements	Experience in the form of feeling, emotion, thinking, action, association	Performance and benefits

a. Perceptual experience

That perceptual experience use the vision, hearing, touch, taste and smell perception and other organs in the marketing. Perceptual experience can be divided into company and product (identification), causing consumers to purchase motivation and increasing value-added products,

b. Thinking Experience

Thinking experience is creative ways to cause consumer surprise, interest, to issue a centralized or decentralized thinking, create awareness and problem solving.

c. Behavior experience

Behavior experience means by increasing the body of experience, pointing out the way they do things alternative, alternative lifestyles and interaction, enrich the lives of consumers, so that consumers are change their lifestyle.

d. Emotional experience

Emotional experience is reflected on consumers' inner feelings and emotions, so that consumers can feel a variety of emotions, such as family, friendship and love.

e. Related Experience

Related experience is the practice of self-improvement through personal desire to make others feel good about themselves. It makes consumers and a broader social systems associate so that establish some kind of brand preference.

g. Hotel internal control system

internal control system	Specific methods
Job Separation control	The hotel should set up a special internal oversight mechanism, and take appropriate procedures and methods for on-site control
Entitlement Control	The hotel management should be divided into grades, according to the amount of business activities and the importance of the matter
Accounting System Control	The hotel management's immediate family cannot serve as the financial management department; Employees in the financial sector after a specific post for a period of time can be rotated to other positions
Information and Control Systems	Authorizing the right to access to information about the hotel and consumers, according to the size of the job,in order to ensure that the information will not be disclosed.
Asset protection control	Employees of the hotel inspect assets regular or irregular. Purchase the assets of insurance to prevent fires.
Operations Analysis Control	Hotel management set up a special operations analysis group, establish operational analysis system, and carry out the hotel situation analysis on a regular basis.
Comprehensive Budget Control	After the end of the budget execution assess the implementation of the budget.

I. Job Separation control.

The Hotel Sahid should have a complete and comprehensive analysis system, clear the incompatible position, and conduct job control. This will define the rights and obligations of various departments and improve efficiency.
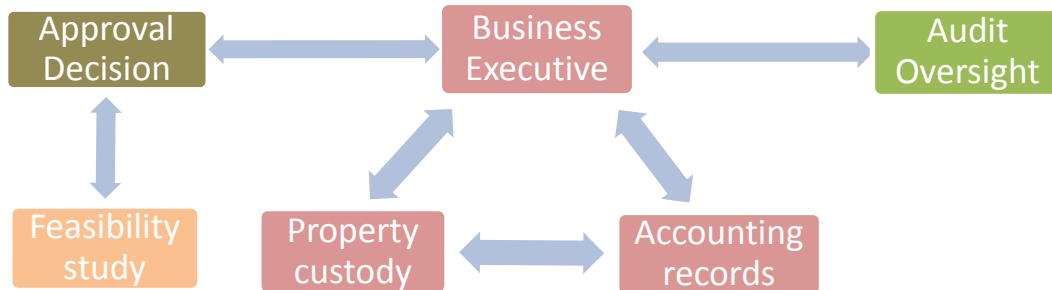
Job Separation Design Flow

II. Authorized to approve the control. The Hotel Sahid management should clearly distinguish between authority and responsibility. In the authorization process, manager must pay attention to the basic principles of authorization:

    a. First, authorization according to change of circumstances not for someone;

    b. Secondly, override behavior in authorization process cannot exist;

    c. Third, managers should be appropriate authorized in operational activities;

    d. Finally, authorized under supervision system.

      In the approval process, neither ultra-approval, nor arbitrarily approval. Supervising the approval process, so as to prevent abuse from occurring.

III. Accounting System Control

Sound accounting control system is an important part of the internal control system. The main control point in the following four points:

    a. Accounting documents control. The hotel deal with original documents and accounting vouchers, in accordance with the relevant regulations and relevant accounting standards.

    b. Accounting books control. Accounting books system to adapt to the hotel's own size and operating conditions, and meet the needs of hotel management.

    c. Control over financial reporting. Perfect control over financial reporting processes, clear job responsibilities; improve operations authorized, approval and approval system in financial reporting.

    d. Incompatible duties separation control. There cannot exist an employee keeping checks and stamps simultaneously. The hotel manager's immediate family cannot do executives of the financial sector to prevent the collusion behavior.

IV. Comprehensive Budget Control. Comprehensive budget control is a full range of financial budget management mode

Comprehensive Budget Control System

```
                           Financial
                            budget
        ┌─────────────────────┼─────────────────────┐
     Expected              Expected              Expected
      assets                profit               cash flow
  Operating                                    Capital
   Budget                                       Budget
  ┌────┬──────┬──────┐                    ┌─────────┬─────────┐
Procurement  Sales  Production  Other   Investment      Financing
 budget     budget   Budget    budget    budget           budget
```
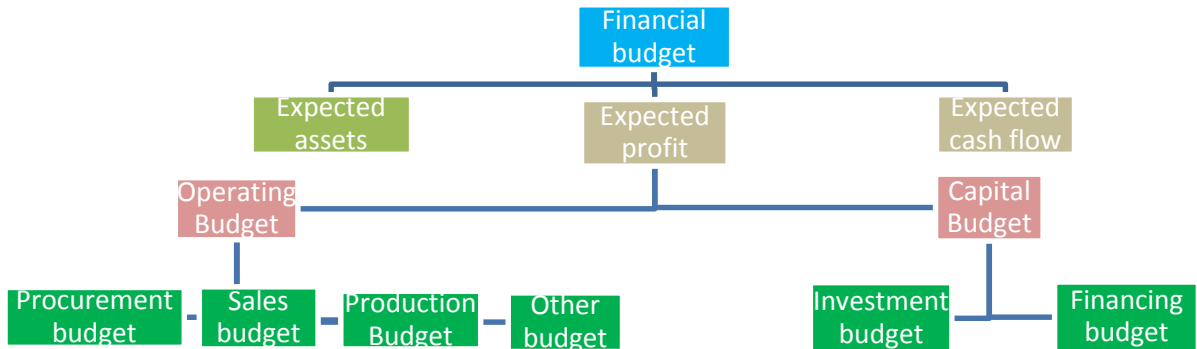
Hotel Sahid should pay attention to the following comprehensive budget control points:

   a. Improve the budgetary organization. Budget committee composed of the hotel general manager and department manager; it plays an important role in the hotel. Budgetary institutions assign work to the various business units, thus completing the budget planning investments, profits, costs, expenses and income.

The main structure of the comprehensive budget

```
                    Board of
                    Directors
                        │
  General            Budget
  manager ─────────  Committee
                        │
                   Budget Work
                        │
                   Budgetary
                   Responsibility
```
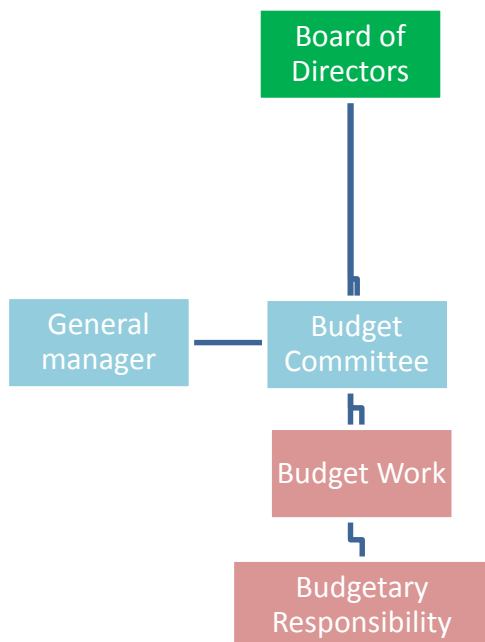
b. Control of activities throughout the whole budget process. When budgeting, the hotel staff can reflect bottom-up information and provide effective reporting. Analyze the problem and implement control measures, when there is a big gap between the target profit and the actual profit.

c. Flexible budget. There is a certain degree deviation between real volume of business and forecast results. When the hotel sales changes, budget data also make adjustments with the amount of change in the hotel business, thus reflecting costs, sales revenue and profit information during a certain period.

d. Establish the budget evaluation system. The actual amount of data compare with the budget targets, and find the problems in the course of business. The hotel Budget Committee should give high priority to the budget, which has a huge gap with real data.

h. Recommendations on the Hotel Sahid internal controls:

I. The internal control process should comply with relevant laws and regulations. Staff management should comply with labor law, financial management should comply with the relevant accounting laws, catering management should comply with the relevant health and safety laws. Hotel Sahid should do a good job in food safety, social responsibility and employee benefits.

II. Financial reporting should comply with accounting standards. Hotel Sahid need to invite a third party accounting firm to report financial statement in accordance with the Malaysia Accounting Standards. Financial reports should reflect the Hotel Sahid's operating activities, investing activities and financing activities, and to provide data to support hotel's future management.

III. Capital appreciation is the design basis. The ultimate goal of the hotel management is capital appreciation; Hotel Sahid is also the same. For the Hotel Sahid, the asset value appreciation of the target is mainly reflected in the following two aspects: One is through asset management measures to reduce the hotel exterior and interior economic risks; another is a virtuous circle of assets by optimizing operational processes.

IV. Improve the efficiency of hotel operations. Establish a sound internal control system can help Hotel Sahid improve the hotel's own operational efficiency. Hotel management efficiency determine the level of management, higher management efficiency can make it easy to achieve greater business performance. Hotels need to establish rules and

regulations, such as the management and supervision system, hotel humanistic philosophy and core values, in order to promote coordination of hotel staff, the implementation of the work plan and achieve operational objectives.

V. Complete hotel long-term planning. The Hotel Sahid's strategic goal is mainly reflected in long-term planning. The hotel belongs to the service industry, service quality and cost controls are the main points of competition. The hotel's strategic objectives reflected in two points:

  a. Standardized service processes and service details, improve response capabilities, thereby establish good corporate brand, and increase the company's reputation, brands and other tangible value of intangible assets.
  b. Optimizing the cost control, regulating procurement, management, sales of all aspects, achieve economies of scale and cost control advantage in the same industry.

i. Establish a sound and effective risk assessment system

The Hotel Sahid should collect valid information, combined with the hotel's specific business risk assessments in order to achieve effective control.

Most hotels have this question: "Hotel staff lacks target identity; the staff of the hotel does not fully understand the risks; risk analysis process is imperfect and manager lack of analytical capacity when the risk analysis came out". To solve the above problems:

I. Setting Control target. The hotel control target not only includes long-term development objectives, but also includes recently short-term targets. From the target content categories there are three main objectives：

  a. Operational objectives, to protect the efficiency and business results;

  b. Financial reporting objectives, to ensure the reliability of financial statements;

  c. Compliance objectives, to ensure the legal compliance of business operations.

II. Risk Identification. There are many risk factors from management risk, in general can be divided into two categories, namely internal and external risks.

  Internal risk management from the hotel staff professionalism and competence; hotel management structure, the way they operate, hotel asset management, specific business processes; hotels financial condition, operating performance, cash position and other financial factors.

  External risks are mainly from the economic environment, the political environment and market competition. It contains Malaysia economic situation, service policies, external financing environment, the degree of market competition and other economic factors.

Hotel staff for political and economic factors in the external risks is poorly understood. At the same time, hotel staff lack of awareness of the existence of internal risk financial situation. Hotel Sahid need to establish training system, manager should improve the training of the staff of the various business units.

III. Hotels Risk Analysis

Hotel Sahid needs to establish a professionally staffed risk analysis team to investigate analysis and test the corresponding risks. This will ensure the reliability of the results of risk analysis and testing, and avoid bias on the hotel Risk Analysis. After risk analysis, data should be immediately communicated to management.

The Hotel Sahid should introduce professionals to improve the professional capacity of risk analysis, in order to guarantee the good conduct of business activities. While each department staff need be trained in risk analysis to improve their risk analysis capabilities, and can describe the corresponding risks clearly.

IV. Hotels Risk Response

The hotel risk assessment is for the ultimate response to the risk. Hotel Sahid should make risk analysis, with its own stage of development and internal and external environment changes, gathering the risk of changes in information, so that adjust strategies to deal with risks.

Training employees to deal with the risks, let them understand the main risk response strategies included to avoid risks, reduce risk, assume risk and transfer risk.

a. Avoid risk, referring to the hotel abandon or cease businesses whose risk level are more than business risk tolerance.

b. Reduce risk, it means reduce the risk as much as possible by taking measures to make risk reduction.

c. Assume risk, referring to measure the cost which caused by the specific risk, accept this business if the benefits outweigh the costs.

d. Transfer risk, referring to the hotel by means of a third party, such as the purchase insurance though appropriate way to transfer risk, and reduce their losses.

j. Important indicators

Financial indicators in the hospitality industry

I. Revenue Per Available Room (RevPAR) refers to the average revenue per can rent room, average price multiplied by the actual occupancy rate then you can get the data. First of all, in order to ensure the accuracy of the index, we should make a unified regulation about room statistics. All rooms available, actually usable rooms and suites, those rooms must be unified statistical standards. Second, avoiding use a single

index. Just looking at the average occupancy rate and the average house prices is not desirable, because high occupancy may have low prices; under the high house prices can also have low occupancy. The principle of determining reasonable occupancy rent are both can make the hotel have efficiency optimization and make sustainable development of the hotel.

According to the statistics, reasonable occupancy rent is from 70% to 75%, the high star hotel between 70 and 73%, below the three-star between 72 and 75%. International hotel and restaurant association (IHRS) HOTEL and Hotel Pacific & Asia make the Revenue Per Available Room as one of the important indices for comparison in the hospitality industry. The improvement of Revenue per Available Room can create more profits. The key is that determine reasonable occupancy rent, at the same time increase average housing prices.

II. The Non-Room Revenue

Revenue per Available Room index limits in terms of room revenue, not including the non-room revenue, it can't reflect differences in hotel profitability. In order to overcome RevPAR which can't reflect the room revenue, so we use the non-room revenue to focus on the changing structure of the hotel revenue, as a supplement to the RevPAR? In short the non-room revenue is revenue of dining, entertainment and other corresponding facilities. The non-room revenue including two types, one is direct operating; another is external rent, charging contract fee or rental income.

III. Gross Operating Profit (GOP)

GOP= Operating profit + depreciation of fixed assets, intangible assets and amortization of expenses + various taxes and fees(property tax, insurance premium, interest, exchange net loss, net spending board membership fees, audit fees, management fees, etc.). GOP divides the number of rooms available for rent, and you will get the GOPPAR per available room, it's a beneficial supplement for RevPAR. Pay attention to different star, different class, different investment costs and the size of the hotel have different GOP.

IV. PE ratio (price earnings ratio)

On the international hotel industry the average PE ratio is 25 times. Pure hotel companies PE ratio should be in 23 to 28 times.

k. Performance management system

Performance management system is mainly composed of five parts, performance planning, performance implementation, performance evaluation, performance feedback and results.
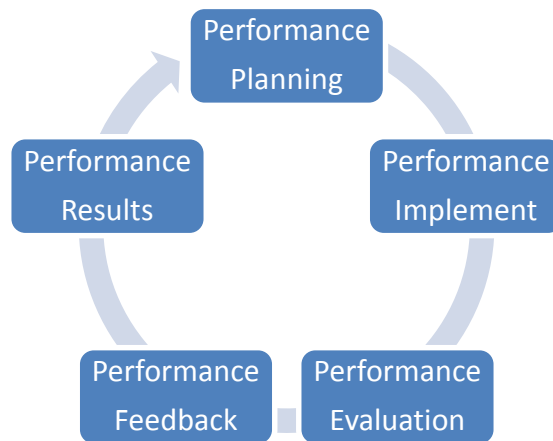
I. Performance planning: Companies must develop a plan of performance in accordance with the overall strategic objectives. In addition, we still need to determine that all departments and individual employees' work target, specific duties, as well as the performance evaluation indicators and evaluation standards according to the strategic goals of the company. Main contents of performance planning:, the staff participate in the discussion, and the two sides reach a consensus, clear job content, work requirements, employees authorized size, deadlines, etc.

II. Performance implementation: Performance coaching and communication is a two-way process, throughout the entire performance management. When performance plan formulated, employees are working strictly according to the plan. At the meantime, managers should keep supervising staffs' working state, and guiding them timely. Find the problem, solve the problem. So as to help employees meet performance targets.

III. Performance evaluation : Assess the employee's performance according to the plan. According to the evaluation standards of staff performance appraisal and management to make the appraisal and management of staffs' performance. At the same time, performance information which was collected by managers can also be used as the basis for assessment. This process requires the assess staffs fairly and indistinguishably. Only in this way can get real information of the enterprise and let employees feel satisfied to the greatest extent.

IV. Performance feedback: At the end of the performance evaluation, managers need to in-depth interviews with employees, organize one or more according to the need. Interview is of great significance, it can make employees understand their performance level, be aware of the problems, and improve the situation correspondingly. Managers need to communicate with employees according to the assessment results, modify unreasonable assessment indicators and process in time. Managers also need to make the corresponding rewards and punishment decision

according to the inspection results, including the employee's salary standard, job rotation and promotion.

V. Performance results: Evaluate and improve the performance management system according to the result of performance. Managers cannot ignore evaluation results, connect the results with corresponding management chains, such as the distribution of the salary and bonus, position adjustment, improve employee performance, training and continuing education and personal career development plan.

Five of the performance management system is interrelated and influence each other. There is a feedback mechanism in each stage, modify and supplement on the last stage, and improve the management plan and the content of the system constantly. Therefore, the system is constantly changing and adjusting according to actual condition, applies it to the operation and management of enterprises.

I. Conclusions & Recommendations

In order to improve its performance, Hotel Sahid should consider optimizing various topics related to Staff Management, Cost Reduction, Upgrading Maintenance, Customer Service, and Marketing & Advertising. The managers of Hotel Sahid should

1. **Offer a solution** (cost-effective way of solving problems and challenges)
2. **Write it down** (succinct synopsis followed by formal procedure& detailed report)
3. **Talk about revenue** (framing the proposal in terms of profit or customer building)
4. **Prepare for success** (reasonable projections, objections and risk factors)

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HOTEL
SAHID MONTANA
MALANG

PESTEL Analysis To Help Sahid Montana Hotel To Be Competitive

Mélanie PERRIARD

Executive Summary

In the context of our studies within Ma Chung University and Haute Ecole de Gestion de Genève, we have been asked to participate to an international project, involving students from Europe and Indonesia.Our initial team, number 7, included two Indonesian people (Grady Siahaan and Favian Yudiwinata) and a Swiss (Mélanie Perriard). We have been given the choice to work on a very well known Hotel Group company in Indonesia, or to go for a company implanted in Indonesia.

The purpose of this work is not only to come with a solution to business problems, but also to discover how to work internationally, in order to open our minds to a world that is more than ever interconnected. Together, we have decided to work on the chain hotel company Sahid Montana Hotel, and more particularly on its hotel situated in Malang. The aim of this project is to find a solution for Sahid Montana Hotel to remain competitive in a market that, with the expansion of tourism worldwide, becomes more and more tough.

Before moving on with this file, I would like to specify that the work has been done by myself only, except for a non-exhaustive list of elements for the PESTEL analysis that were sent by Grady Siahaan. This is the reason why I will often talk saying "I" and not"we".

Within this project, I have decided to work as a funnel: talking first about general and come to detail after. It starts with a general analysis of the environment in Indonesia and more precisely on tourism. Then come the competition and the analysis of two direct competitors of Sahid Montana Hotel in Malang. This part of the work allows understanding what services are offered in other establishments that have received a very good rate from travellers that have tested them. So will it be easier to describe the offer of our hotel and highlight what are the good points and the improvements that need to be done.

Only after that, the point was to formulate recommendations to help Sahid Montana Hotel to be competitive.

Appearing problematic

As introduced in the executive summary here above, the competition is tougher everyday. The hospitality environment is full of sharks, opportunists, and big groups that will not

hesitate to massively invest in their projects, at the expense of smaller groups or local chains, such as Sahid Montana Hotel.

Because of their financial advantage, the biggest actors, such as Accor group, Aston group, Swiss-Belhotel and Horizon hotel, can apply rates that are lower than the traditional local ones. Also, even with a low price, they can afford to offer a suitable service that fulfils the needs of the customers. This forces local companies to adapt themselves and to make some changes. The investment is a risk and is sometimes useless, as many of the smallest groups tend to sell instead of going to bankruptcy.

In order to avoid that and to ensure that Sahid Montana Hotel remain attractive and competitive, we have decided to start with a general presentation of the situation in the country by doing a PESTEL analysis and a description of tourism in Indonesia. Then, we have described in a few words how is the hospitality market in Malang for the 3 stars hotels. We have also decided to take example on one or two well-rated hotels and to compare their standards and services with Sahid Montana's ones.

By proceeding this way, we will be able to identify where the weaknesses are and to give recommendations on how to improve Sahid Montana Hotel market shares and be a major actor in hospitality business in Malang.

Indonesia PESTEL Analysis

Political aspect

- Because of the diversity of ethnic groups present in the country, and also due to successive colonisations, warsand dictatorships, Indonesia has wiped a lot of conflicts, which have led to a political instability for a very long time. Even today, with the present democracy that had as a consequence to stabilize the political

climate in the country, there are still tensions. However, experts agree to say that the country can be now considered as safe and stable.

- Indonesian people have a growing pessimistic feeling toward the current president Joko Widodo. His election took place on last October 20, with a majority of more than 70% of people in favour. Only 3 months after his election, this percentage dropped 30%, leading to less than half of the population happy with the current government. This is mainly due to the corruption affair that took place while the president was choosing his police chief. The anti-corruption agency had proved suspicions doubts about this person. Because of that and his close links with the previous and current presidents, the population feels that the Joko Widodo's clean reputation might be overrated. Also, there has been a cut in the fuel subsidy, initially planned to help the development of the domestic healthcare system and its infrastructure. The locals are not convinced that this money from subsidies will be used as promised.

- The actual government is very active in fighting terrorism, which is expanding very rapidly in Asian countries, as in the rest of the world.

Economical situation

- Since approximatelyMay 2013, Rupiah's value has decreasedbecause of the US dollar appreciation. Even if the growth indicator is positive and about 5.1% in 2014, it's less than before and it does not help the local population, as its purchase power is diminished. However, this is good news for outsider tourists. As we all know, when a foreign change decrease, we are keener on going in the concerned country to spend our money because cost of life is cheaper.

- This decrease also helps local consumption, as foreign goods become too expensive. Exportations explode but investment is slowed.Today, Rupiah is not very attractive because there is inflation in Indonesia, which slows the general economic growth.

INDONESIAN RUPIAH VERSUS US DOLLAR (JISDOR):

latest update USD: [13946] - 2016/1/7 | Source: Bank Indonesia

- Indonesia, as many emerging countries, is a producer of crude oil, palm oil and coal. Since 2015, the world has suffered from a spectacular falling of prices in all the commodities. This is causing major issues to many countries that based part of their economy on this business, because commodities have become so cheap that there is almost no more benefit to take from them. Because of this, Indonesia is getting less attractive in that sector of activities.

- Despite the above negative aspects, the recent political stability, and the end of the Asian crisis of 1998 have led to the exit of poverty for many Indonesians. Today, less than 11% of the population is under the poverty line, letting a brand new middle class existing. Thanks to this, the economy is getting better, because local people can finally spend more in their own country.

- The total contribution expected in 2015 of the tourism industry in Indonesia constitutesabout 9.3% of the total GDP of the country. It is important to highlight that in 2014, travel and tourism is one of the most growing sectors of the global economy. This will help to create jobs, to develop the local economy of emerging countries. Hospitality has become a very important sector of investments. In Indonesia, the forecast of rising investment is estimated to 5.7%. We will come to the tourism industry further in this document.

Social and cultural context

- Indonesia counts today about 255'461'700 people and is the fourth most populous country in the world. The repartition between men and women is quite equal: as a fact, there are more or less 101 men for 100 women.

- The unemployment rate was about 6.18% at the end of 2015, which is not so bad when we make a comparison with some countries of the G20. For example, at the same moment, the United States of America faced an unemployment rate of about 5%.

- The amount of working population is growing each year, which is a good sign of the development of the country, as the unemployment rate is not getting bigger in parallel.By the way, Indonesia is the fourth most populous country in the world, with 140 inhabitants per square kilometer.

- The literacy within the country is 90.4%. This is another element that shows the transition of the country from a very poor situation for most of the people (except the very healthy elite) to an increasing middle class.

- As you can see on the map here below, the first religion in Indonesia is Islam. There are also a lot of Christians and some influences such as Buddhism and Hinduism, above all in Bali.

Technology

- Indonesia is the fourth nation with the bigger amount of Facebook users and the fifth of Twitter users. These two networks have not only become a way to communicate with and to friends, but also very important actors of communication. Actually, it is said that Twitter is the most powerful source of information in the world, because of its rapidity to spread the news worldwide.

- Technology is also very used in manufacture and agriculture. For instance, machines are more and more sophisticated in manufacture. This helps to produce faster and also more in terms of quantity. The latest big change in technology for Indonesia is to implement technology in the tertiary sector. For example, it is becoming very common pass through e banking to make some payments and banking transfers.Schools are using technology as a complementary tool in education. Also, in hospitality, it has become mandatory to check the availability of rooms and to book hotels via Internet.

Environmental assets and risks

- The country is full of natural resources and beautiful landscapes that attract tourists from every corner of the world. Thousands of people have for instance come to visit the Buddhists temples in Bali.

  The natural resources, as explained in the economical part, are also used on a business purpose, with the production and trading of commodities such as crude oil, palm oil and coal.

- On the other side, this paradise is often victim of natural disasters, due to its geographical position and its topography. There are often floods and droughts, which have impacts on the local economy and its development.

- Moreover, the man is overexploiting the land resources. Even though the Indonesian government has set in place a program to promote green development, there is still a lot of deforestation. As the country is growing, there is need to cultivate more and to build more. Also, with the industrialization of the country, water is often polluted because of careless companies that do not considerate a proper way to get rid of their wastes. Major pollution is also coming from transportation.Finally, Indonesia is one of the biggest polluters in the world after China and the United States of America, because of the amount of its gas emissions.

Legislation

- The country is struggling with time-consuming actual legal procedures, in order to facilitate the Foreign Direct Investments (FDI) and the Domestic Direct Investments

(DDI). Today, if someone wants to invest in energy, pharmaceuticals or transportation, it can take over, because of a disorganized legislation.

- New government regulations have been set in order to forbid hotels to host public events. These regulations are set by the minister of tourism and creative economy and they are called PM.53 / HM.001 /mpek/2013. Moreover, some new taxes in hospitality business have been introduced.

Tourism industry in Indonesia

The economical context of the country has been highlighted in the PESTEL analysis but the purpose of this section is to briefly explore what tourism means to the Indonesian economy.

The country is really rich in terms of beauty and natural resources: this is mainly why it attracts so many people every year. According to the World Travel and Tourism Council (WTTC) and to its report, tourism is one of the major reasons that helped the global economy to grow these last years, andIndonesia was not an exception.
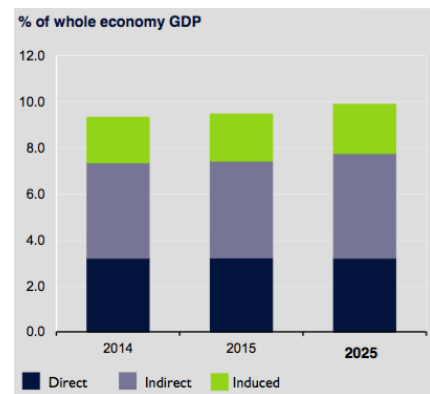
Actually, as described by the graph here to the right, the total contribution of this part of the economy was about 9.3% of the GDP in 2014 and has been expected to grow of 6% by the end of 2015. They even forecasted more than 10% of the total GDP by 2025.

The illustration here above is interesting but what exactly mean the legend of direct, indirect and induced parts?They represent the elements that are taken into considerationwhen talking about tourism industry. Here is a table from the WTTC report that explict very well the tourism contribution:

The direct contribution reveals the sources, which are straightaway concerned by tourism. In fact, it is about reflecting the total spending in hospitality, whether it is for business and/or leisure purpose. Its participation to the GDP in 2014 was 3.2%and has been estimated to rise up to 6% in 2015. The indirect attendance is the biggest contributor to the growth of GDP. It is totally normal, as it includes investment, impact of purchases from suppliers, purchases from domestic actors that deal directly with the sector, and financial implication of the government in the tourism sector. The third component of the evolution of the GDP is the induced contribution. To put it in a nutshell, it regards the quantity of money spent in tourism industry by those who are already employed by the same sector.

Sum all this and you find the total contribution of tourism in Indonesia. This last point is very important because it also shows the global impact on the economy of the country. Please see as follow:

Indonesia	2014 US$mn[1]	2014 % of total	2015 Growth[2]	US$mn[1]	2025 % of total	Growth[3]
Direct contribution to GDP	27,464.9	3.2	6.0	49,036.1	3.2	5.3
Total contribution to GDP	79,836.8	9.3	7.0	151,189.0	9.9	5.9
Direct contribution to employment[4]	3,325.8	2.9	2.3	3,905.5	2.9	1.4
Total contribution to employment[4]	9,813.9	8.4	3.3	12,127.3	8.9	1.8
Visitor exports	11,152.4	5.6	5.5	20,135.0	6.2	5.5
Domestic spending	36,722.3	4.3	6.4	65,425.0	4.3	5.3
Leisure spending	37,666.2	2.5	5.6	69,817.5	2.5	5.8
Business spending	10,208.5	0.7	8.1	15,742.5	0.6	3.6
Capital investment	14,129.2	5.3	5.7	29,780.7	6.0	7.1

[1]2014 constant prices & exchange rates; [2]2015 real growth adjusted for inflation (%); [3]2015-2025 annualised real growth adjusted for inflation (%); [4]'000 jobs

As just written, investment is the most important part of the contribution to the evolution of the GDP. Everyday, businessmen place their money in new hotel constructions, in buying resorts and transforming everything to look like their excessiveness. On one side, it has many positive aspects, because the local economy of an emerging country such as Indonesia needs to be stimulated. On the other side, as we will see in the SWOT analysis further in this document, it can prove itself to jeopardize the local hotels, such as Sahid Montana Hotel chain. Just to give an idea of the size of the phenomenon, here is the chart that illustrates the evolution of investments in hospitality in Indonesia: in 2015, it is expected that they will rise of 5.7% and up to 7.1% by 2025.
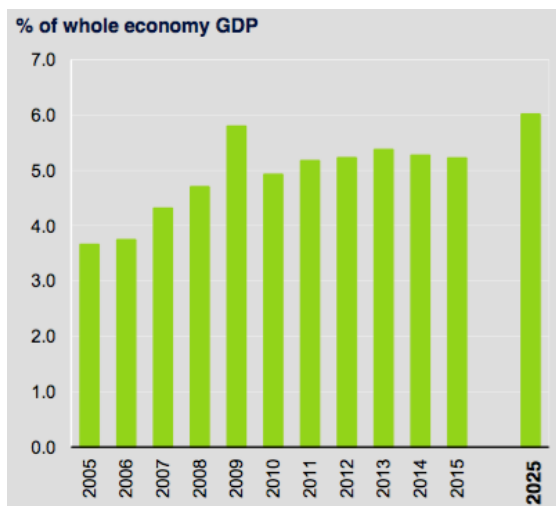
Hospitality Competition in Malang

As we have seen in the section here above, tourism is a very important factor in Indonesia's development, so much that it is expected to be an important growth maker for the next decades. This is very positive because it will help the country to get out of the

NAME	PRICE	RATE
Dewarna Hotel Sutoyo	27	5.2
Gajahmada Graha Hotel	27	8
Gets Hotel	32	7.6
Hotel Sahid Montana 2 Malang	36	5.4
Hotel Sahid Montana Malang	31	5.7
Ibis Styles Malang	30	7.7
Kartika Graha Hotel	35	6.2
MaxOneHotels at Malang	43	7.5
Regent's Park Hotel	31	7.4
SAME Hotel Malang	27	7.6
Solaris Hotel Malang	24	7.2
Swiss-Belinn Malang	34	7.9
The Balava Hotel	70	6.8
The Grand Palace Hotel Malang	29	6.4
Ubud Hotel and Villas	30	6.9

"emerging" category. This development is also a source of opportunity for new investments, and who says new investments say also more competition.

As for many businesses, the idea is to offer the best service at the lowest price. In this context, Sahid Montana Hotel will have to struggle to remain an important national actor. To do so, the first step is to analyze the competition and see where are its strengths and weaknesses, and also to define which are the improvements to do in its own empire.

Here is a list of the 3 stars hotels in Malang that we can find on *Booking.com*. The table states the names of the hotels, their price for one night between January 18 and 19, and their general rate. We have decided to take only the 3 stars hotels, as the Sahid Montana Hotel in Malang we can find are only 3 stars

Except for the *The Balava Hotel* and *MaxOneHotels at Malang*, price per night is fixed between CHF 24. - and CHF 36.-. Excluding the first two stated hotels, prices are not that different, which confirms that price is not what defines a good or a bad hotel. However, rating is very different for the same category of hotel.

We know that Sahid Montana Hotel is now facing difficulties to stay competitive, and we can see it by its rating in the table here above. We have then chosen the two hotels with best rates, in order to analyze what is the service they offer that make them come out of the lot. These two establishments are *Gajahmada Graha Hotel* and *Swiss-Belinn Malang*.

Gajahmada Graha Hotel

This 44 rooms hotel opened its doors to visitors in 2004 and is located right in the center of Malang City. It is pretty close to the train station and also to a more general bus station that leads to major interests centers of Java Island.

Based on a luxury concept, the rooms are decorated in 3 stars superior quality. There is also the possibility to stay in the presidential suite, which is about 48 square meters. All the rooms have free Wi-Fi, coffee maker, air conditioning, TV cable and safe deposit box. They are also equipped with a mini bar, a fresh fruit basket upon arrival, bathrobe and slippers. In the price per night is also included the breakfast.

When double-checking on *Trip Advisor*, the hotel is categorized n°14 on 84 guest rooms in Malang. There are only 22 comments, but none of them consider the hotel poor and/or terrible, which is a very good point. On 5, its average note is 3,5.

Note attribuée			Consultez les avis pour			Résumé des notes	
Excellent		2	En famille		5	Situation	◉◉◉◉○
Très bon		9	En couple		6	Literie	◉◉◉◉○
Moyen		11	Voyage solo		3	Chambres	◉◉◉◉○
Médiocre		0	Professionnel		5	Service	◉◉◉◉○
Horrible		0				Qualité-prix	◉◉◉◉○
						Propreté	◉◉◉◉○

The only negative point for this hotel is the old-fashioned aspect of its website. For a hotel which goal is to welcome guests in a luxuriant ancient Roman architecture, it explains very clearly the facilities included in the price and the hotel offer,but my feeling looking at it was that there is no budget for renewing the website.When you check it, you see there is information missing, pictures are rare, of poor quality and blurred. There is no comment about the size of the rooms, except for the president suite.

The problem with an incomplete website is that if I were a consumer that just do not check the hotel rating on websites like *TripAdvisor* or *Trivago*, I would never go for this

hotel because I would be afraid that the hotel and its services are as old fashioned as the website.

Swiss-Belinn Hotel

This 3 stars inn is part of the Swiss-Belhotel International Group. The Group has been created in 1987, counts today more than 120 establishments from 5 stars to 2 stars and is mainly present in Asia but also in the Middle-East. The particularity of the group, as it defines itself, is to offer "competitive accommodation and conveniently located hotels and resorts for business and leisure travellers. Each of Swiss-Belhotel International's properties offers its own unique combination of international quality standards combined with local hospitality and excellent value[1]".

The general website of the hotel is very complete and is about the Group. It gives much information about the facilities of the hotels, their category and differentiation because of their stars. When going on this website, the consumer understand in a wink that it is about a chain hotel, and not just a local establishment. However, it is interesting to see that on Booking.com, the hotel with the best rate is not this one, but the local one. As we will see further in the document, Sahid Montana Hotel, which has the worst rate of the classification, can also benefit from being local, just by doing a few changes.

Swiss-Belinn Hotel website is refined, the first thing that I saw when going on its website are the reasons of why booking with them:

Despite its promise to have high standards, the website is not very posh. It is simple, shows the pictures of the different kind of rooms available and the facilities in each of them. The plus is that it allows to show the prices of the rooms in whatever change the consumer wants, which is easier than calculating from IDR. Quality and rapidity of the website prove there is investment and a good marketing team behind.

To take the simplest room, it offers 1 twin bed, a coffee/tea maker, a mini-bar, a safety box, a TV screen with international channels and an IDD telephone. The room is

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[1]http://www.swiss-belhotel.com/en-gb/company-overview

21 square meters and the style is simple and modern. If the client wants to pay supplement, he can also have access to laundry and dry cleaning, parking space and valet parking service.

The hotel is located in the old town of Malang, near to the city business district and tourists attractions and to one of the biggest lifestyle shopping malls in the city. The establishment counts 203 rooms of different type: 148 Deluxe Rooms, 39 Superior Deluxe Rooms and 4 Suites.

TripAdvisor rates it better than the first chosen competitor and ranks it as n°6 on 55 hotels in Malang. There are also more comment, 179 instead of 22 for the previous hotel, and the average rate is 4, for a maximum of 5.

Note attribuée			Consultez les avis pour			Résumé des notes	
Excellent		35	En famille		72	Situation	◉◉◉◉○
Très bon		91	En couple		18	Literie	◉◉◉◉○
Moyen		43	Voyage solo		17	Chambres	◉◉◉◉◐
Médiocre		7	Professionnel		44	Service	◉◉◉◉○
Horrible		3				Qualité-prix	◉◉◉◉○
						Propreté	◉◉◉◉◐

By the above sum up, we can see that the rating changes because the difference between the average number of comments and the very good. For the other Gajahmada Graha Hotel, it was the opposite.

Sahid Montana Hotel

The first thing that hit me about this hotel is that when I tried to connect to its website, an error message appeared. Since we have started the project, it is impossible for me to access the direct website of the hotel. I first thought it was a problem with my connection or my computer but I tried from several devices, it would not work.
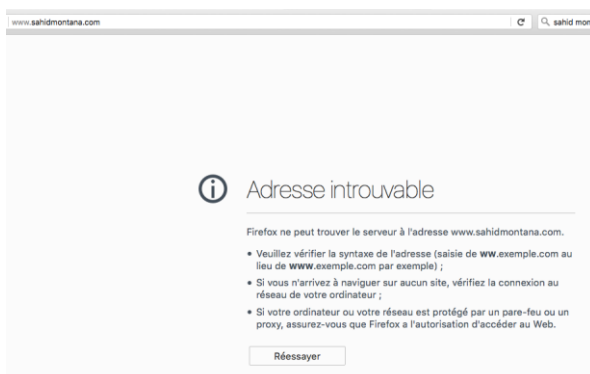
However, on January 17, I tried again to connect, and this time it worked. The website is brand new, with modern design and description of the services. From there, I found information about the facilities and the rooms.

The hotel offers 70 rooms and 5 meeting rooms. There are 5 different categories of room: Superior Room, Deluxe Room, Superior Deluxe Room, Business Suite Rooms and Junior Suite Rooms. The website gives description of the facilities in each of them. The most basic one includes double or twin bed, bathroom amenities, hot and cold shower/bathtub, satellite channels, mineral water, coffee, tea and free Internet access. There is also a free parking and the breakfast is included in the price per night.If you pay a supplement, you can also have access to massages at the hotel spa, laundry and dry cleaning.

It is also important to say that the establishment is very well situated because it is in the right center of the city. From there, you can easily access big shopping malls and the train station. In comparison to the other two competitors, here is the map of the three competitors location:

As for the two competitors I decided to select, here is the *TripAdvisor* sum up. On the website, it is positioned n° 32 on 55 hotels in Malang, with 28 comments made by visitors. This classification and the average note of 2.5 on 5 highlight the facts that there are many improvements to do. Even if the website of the hotel finally works, there will be onsite improvements to do in order to convince the customers that the hotel has taken conscience of its weaknesses and is trying to strengthen them.

Note attribuée			Consultez les avis pour		Résumé des notes	
Excellent	1		En famille	6	Situation	◉◉◉◉○
Très bon	6		En couple	4	Literie	◉◉○○○
Moyen	12		Voyage solo	3	Chambres	◉◉◉○○
Médiocre	3		Professionnel	8	Service	◉◉◉○○
Horrible	6				Qualité-prix	◉◉○○○
					Propreté	◉◉◉○○

When analyzing the website, I also found some negative points.

The first one, except the fact that the website did not work until a few days ago, is that it works only from time to time. I had the chance to succeed twice, but when I came back on it to look for more information, no way to access it again.

In second position, I would say that having no pictures of the rooms on the hotel website made me perplexed, I never saw a description of a hotel room without any picture. Moreover, it was impossible to see the prices of each room when clicking on their description. This is more or less normal because usually the rates are not always the same, depending on the season and the affluence.

Finally, the website is fresh and looks new, but it has more the face of an exposition website than a hotel when talking about the welcome page

SWOT

Here is the SWOT Analysis for Sahid Montana Hotel in Malang. By doing this research, the main point is to highlight where are the strengths of the hotel, what are the issues to solve, how to use the current national economy development and what elements to pay attention that could jeopardize the hotel's business.

STRENGTHS	WEAKNESSES
- Very good location of the hotel -Convenient because not too expensive and along with the competition, only in terms of money - Conservation of Indonesian traditional values within the establishment, its decoration and proposed food - Polite and experienced staff in general - Promotion of the hotel by the organization of special events	- According to many online comments, old-fashioned hotel with very old furniture - Maintenance of cleanliness questionable (dirt and bad smell) - Problems with cold and hot water →Facilities does not meet the customers expectations - Online website unavailable for a long time →Lack of knowledge in digital marketing so poor international presence
OPPORTUNITIES	THREATS
- The constant development of the Indonesian economy in the country led to a growing middle-class which can afford more goods and services than before - Development of tourism gives opportunity to acquire new clients everyday	- New regulations that forbid private institutions to organize or hold meetings in hotels - Increase of substitution products such as AirBnB - Increase of investments in hospitality business, which means arrival of big new actors in the country

Recommendations & Conclusion

Now that the analysis is done, there is also a part for recommendations. To me, they will mostly come from the above SWOT, which in my opinion, sums up very well the actual situation of the hotel.

The first thing that surprised me when starting this project was that I could not find any information about Sahid Montana Hotel. It is the first time I am confronted to a non-existent or unavailable page, above all, for such an important actor in Indonesia (at least, it is how it was described to us since the beginning of the project). I first thought to make some of my recommendations about this, trying to give as many information as possible in order to publish a complete, refined and classy website.

Then, I was surprised that since a few days, there actually is a website, at least sort of. In fact, as I wrote before, it seems to work a bit randomly. From what I could see, it is nice and good-looking but there still are a few improvements to do: for example, as a customer, it is impossible for me not to see pictures of the rooms with their description. This is very important because even if sometimes pictures lie, marketing wants visual assures of good quality. As it is right now, I would be afraid that they do not want to show how terrible their rooms are. Another point is also the price, I could not see it, and I would never go for something without knowing how much it costs. These are just a few advices about how to have a nice and practical website.

Also, the fact that the website is incomplete and that information is rare makes me think that they are not very experts in digital marketing and promotion. In our interconnected world, it is essential if one wants to get known and to attract tourists from every corner of the world. In my opinion, this is one of the biggest efforts they will have to do. They are very well known nationally but they need to take opportunity of the tourism development. As explained in the SWOT opportunities, Indonesia has a growing economy, and tourism is a major influence in this happening: Sahid Montana Hotel should make more international advertisement about its establishment. From what I could see, there already is a change since a few days, Facebook pictures are for example getting more professional and some poor pictures are removed from the booking sites. By the way, I think that they have become aware these last few days about some students recommendations, because nothing moved until end of last week.

Doing international advertisement and take a step forward in communication with the outside world is very great, however not sufficient. Actually, from the comments I could gather about Sahid Montana Hotel, they should not only show great rooms and service, they should offer a service according to what they present. Here are two examples of the worst comments I have seen on the hotel:

"En dépannage seulement"
Avis écrit le 10 juin 2014

C'est un hôtel bien situé dans Malang. Nous y avons passé deux nuits et quand nous sommes arrivés, tard dans la soirée, il était quasiment complet. Il accueille essentiellement une clientèle d'affaires (d'où un petit-déjeuner pantagruélique !). Nous avons eu une chambre pour un prix très raisonnable, mais aussi pour un confort très limité. La pièce était grande, mais le mobilier était fatigué et la moquette usée. La salle de bain était d'une propreté douteuse : faïences des murs qui n'avaient pas vu une éponge depuis longtemps, réservoir des toilettes cassé, rideau de douche moisi... La fatigue d'un long voyage en car nous a rendus peu exigeants. Sinon, le hall, le bar, le patio présentent un aspect tout à fait plaisant.

Séjour du mai 2014 - voyage en amoureux

Rapport qualité / prix   Chambres
Emplacement   Propreté
Literie   Service

The words talk themselves, the furniture is old, rooms are dirty and smell bad. If I may recommend, before making any change on the website, the establishment should first focus on what is wrong inside the building.

"Seulement si vous avez trop ..."
Avis écrit le 26 octobre 2014 par mobile

Avis traduit automatiquement depuis l'anglais Plus d'infos   Traduit par :
Afficher la traduction automatique Oui Non   Language Weaver

La seule chose de bien est le personnel est poli ...
La chambre est poussiéreux, causé mes yeux d'être rougeâtre. La pression de l'eau du bain est pathétique. Le petit déjeuner était horrible. Une autre bonne chose, c'est qu'ils ont un orchestre live au restaurant le soir. Aussi, à une courte distance à pied de la station de train.

What is the purpose of improving the sales tools (professional pictures posted on social networks, brand new website etc..) if once the customer has been conquered, he or she runs away because what is shown does not correspond to the reality ? It will only bring a worst reputation to the hotel, because besides offering a poor quality and old-fashioned environment, people will also think of liars. In business, discover lies is often linked to losing clients.

And Sahid Montana Hotel does not have the luxury to lose clients. As explained in the threats part of the SWOT, competition is getting tougher every day because of new investors and because of tourism development. The others will give the best they can to have their market shares in Malang, at the expense of Sahid Montana Hotel. It is very important that the local company takes responsibility, agree to the existence of a problem and starts the change right now.

To do so, they should start by renewing the oldest rooms. No need to refresh all in one time but the most urgent. Of course, financial problem can be an obstacle at first sight but why not to try to find sponsorship or open the group to foreign investors, in order to gather the necessary funds to make the necessary modifications.

This can take a little while, that is why meanwhile, it is very important that the hotel stays active via hosting private events (as public are now forbidden in hotels) and by advising the customers via social networks and website that change are done in order to better serve the needs. They could also focus on the restaurant, trying to promote it a lot while the renovation is taking place.

The slogan of the establishment talks about culture and tradition. That would be very sad if Indonesian culture was seen as poor, old-fashioned and outdated. To put it in a nutshell, Sahid Montana Hotel has the potential to be at the level of its will. Sometimes, when things are going wrong, we do want to make them become right anymore, but this is about emotional, and here, we are talking about business.

Sahid Montana Hotel has strength in its strong traditional values, its very well located situation and its convenient rate. But to works, it should pay attention because threats are more present everyday, under the shape of other hotels either substitution goods (renting apartments, exchanging apartments, etc…). To fight them, the company should start by reducing its weaknesses, first by offering the expected standard for a 3 stars hotel and second by starting an international digital marketing campaign.

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Sahid Montana Hotel

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Recommendations & conclusion

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ANNEXES

Here are 3 maps that locate the three competitors in Malang. Knowing that Sahid Montana Hotel is right in the city center, let see where are also the others.
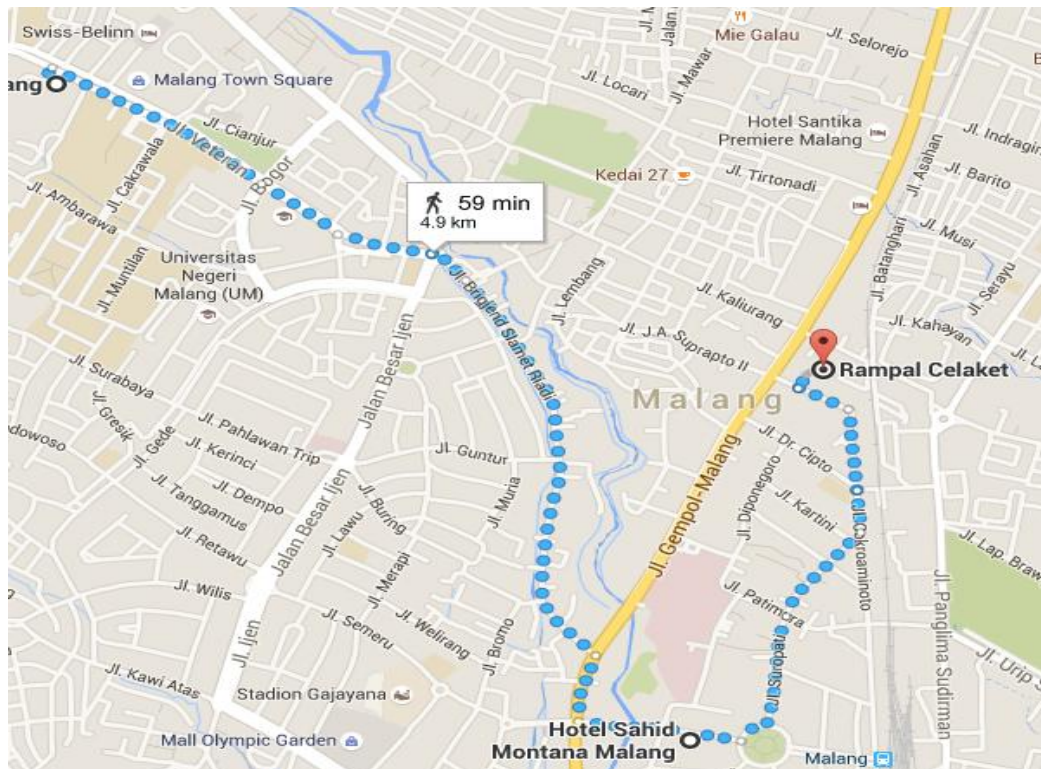
How Unilever Develops Sustainable Resource: Case Study On Palm Oil

Olivier Müller

Chang Liu

Executive summary

We have chosen the company Unilever for our case study of the Nusantara project. Our aim is to find out how Unilever develops sustainable resource palm oil.

There are three parts in our study. In the first part, we introduced the company Unilever especially in South-Asia, we also explained the importance of the palm oil, that unsustainable resource could make lots of problems for the earth and our climate. In the second part, we listed what Unilever did on this matter, what is their sustainable project. We found out that they made many improvement in last years and has plans for the future to make 100% sustainable palm oil. In the third part, we gave some recommendations that Unilever could collaborate more with the government and NGOs.

In summary, we could say Unilever knows the importance of the sustainable development and has their plans to reduce the impact of their productions. By studying on this case, we learned that the development of sustainable resource is a global issue that every company, everyone should think about, how to balance the need of this kind of resource and the destruction of the nature.

Keywords: #Unilever #Indonesia #Palm Oil #Sustainable #Resources #Development

Limitation

Our analysis is only about Unilever in South-Asia. With the lack of information and contacts we focused on the data we found.

Introduction

Unilever is a British-Dutch multinational consumer goods company founded in 1930. It products include food, beverages, cleaning agents and personal care products. It is the world's third-largest consumer goods company measured by 2012 revenue, after Procter & Gamble and Nestlé. Its products are available in around 190 countries.

The company owns over 400 brands focused on health and wellbeing, but focuses on 14 brands with sales of over 1 billion euros.

Figure 1 All the brands and logo owned by Unilever

These brands are world- leading, like Lipton, Knorr, Dove, Axe, Hellmann's, Omo, etc. Unilever sells many product like shampoo, ice creams, soaps, everyday household care products.

For Unilever the key for progress is innovation because the company wants to enhance their products constantly to satisfy their customers all around the world. They invest around 1 billion euros every year in research and development, Unilever has established many laboratories with scientists exploring new technics and new thinking to develop new products and improve the others.

The main objective of Unilever is to understand the needs of the consumers and to propose their products in local markets so the consumer research is very important to reach their goal.

Unilever in South-Asia has activities in many countries:
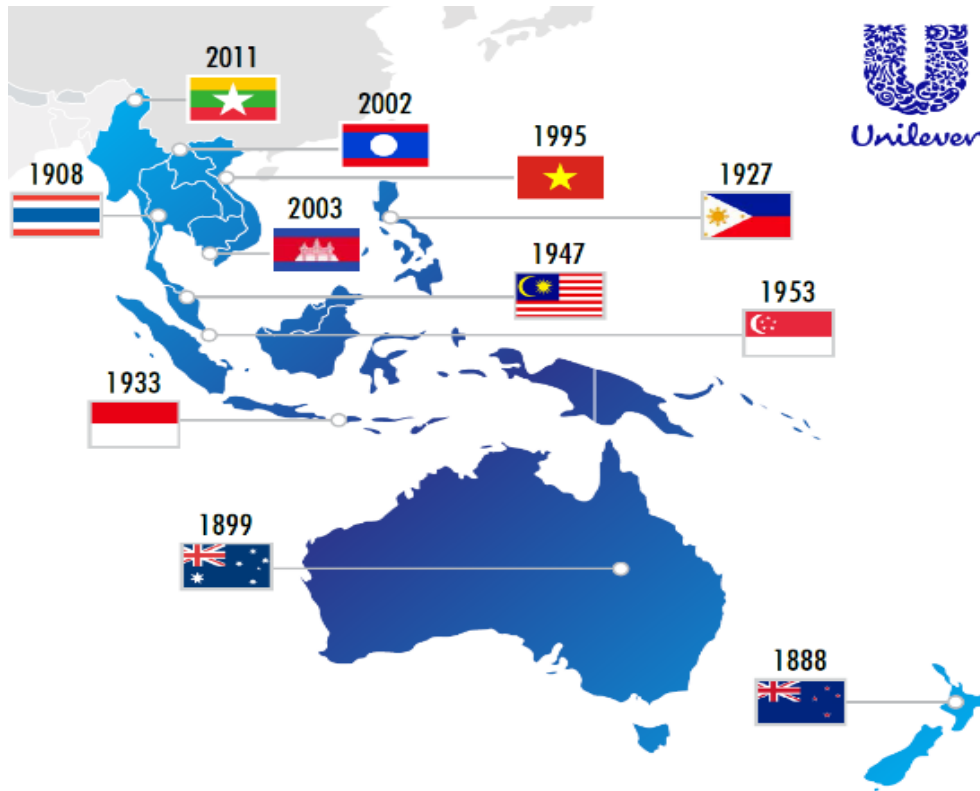
Figure 2 Year of implementation of Unilever

Unilever has a €6 billion business in this area with large range of products in home care, foods, refreshments and personal care:
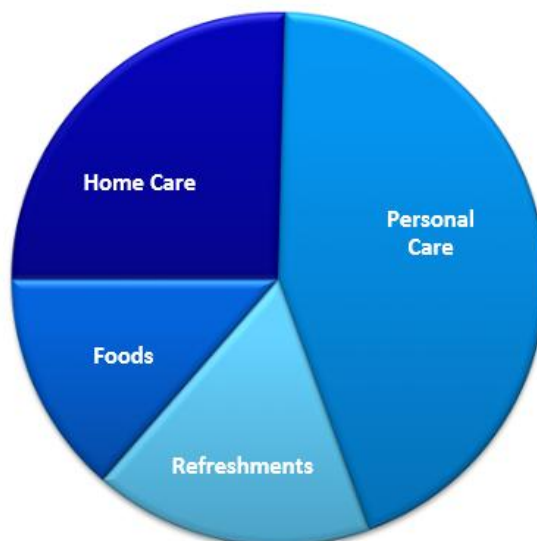
Figure 3 Range of products of Unilever

Their principal activities are in Indonesia as we can see in this figure:
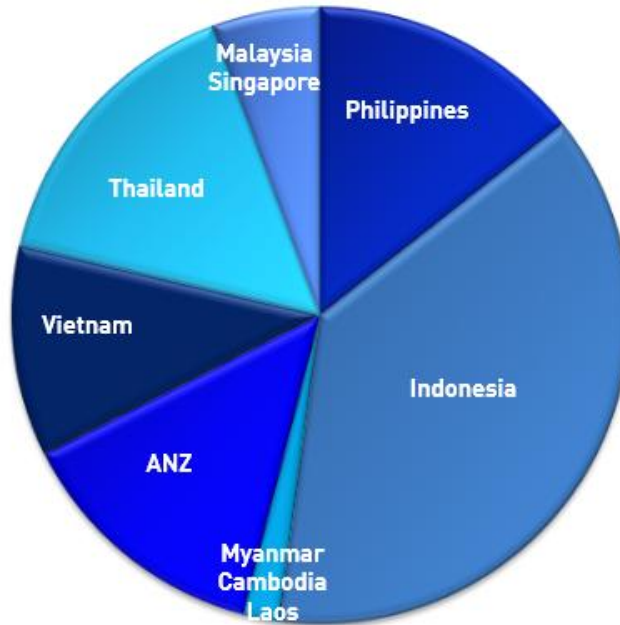
Figure 4 Activity of Unilever in South-East Asia

The aim of the enterprise is to develop more convenient store in these countries and by 2020 Unilever wants to enter the e-commerce market.

With the raising middle class in these South-East Asian countries, Unilever wants to create more and better stores with a good service to reach more people.

Unilever Indonesia

PT Unilever Indonesia Tbk was established in Indonesia on December 5, 1933 as a subsidiary of Lever Brothers called Lever Zeepfabrieken N.V.. At the beginning, they operated a soap factory at Jakarta. The name was changed to Unilever Indonesia on July 22, 1980.

Products manufactured by Unilever Indonesia are divided in two business lines: home and personal care products (like soaps, detergents, cosmetics), which account for about 73% of the company's total sales, and foods and refreshment (including margarine, dairy products, ice cream, tea), which account for the remaining 27% of sales.

Figure 5

http://www.indonesia-investments.com/business/indonesian-companies/unilever-indonesia/item202
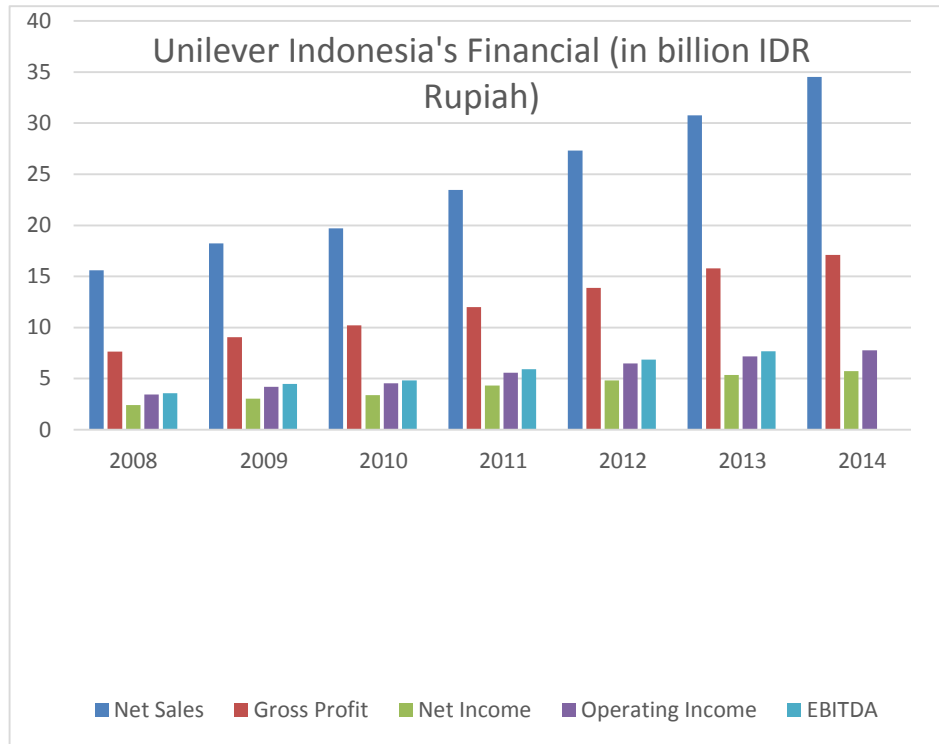
The company is healthy, we can observe in 2014 that the net sales are increasing +121% and the net income +138% since 2008. This allows the corporation to invest massively in assets as we can see in next figure:

Figure 6

http://www.indonesia-investments.com/business/indonesian-companies/unilever-indonesia/item202
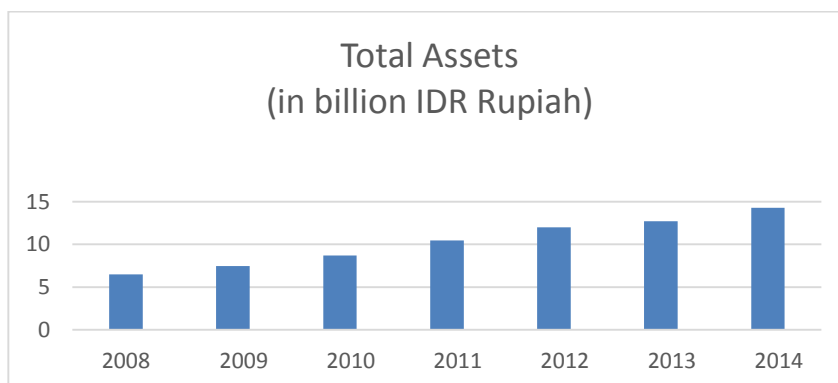
This is explained by a growing exports and domestic consumption. The sales and exportation of every day useful products permit Unilever TBK to gain markets with a strong marketing. Indeed 5.24 trillion Rp were spent in this matter in 2012. Public's purchasing power and fuel prices are the two main factors that can affect positively or negatively the company.

The return on Invested Capital of the company is very interesting for investors. Indeed, this measures how Unilever makes cash flow with the capital the enterprise has invested in his business and this ratio is 108.16% for September 2015. Here we can see the annual data for Unilever Indonesia, as we can see Unilever Indonesia has a very good return of investment.
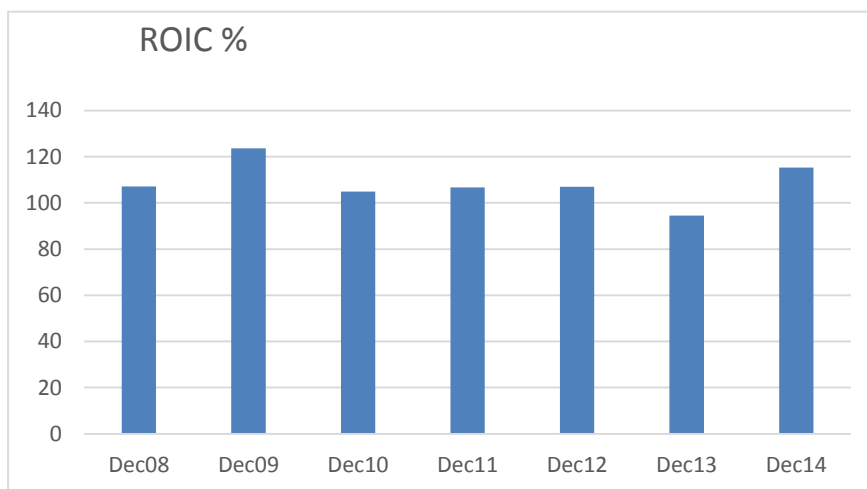
Figure 7
PT Unilever Indonesia Tbk's return on invested capital is 112.02%. PT Unilever Indonesia Tbk generates higher returns on investment than it costs the company to raise the capital needed for that investment. It is earning excess returns. A firm that expects to continue generating positive excess returns on new investments in the future will see its value increase as growth increases."
Source :
http://www.gurufocus.com/term/ROIC/OTCPK:UNLRY/Return%2Bon%2BInvested%2B Capital/PT+Unilever+Indonesia+Tbk

PALM OIL

Palm oil is an important vegetable oil, it is often used as an ingredient in food or non-food products. Although its positive attributes, there is a strong link between the way in which it is grown and deforestation. Deforestation is a major reason for climate change, it represents more than 15% of global emissions.

Unsustainable palm oil is a huge problem for the earth, the side effects of the production and the cultivation are problematic. Indeed, this resource is criticized by many NGOs, the growing palm oil movement made Unilever to use only palm oil from sustainable sources.

Between 1990 and 2005 the World Wide Fund for Nature (WWF) describe that up to 60% of this oil expansion was in return of natural destruction and impacted massively diverse endangered species in the world.

The NGO would like to label the products that contain the palm oil so that the consumers will know what they eat and use, because now it is marked like "vegetable oil" or "vegetable fat" and not specified as palm oil. Nowadays, many Asian countries don't require these sell products as a specific ingredient within the labels. Palm oil can be unsafe to eat because it contains nearly of 50% saturated fat.

Figure 8 An oil palm plantation on former rainforest land

The worldwide demand for this resource became bigger these last years. It is the most produced vegetable oil and the cheapest. Palm oil destroy the rainforests especially in Malaysia and Indonesia, because the cultivation requires a lot of land. The next years, the expansion will require 26 million hectares for 2025 in Indonesia. According to the United Nations Environment Program (UNEP) "*in 2002 most natural rainforest in Indonesia would be degraded by 2032. Given the rate of deforestation in the past five years, and recent widespread investment in oil palm*
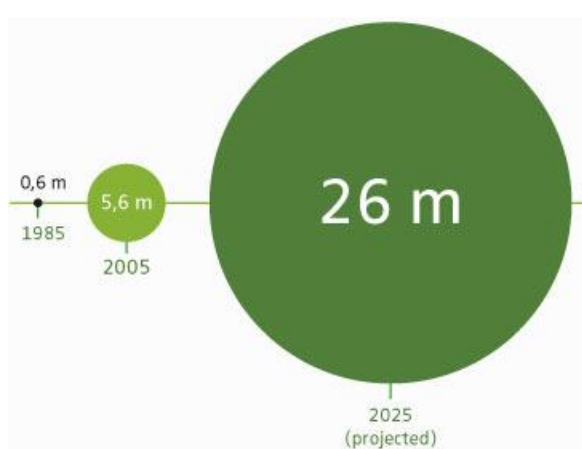
Figure 9
Projection of the palm oil hectares (in million) for production

plantations and biodiesel refineries, this may have been optimistic. New estimates suggest that 98% of the forest may be destroyed by 2022, the lowland forest much sooner."[2]

The tropical forest is an important asset, the ecosystem of these forests are very important for the planet. Indeed, it plays a role as moderating the atmosphere, containing the greenhouse gases and an important place for biologically range of plants and animals. National parks in Indonesia are endangered, the government is trying to trained more ranger to protect these lands. The national conservation is a main objective for the country.

The illegal logging is the main issue for protected animals like the orangutan or tigers. Their disappearance, because of the deforestation to cultivate lands, is a consequence of a massive destruction of the ecosystem. "*The forestry sector is very important to the Indonesian economy, illegal logging is costing Indonesia at least 3 billion USD a year in lost revenues alone (Jakarta Post 2003).* "[3]

Indonesia and Malaysia are the two big producers of palm oil with 83% of the global production. With a huge demand for this oil for biofuels, the rapid increase in manufacturing and planting is a big threat to the forests. This causes also a significant increase of CO_2 emissions with forest burning.

Unilever sustainable project

As one of the world's largest buyers of palm oil, Unilever uses it in products such as margarine, ice-cream, soap and shampoo. Unilever purchases 0.5 million tons of crude palm and palm kernel oil, and a further 1 million tons of derivatives and fractions annually, which is about 2.6% of global production.

Unilever made a sustainable Palm Oil Policy in 2014, according to its chief procurement officer M. Dhaval Buch, three main points of this policy are: halt deforestation, protect peat land and drive positive economic and social impact.

At the same time, Unilever announced a commitment to trace the palm oil they buy directly to the mills where is was processed. Because to know where their palm oil originates is an important pre-requisite for positive change and to understand the changes needed to transform Unilever's palm oil supply chain.

[2]https://www.rainforest-rescue.org/topics/palm-oil

[3]http://www.grida.no/files/publications/orangutan-full.pdf

Working with their suppliers, the goal of Unilever is to achieve their 2020 ambition of sourcing all their palm oil from traceable and certified sources. They already made good progress, they started using the palm oil traceability reporting platform KnownSources. They have GPS coordinates for the location of each mill which allow them to assess deforestation risks and social risk parameters.

In 2010, together with other members of the Consumer Goods Forum (CGF), Unilever committed to mobilise resources within their business to help achieve zero net deforestation associated with four commodities: palm oil, soy, paper and board and beef by 2020. They have since extended this commitment to their tea businesses and supply chains.

Unilever will achieve a transformation of the palm oil sector in which the entire industry will move to 100% sustainable palm oil. In 2004, Unilever became founding members of the Roundtable on Sustainable Palm Oil (RSPO). RSPO brings together stakeholders from different sectors of the palm oil industry. Include palm oil producers, processors and traders, consumer goods manufacturers, retailers, banks, investors, and environmental and social NGOs. The aim is to develop and implement global standards for sustainable palm oil.

RECOMMENDATIONS

Unilever has made many improvement these last years, but it is not enough. The enterprise should collaborate more with the government and NGO to reduce unsustainable palm oil and promote traceable palm oil because transparency in supply chain is a key to succeed for a better planet.

Effective and efficient collaboration with the suppliers is crucial in the supply chain to reduce and eliminate the loss of forest and lands. Unilever has to identify their supplier clearly in order to have a better visibility in the supply chain. We know that it is not easy, but we are sure that Unilever has the resource and the competence to meet their commitments.

This supply chain is very complex that's why Unilever has to put more effort in their sustainable program. Long term relationship with recognized suppliers as sustainable is important for Unilever, especially in Indonesia. The company needs to accelerate the process of asking their suppliers to produce traceable in order to certify them.
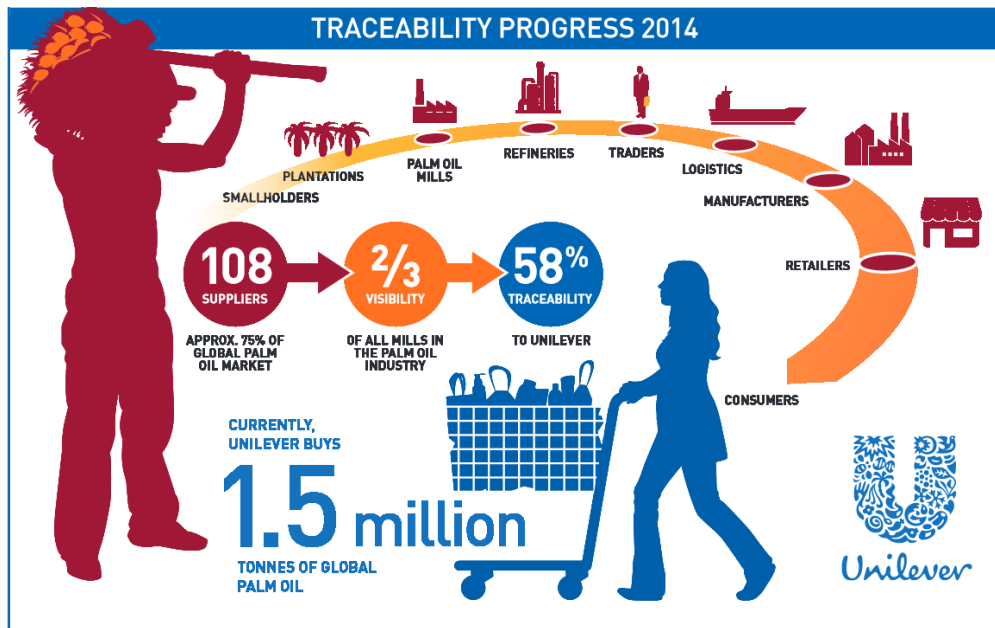
Figure 10 Supply chain of Unilever

Unilever has the power to change things because it is the number one in this sector. This enterprise has to work with the producers to help them in the process of cultivating sustainable resources and improve their agricultural methods. Fair contracts are a good start to go this way.

We also suggest that Unilever works with the government to improve the law enforcement against unstainable palm oil. More trained forest rangers are requested to secure the national parks in order to remove illegal plantation. International programs need to be more developed, Unilever can play his role as a coordinator unit with specialists of sustainable resource.

The company has a big challenge ahead with monitoring the new programs, helping the existing organizations and international assistance to develop new strategies for fair trade and sustainable development. The collaboration with all these organizations is imperative for the company to continue in the right way.

Conclusion

As we can see palm oil is a difficult and complex subject. This resource is used everywhere and every day by everyone. It is important that Unilever develops a concrete project and continue to share their program across the world to let the consumers know about what the company does for a sustainable development.

There is a lot more things to do to build a traceable supply chain with the help of the government, the NGOs and the suppliers. We think that Unilever has to be the main actor that can change how palm oil is produced and consumed.

For our personal view, it was a great subject to analyse because we didn't know how complex this topic was. We think that the consumer has to play a role as well and we should avoid to consume too much products that contain palm oil because it destroys our planet with all the negative impact on our environment. The industries have to invest in research and development for a sustainable substitute because palm oil is not bearable at long term. The companies (not only Unilever) have to communicate more on this matter and describe clearly what is inside their products and what they contain, that will be a good start.

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Strategic analysis of Sahid Montana hotel Malang

SAHID HOTELS

Kamil, Ananda Muhammad Ihsan

Unpad, Bandung

Supervisor

Popy Rufaidah, S.E., MBA., Ph.D.

Ririn, Khusnul Hidayanti

UPI

Supervisors

Dr. Vanessa Gaffar, SE.,Ak.,MBA

Heny Hendrayati, S.IP.,MM

Ayu Krishna Y.,S.Sos.,MM

Sebastien, Luo

Geneva School of Business Administration

Supervisors

Prof. Philippe Regnier and Boris Reymond

EXECUTIVE SUMMARY

The world is constantly moving and changing, both in terms of social and non-social, organizational profit and non-profit, all constantly evolving and changing. There is growing to become more advanced, there remain in place and there is also a lost change. Hence the needs for an attitude that can accept change and boldly face the challenges of today's global era. Individuals, groups and organizations should be trying to survive and evolve to face the changes that occur. The development is expected to occur certainly is a change that could be better and move forward.

In this respect, an ancient Greek philosopher named Heraclitus once said that in this world nothing is permanent, except change. The statement would still contain the truth so far. It was said, because it is in fact the world is always a change, covering all aspects of life, both at the individual and organizational level. It is interesting to note that while there is always a change in all facets of life, a change in one area must have a direct or indirect impact on other areas of life. In other words, a change in the dependent variable to changes in another and therefore each change with more interrelation and interdependence are always real, even though the correlation may not be immediately visible.

Changes also occur in the business world, both in the field of services and production from time to time there is a change that continues to grow, which is where the competition becomes more intense and complex. Both the producers and consumers there are many changes, one of which is the orientation of the business. In the past business orientation is located on the producers, whatever is done in terms of producers, ranging from raw material prices, production costs, administrative costs, and many others. But now times have changed towards the orientation of the consumer side. Companies are racing to be able to satisfy the consumer. Ranging from products, service, promotions, price, ease in getting products and many more. Today, consumers are very spoiled and easy. Companies hope to make customers be satisfied and loyal to the products or services.

Therefore, it is very important for a company to be able to provide the best service so that consumers can be satisfied.

1. OBJECTIVE

In a competitive environment, indicators that can show customer satisfaction is whether consumers will buy back and use the product at a time when that will come. As for some sense of customer satisfaction, according to the researchers is as follows:

According to Kotler: Satisfaction is feeling happy or upset someone who emerged after comparing the perception or impression of a product performance or results and expectations. Thus, satisfaction is a function of the perception or impression of the performance and expectations. If performance is below expectations, the customer is not satisfied. If performance meets the expectations of our customers are satisfied. If the performance exceeds the expectations of our customers are very satisfied or happy. Key to generate customer loyalty is to provide high customer value.

The relationship between customer satisfaction and customer loyalty is not proportional, for example, is customer satisfaction which is ranked with a scale of 1-5, namely:

1. Customer satisfaction at a very low level (level 1), chances are the customer will move to leave the company and talked the bad thing.
2. Customer satisfaction at level 2 to level 4, customers feel somewhat satisfied, but it is still possible to switch when a better offer appears.
3. Customer satisfaction at level 5, the customer is very likely to buy back and even spread the good news about the company. Pleasure or a high satisfaction creates an emotional bond with a brand or company, and not just focus on just a sensible choice.

While satisfaction according to Kotler and Armstrong (2001: 9): Customer satisfaction is the extent to which the notion of product performance to meet the expectations of buyers. If the performance of the product is lower than the expectations of customers, the buyers were satisfied or very happy.

According to Zeithaml and Bitner (2000: 75) definition of satisfaction are: Response or consumer responses regarding fulfillment. Satisfaction is an assessment of the distinctive traits or products or services, or the product itself, which provides consumers the level of pleasure associated with the fulfillment of the consumption needs of consumers.
Customer satisfaction can be created through quality, service and value.

1. Quality: Quality has a close relationship with customer satisfaction. The quality will encourage consumers to establish a close relationship with the company. In the long term, this bond allows the company to understand the expectations and

needs of consumers. Customer satisfaction will ultimately create consumer loyalty to companies that give them a satisfactory quality.

2. Customer service: Customer service is not just answer the questions and complaints of consumers about a product or service that does not satisfy them, but rather than solving arising after the purchase.

3. According to Kotler (2000: 34) definition of customer value are: customer perceived value is the difference between the total value of the customer with the amount of charge customers.

Amount of customer value is a group of the expected benefits of products and services. The amount of the cost of the customer is a group that is used in assessing the cost, obtain, use and dispose of the product or service.

Because customer satisfaction is highly dependent on the perceptions and expectations of customers, then as a supplier of products need to know the factors that influence it. According to Zeithaml et.all, there are four factors that influence the perceptions and expectations of customers, as follows:

1. What is heard customers from other customers (word of mouth communication). Where this is the potential factors that determine customer expectations. For example, a customer has a company that is expected to provide the highest quality service based on the recommendation of friends or neighbors.

2. The customer expectation is very dependent on the individual characteristics which personal needs (personnel needs).

3. Past experience (past experience) in using the service can also affect the level of customer expectations.

4. Communications with external parties (external communication) of service providers play a key role in shaping customers expectations. Based external communication, company service providers can deliver messages directly or indirectly to customers.. As example of the influence of the external communication is price where the cost of servicing a very important role in shaping customer expectations.

Thus, the possibility between customer expectations and quality of service (services) in the receipt, are:

1. Customer be pleased if the quality of care received better than expected.

2. Customers into mediocrity if the quality of service received together with estimates.

3. Customers have been disappointed if the quality of care received worse than expected.

Customer satisfaction according Guiltinan, namely "A buyer's degree of satisfaction with the product is the consequence of the comparison a buyer makes between the level of the benefits perceived to have been received after consuming or using a product and the level of the benefits expected prior purchase", It means that customer satisfaction is a consequence of the comparison made by customers that compares the level of the perceived benefits to the benefits expected by customers. In order to create customer satisfaction according to Guiltanan, the company should be able to offer the quality of a product and services.

Meanwhile, according to Pasuraman, Zeithaml, and Berry, argued that customer satisfaction is the customer's feelings towards one type of service that is acquired.
Lovelock explains that satisfaction is an emotional state, reactions can post their purchases in the form of anger, dissatisfaction, annoyance, excitement or unhappy. Not surprising that the company has become obsessed with customer satisfaction, considering the direct relationship with the customer loyalty, market share and profits.

Schiffman and Kanuk, stressed that customer satisfaction is a feeling someone on the performance of a product or service compared to expectations.

Kotler as quoted Rangkuti, explained that customer satisfaction is feeling happy or upset someone as a result of a comparison between the achievements or products are perceived and expected. So from the above definitions means is if someone feeling they meet or even exceed expectations then that person can be said to be satisfied.

Zeithaml and Bitner, suggests that satisfaction is a concept that is much broader than just assessment of service quality, but also influenced by other factors. Customer satisfaction is influenced by customer perception of service quality (service), product quality, price and the situation factors and personal factors of the customer. Quality of care (services) is the focus of assessment to reflect the customer's perception of the five specific dimensions of care (services). Satisfaction is more inclusive; the satisfaction is determined by the perception of the quality of service (services), product quality, price, situational factors and personal factors. The concept of customer satisfaction Zeithaml and Bitner is used in research because of the dimensions that affect customer satisfaction represents the object of research.

Lovelock, explained that satisfaction is an emotional state, reactions can post their purchases in the form of anger, dissatisfaction, annoyance, neutrality, joy or pleasure. It is not surprising that the company has become terosebsi with customer satisfaction, considering the direct relationship with the customer loyalty, market share and profits. Schisffman and Kanuk, stressed that customer satisfaction is a feeling someone on the performance of a product perceived and expected. So from the definition - the definition above means is that if someone feeling they meet or even exceed expectations then that person can be said to be satisfied.

Aspects that can affect customer satisfaction effectively, namely:

1. Warranty costs. Some companies in handling warranty costs their products / services conducted through a percentage of sales. The company's failure to give satisfaction to the customer is usually because the company did not give a guarantee for the products they sell to customers.

2. Treatment of complaints from customers. Statistically it is important to note, but it is often too late for the company to realize it. If the complaint / claim of the customer is not immediately resolved, then customer defections cannot be prevented.

3. Market Share. Is something that must be measured and related to the company's performance. If market share is measured, it is measured is the quantity, not the quality of service of the company.

4. Costs of poor quality. It may be worth the cost to defecting satisfactory if the customer can be estimated.

5. Industry reports. There are many types and industry reports, as submitted by JD Power in the Bhote, which report the fairest, most accurate, and most eagerly made by the company.

Guiltinan suggested that one of the benefits of this customer satisfaction is increase customer loyalty, as seen in the image below.While Lovelock, suggests that customer satisfaction provides many benefits for the company, and the level of customer satisfaction is greater. In the long run, it would be advantageous maintain good customer rather than constantly attract and cultivate new customers to replace customers who leave. Highly satisfied customers will spread the positive story of mouth and instead will be walking and talking advertisement for a company, which will reduce costs to attract new customers as seen in the image below regarding the benefits of customer satisfaction.

So from some of the above theory can be summed up one of the benefits of customer satisfaction which can increase customer loyalty so that it can be concluded also that customer satisfaction itself can affect customer loyalty.

Therefore, the authors will conduct a survey of customer satisfaction analysis of the Hotel Sahid Montana is located in Malang, Indonesia.

The goal is that the writer can determine how the level of customer satisfaction to the overall service provided by Hotel Sahid Montana.

2. CURRENT SITUATION

The Sahid Montana Hotel Malang is a member of Sahid Group, which founded in 1953 by Sukamdani Sahid Gitosardjono. Sahid Hotel's flagship property is 5-star/diamond Hotel Sahid Jaya in Indonesia's bustling capital, Jakarta. Other Sahid city hotels are located in Sumatera, Jakarta, West Java, Central Java, East Java, Sulawesi and Papua.

Sahid Hotels also operates popular city resorts, which offer resort-style pleasures in the heart of the city. The current list of city resorts include Sahid Kusuma in Solo; Sahid Yogyakarta in central Java's most visited tourism center and Sahid Bandar Lampung in South Sumatra as well as Sahid Bintan. Each provides a full range of services and amenities for business travelers, while at the same time they offer a wide variety of options for recreation and fitness they are ideal for holiday tourists as well.

Sahid Hotels is a dynamic hotel brand full of cultural wealth located in each of Indonesia's 33 provinces, with at least 6,905 rooms available. At the same time Sahid Hotels is expanding beyond our country's national borders into fast growing international tourism arena.

Sahid Hotels help streamline projects in the most time-efficient and cost effective manner to ensure your property opens strong. Sahid Hotels have assumed leadership in Indonesia's hospitality industry by providing all the comforts and conveniences of home millions of visitors at their hotels located in major business centers and popular holiday areas across the country. In fact, the Sahid group's family of hotels has grown to become one of the the nation's largest independent hotel chain that have spread it wings to International.

The company continued develop hotel chain, which is in Jakarta, Bintan, Lampung, Cikarang, Pekalongan, Yogyakarta, Solo, Malang, Surabaya, Makassar, Toraja, Manado and Papua. Currently the group operates 27 hotels across Indonesia under the Sahid Hotels chain.

The Sahid Montana is a 3 star hotel complemented with 70 well-appointed room and suites, and 5 meeting rooms with various capacity. Located right in the heart of the city, it is surrounded by government office and business area. Hotel Sahid Montana Malang is well suited for leisure, meeting, gathering, exhibition and wedding party. Cinnamon Kitchen & Coffee at Hotel Sahid Montana Malang is in additional to our leisure facility.

3. INTERNAL AND EXTERNAL FACTOR ANALYSIS

SWOT		
	S-1. Good location S-2. Activities around Hotel S-3. Good staff S-4. Value for money S-5. Javanese traditional interior	W-1. Poorly maintained W-2. Few English language staff W-3. Old building W-4. Small parking space
	O-1. They don't have any swimming pool O-2. Increase their quality of food O-3. Create special offer using discount package O-4. Create several interesting event	T-1. Bad review from guest T-2. Other competitor T-3. Price to performance ratio T-4. Government regulation

Interpretation:

Strength

S-1.   This hotel is very strategic location, near government place, which located in central of Malang. This hotel has easy access to reach the hotel location and also The Sahid Montana is next to railway station.

S-2.   There is some activities around hotel, such as market, many food hall that exist near the hotel location.

S-3.   They have several staff which serve the hotel guest well, polite staff make the guest very satisfy with the service that given by staff.

S-4.   The Sahid Montana offering the hotel price is quiet cheap for 3-stars hotel with the service and facilities included.

S-5.   They maintain the java culture in the lobby of the hotel, in order to introducing Javanese culture to guest especially for foreign tourist.

Weakness

W-1.   Many review said that The Sahid Montana Hotel is not maintained well; the guest sometimes cannot use the facilities properly.

W-2.   Some of the staffs should be learn English language in order to serve foreign tourist and also as the steps to compete with international hotel chain.

W-3.   The building of the hotel looks so old in their interior, especially in the hotel room.

W-4.   Parking space quite small to accommodate private vehicle of The Sahid Montana Hotel guest.

Opportunity

O-1.   It might be better if there was a pool because many tourists like to spend their time for swimming or chilling besides pool.

O-2.   They can increase the taste of food in order to put in the customer mind that The Sahid Montana has good quality of food.

O-3.   They have an opportunity to give the customer some special offer or promotion to increase the number of guest.

O-4.   In order to increase their profit, the hotel has an opportunity to create attractions activities that encourage customer.

Threat

T-1.   The bad review from customer in the Internet will affect new customer to choose another hotel.

T-2.   There are several competitors which offering more service with affordable price.

T-3.   There are government regulations, which prohibit public servant to held meeting or event in the hotel.

They should concern about their target market, backpacker or traveler to know their position in order to select the strategy that should be implement.

4. RECOMMENDATION

With the facts and the SWOT analysis we did to analyze the Sahid hotel group, we hope to come out with some refreshing useful strategies that could help the further development and market segmentation of the Sahid hotel group. We intent to help the hotel optimize their business besides its strong competitors which were present nowadays in indonesia. Despite the lack of informal datas like financial results or strategic

outlook from the Sahid hotels, that should be normally provided and help us to analyze, we achieved to accomplish our analysis with metadata from the internet, and we hope our report can be very useful for the Sahid hotel group.

The strength of bigger hotel chains lies mainly in the higher standard they offer for a reasonable price and of course the diversification: there are foreign hotel chains which were expanding in Indonesia including for example the Accor hotel group, Swiss Belhotel international group, the Best western group, Hilton group, etc. Other domestic giants like Archipelago international, Artotel Indonesia, Tune Hotel, InnSula Hotels & Resorts were also growing rapidly in the domestic market. On the other hand, the different hotel chains also try to occupy all segments of the hotel business: For example the archipelago international with their brands like Aston which occupies the highend 5 stars luxury segment, Neo hotel which is in the 3 to 4 stars range and made for business trips or even another brand the favehotel which is active in the leisure segment and can be categorized as boutique hotels.

Therefore the Sahid group is facing really tough competitors in the near term, and they need to decide whether they want to do some niche market, to diversify the business or further to optimize variable costs. We see that the Sahid group hotels operational strength lies in its ability to reach the highest levels of performance from the properties under its management, while maximizing return of assets for their owners. It is undisputed that by keeping the traditional values of the hotels the quality is still maintained.

We strongly recommend a sustainable growth while raising cash flow and earnings by continually improving operational efficiency without compromising on the quality offered, further regarding maintain of the quality, we still need to find solutions for how offer customers a better experience of the hotel stay by improving some of the out dated hotel infrastructure.

We highly recommend a strategy of discovering new areas of enhanced performance, thus to offer customers new experiences at the said hotels by providing them new quality-price optimized packages. Each property within the Sahid portfolio should point out their strengths and therefore use these advantages to create new packages and promotions. For example, the Sahid montana hotels are more traditional leisure hotels rather than business luxury hotels in the whole Sahid portfolio, so for this case we could say to create new packages and the promotions in the area of leisure, holidays, marriages and so on. To analyse each hotels specialty of the Sahid group became therefore primordial.

To proceed, we would like to advise the Sahid hotel group to first determine each one of the assets strength within the Sahid hotel group's portfolio. The objective of the analysis is to point out the strength of each one of the assets, then according to the geographical situation and the segment position of the hotel, we can further determine the hotels future development. Our intention is to rigorously defend both the returns on investment and our leadership through a regional expansion that will see a Sahid hotel group in every key city and key place in Indonesia. So here our keyword is regionalism, and decentralization. Each Sahid group's asset should find their own developing strategy according to circumstances in the region and their financial and geographical situation.

Second, the Sahid group can set a fundamental emphasis on the location and business feasibility of prospective properties. The approach includes the diligent study of the market in which a property is situated, and careful evaluation of the property itself. But that is just the start of the process. Then it needs to determine the potentials which sit in the region, therefore we need to find out which are potentials in the market that could be occupied and maximize the assets return. The next step for the Sahid properties is to undergo an extensive development phase. The executive team assesses its positioning and its components, ensuring that the correct operational and brand infrastructure is deployed. Only then owners returns can be assured in the long term.

The next step is to find out, whether there are possibilities to diversify, or even create a new niche market. To do so, we propose the Sahid group to determine niche markets while already diversifying their portfolio. Some examples to fulfill the needs of customers by creating exclusive all inclusive packages and promotional offers such as marriage packages, where the Sahid hotel offer to couples an all inclusive package with traditional javanese hotel stay experience, or for example government meeting and military personnel all included packages, whereas other hotel chains are not really focusing on these specialized segments. While the Sahid group hotels have kept a lot of traditional Indonesian elements, it is also good to first focus business areas, where the traditionalism and the Indonesian hospitality is most appreciated.

Finally, it is decisive for the Sahid Hotel group to diversify, consolidate money generating assets and restructure failing assets. The restructuring of assets generating low income or even loss, has to be based on a detailed analysis in advance. The strategic analysis of each of these assets should conclude, whether to continue the business or even shut down to further concentrate on money generating areas. Therefore we strongly recommend the Sahid hotel group to use the elements concluded in our SWOT analysis as well as strategic conclusions we made by using these analysis.

Its always difficult for bigger hotel groups to make decisive changes, but first steps in a long term healthy development always need to be done. We encourage you to go ahead with continuing strategic analysis and restructure for business improvements in a long-term battle between big hotel chains, which has just been launched yet.

5. CONCLUSION

Regarding existing and future hotel facilities, services, promotional packages and positioning, we think the key question is « what actually drives the Sahid hotel group's profitability? Should we build hotels that will command a huge average daily rate, or is a hotel that fills up every night the one that will have the highest net income levels? Along that line, the different types or scales of hotels have different net income levels, or is net operating income a function of location or some other factor? » Our conclusion is that different types of hotels with different locations and specialty within the Sahid portfolio possess naturally different levels of profitability, and we can raise the hotels profitability by optimizing the hotels regional positioning. In other words, each hotel within the Sahid portfolio developed its own future strategy depending on surrounding conditions, and therefore finds their regional strategy, which suits them the best.

The long-term business development strategy should target a profitable, sustainable and asset-light growth that helps mitigate market volatility and drive margins. We recommend focusing on regional specialty assets and selected key hotels within the portfolio, and having a dynamic business model with flexible deal structures and an effective, proactive portfolio and pipeline management. Trustful and mutually beneficial relationships of the personal with Sahid management should be a firm part of the hotel philosophy and make Sahid differentiate from all other hotel chains. Innovative initiatives enable the Sahid hotel group to accelerate growth and add further value to business ventures. With the help of key strategic restructuring and key investments, the Sahid group has a bright future upfront. We hope that our contribution to the future development of the Sahid hotel chain can be useful for the Sahid management.

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Dam Ha

Shaoliang Ye

Vania NurbayaniHermawan

Dian Arumsinta

Introduction

Unilever is a British-Dutch multinational company, the third largest producer of consumer goods in the world. Unilever is headquartered in Rotterdam, Netherlands and London, United Kingdoms. The company was founded in 1930 after the merging of Dutch margarine producer Margarine Unie and the British soap maker Lever Brothers.

Unilever currently employs 170'000 employees worldwide and is the owner of over 400 brands, with 14 of them accounting for total sales of over 1 billion euros: Axe/Lynx, Dove, Omo, Becel/Flora, Heartbrand ice creams, Hellmann's, Knorr, Lipton, Lux, Magnum, Rama, Rexona, Sunsilk and Surf. The company has four divisions based on product categories: Foods, Refreshment (beverages and ice cream), Home Care, and Personal Care.

In Indonesia

Unilever Indonesia was first established on December 5th, 1933 as Lever Zeepfabrieken N.V.as a subsidiary of Lever Brothers at Angke, Jakarta.   The company name was changed to PT Lever Brothers Indonesia on June 30th 1997, and finally as PT Unilever Indonesia Tbkon July 22nd, 1980. Unilever Indonesia enroll 15% of its shares on the Jakarta Stock Exchange of Securities and Surabaya Stock Exchange.

In Indonesia, Unilever's main production lines are soap, detergent, margarine, vegetable oils and food made from milk, ice cream, food and drinks from tea, cosmetic products, and household products.

Divisions

PT Anugrah Lever: founded in 2000 and engages in the manufacturing, development, marketing and sales of soy sauce, chili sauce and other sauces with the trademarks Bango, Parkiet, Sakura and other brands.

PT Technopia Lever: was founded in 2002, a joint venture with Technopia Singapore Pte. Ltd. and engages in the distribution, export and import goods under the trademark of Domestos Nomos.

PT Knorr Indonesia: acquired on January 21, 2004.

Product portfolio
- Surf
- Rinso
- Buavita
- Sunsilk
- Fair & Lovely
- Taro
- Pepsodent
- Molto
- Blue Band
- Wall's
- Sunlight
- Pond's
- Lux
- Rexona
- Pure It
- CIF
- Vaseline
- Dove
- Domestos Nomos
- Viso
- Wipol
- Vixal
- Lipton
- She
- Molto
- Sasebu
- Lifebuoy
- Clear
- Close Up
- Citra
- Axe
- Royco
- KecapBango
- SariWangi

UNILEVER INDONESIA
Product Portfolio

14 categories
40 brands
1000 SKUs

Home and Personal Care, 73%

Foods and Refreshment, 27%

II Revenue of Unilever in the world

This statistic depicts the revenue of the Unilever Group worldwide from 2005 to 2014, by product segment. In 2011, the global revenue generated by the Unilever Group's personal care product segment was about 15.47 billion euros.
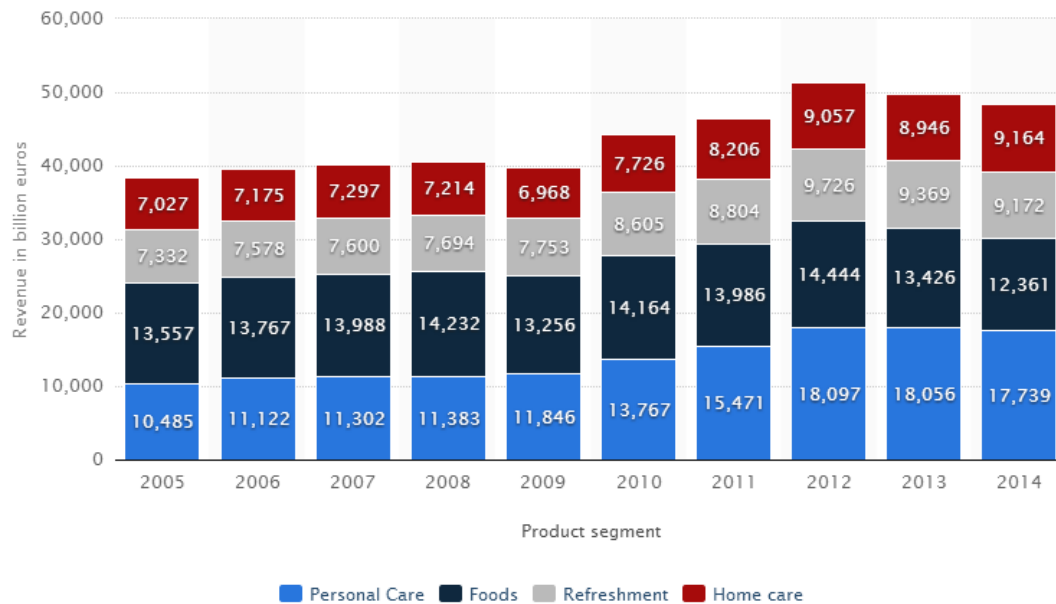
From this we can see the totals revenue increases from 38.401 billion euros in 2005 to 48.436 billion euros in 2014. The revenue increase 26.1% just in ten years, and the growth is steady.

The revenue consists of four parts: Personal care, Foods, Refreshment and Home Care. Among them the revenue of "Personal care "increases very fast, from 10.485 billion euros in 2005 to 17.739 billion euros in 2014. This Increase is much more than the other three sections. Therefore, we can expect the Personal Care segment to have significant growth potential in the future.

Personal care

The personal care industry envelopes a variety of products, including makeup, fragrances, hair care and coloring products, sunscreen, toothpaste, and products for bathing, nail care, and shaving. These segments are complementary and through their diversity they are able to satisfy all consumers' needs and expectations with regard to cosmetics. The industry overlaps with other markets like chemical, health care, and petroleum. The latter is important as personal care product raw materials, such as propylene glycol, which come from petroleum products.

This statistic depicts the brand value of the leading personal care brands worldwide in 2015. In that year, the value of the Crest (Procter & Gamble) brand amounted to about 3.95 billion U.S. dollars.
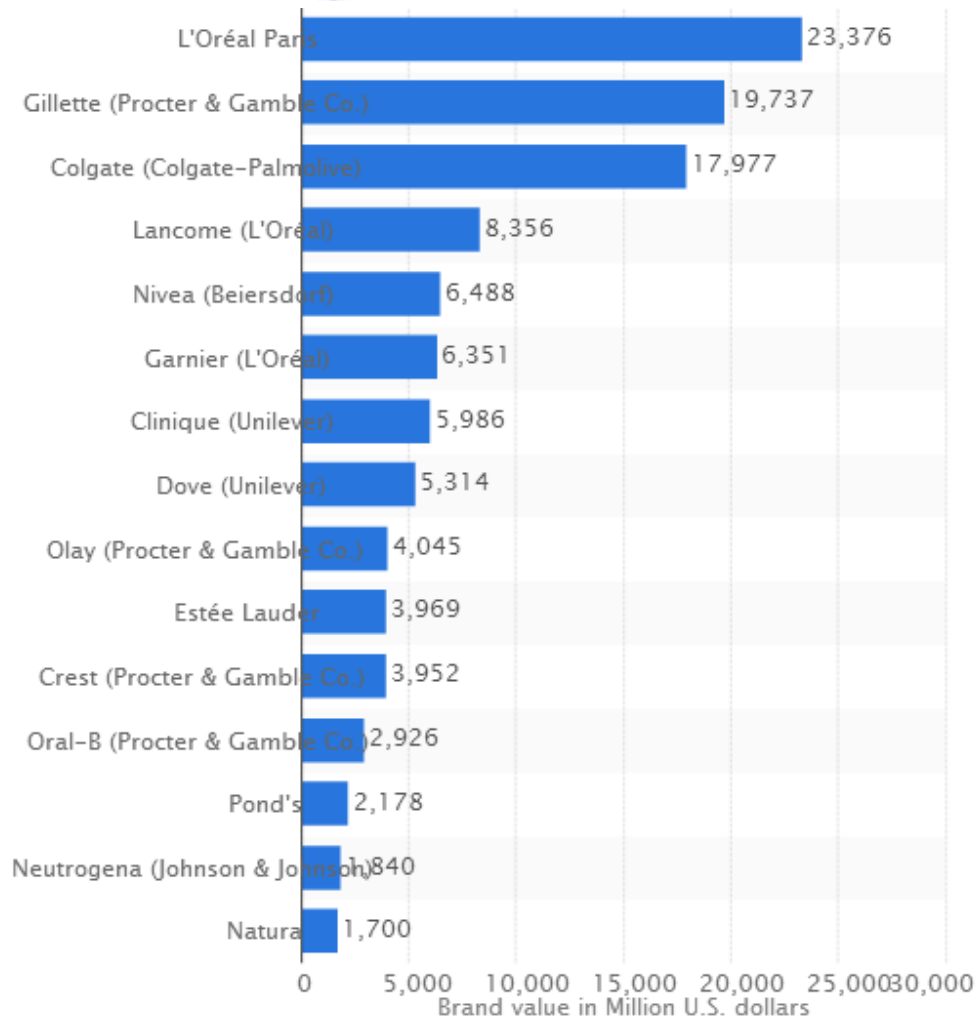
From this we can see just Clinique and Dove are from Unilever, and the total value generated is only about 11.300 million U.S. dollars. Less than the half of the top brands. That means the core competitiveness of the company still faces many challenges and competition.

IIIUnilever in Indonesia

Unilever Indonesia subsidiary PT Unilever has enjoyed a sharp increase in sales, the company's net profit in 2011 increased by 23 percent to 4.16 trillion rupiahs, while the 2010 net profit was 33.900 hundred million rupiahs.

Sales in January 2011 to December period improved by 19%, reaching 23.47 trillion rupiahs, compared to the previous year's sales of 19.69 trillion rupiahs. Total assets the company was 6.04 trillion rupiahs as of December 31, 2011, while the total assets of the previous year were 4.95 trillion rupiahs.

UNILEVER INDONESIA
Our Profile – Key Facts

80	40	8	6719
Years of Unilever in Indonesia	Product Brands	Owned Factories	Employee in 2013

Challenges and obstacles

1.11. Talent gap

Because Indonesians have low labor skills, so to get talents is a big challenge for large companies such as Unilever, in particular is to look for management talent outside the Jakarta (The capital of Indonesia). Jakarta has the country's most skilled workers and professionals. Therefore, companies often find that if they do not bear the additional risks and burdens of training their workforce, to build and expand their talent pool is very difficult and it is very expensive to fire employees. This is the first challenge faced by Unilever in Indonesia.

1.2Solution

Unilever talents can be sent to the country and to achieve their internationalization, because the development of management talent requires international experience, which is very important as it is part of personnel training and development. If Unilever develops a new market which requires an experienced technical staff, but they cannot immediately find the right local talent, they should be looking at the subsidiaries of Unilever which has been well developed in the market around the country. This is the international personnel training and development system created by Unilever for many years, using human competencies to achieve competitive edge. If they want to achieve success in the international environment, they must rely on high-quality personnel. The inevitable result of high-quality products will only come from highly-qualified personnel.

1.32. Less developed infrastructure

Indonesia's infrastructure problems are well known. For example, the public transport throughout the country are seriously lagging behind, or even completely absent, their existing road cannot meet the number of daily cars and trucks. While the domestic airport is also at 200% - 300% capacity, struggling to maintain daily operations. Indonesia's main ports take up to 10-14 days for turnaround. Sewage treatment covers only one percent of Indonesian households. It is estimated that every year in Jakarta traffic jams causes $ 1.5 billion in loss. And the situation is worse outside of Jakarta. There is no doubt that less developed infrastructure in Indonesia have caused many troubles for Unilever to transport goods. If Unilever wants to improve the situation and better exploit the new market in the future, they must to find some ways to overcome the problem.

1.4 Solution

Faced with this problem the only recommendation we can give is improve their management system, in order to improve the efficient of transport. And choose a convenient place to set up the factory or supermarket. This is extremely important to shorten lead time and improve transport efficiency. As we all know, for businesses time means money. So they should invest more time and effort to find a convenient place and improve the management system, this is of vital importance when conducting business in Indonesia.

1.5. The legal environment

A common issue concerns legal uncertainties relates to the lack of a comprehensive legal and regulatory framework. Important rules can be either scattered in diverse regulations or not yet regulated. Further, new laws introduced are most often not being subsequently complemented with the promulgation of detailed regulations for implementation in a timely fashion. This creates a constraint in an effective and efficient application of the law due to a significant time gap between enactment of the new laws and the implementing rules. The absence of clear rules creates the practice of applying unwritten policies and administrative discretion by the authorities, which in the investors' view is difficult to rely fully upon. In addition, potential divergent legal interpretation of ambiguous provisions of the law by the government authorities and legal practitioners is another occurring issue. These issues when added up increases the legal uncertainty factor.

1.6 Solution

In fact, this is a common problem businesses face in Indonesia. Doing business in the country is no easy task for foreign investors and certainly Indonesia is not in the rank of five-star investment destination. Deploying capital in Indonesia, like many other emerging markets, involves a number of associated inherent risks and uncertainties and all foreign investment will face this problem. Developing market and law means more risk, but it can also mean more potential profit to be gained with proper investment and development efforts. To overcome this problem, we believe the best way is for Unilever to gather local support and assistance in order to better navigate the country's legal environment. For example, they may

choose to spend time and resources studying the laws and regulations while enlisting lawyers and consultants to better appreciate and avoid any potential legal problems that may arise.

1.7. E-commerce

It is well known, that nowadays the B2C and B2B sectors are growing rapidly, especially in developing countries.

Chart: Growth in B2C e-commerce, 2013-2017 (source: eMarketer)
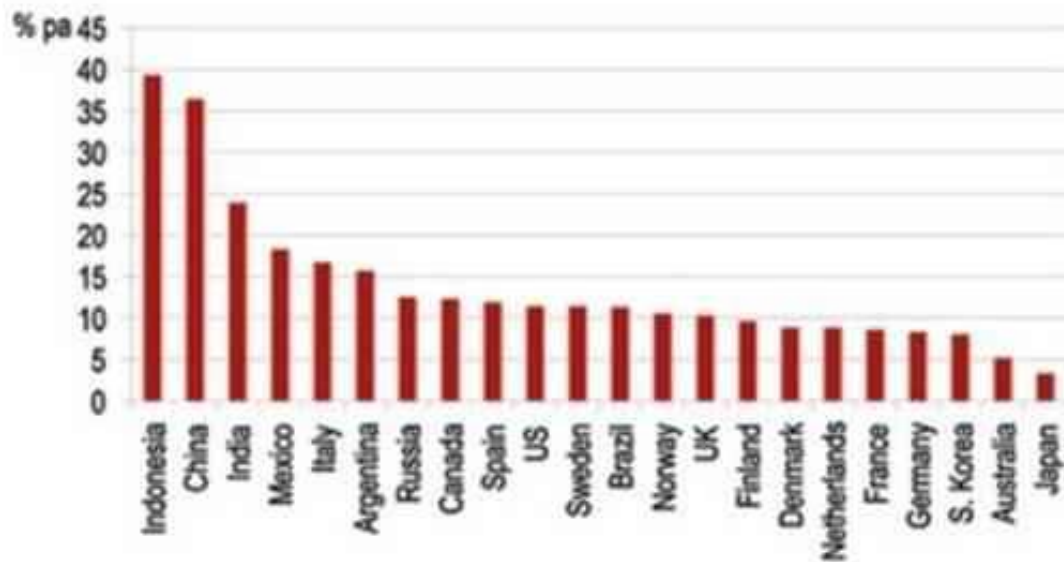
From this chart we can see that e-commerce sales growth are predicted to occur in Indonesia, China, India and Mexico. Indonesia is the fastest B2C e-commerce growing country. It will grows nearly 40 percent from 2013 to 2017.

Growth in Number of Online Shoppers in Indonesia

2013 Online Shoppers 4.6 million

2014 Online Shoppers 5.9 million

2015 Online Shoppers 7.4 million

2016 Online Shoppers 8.7 million

From the chart we can see that in 2013, there were 4.6 million Indonesians shopping online. This is expected to increase to 8.7 million people by 2016.Therefore, there is no doubt that

more and more people in Indonesia will turn to shop online rather than in the supermarket. It will have a huge impact on the retail trade in general. Because as we all know that firstly, shopping online is more convenience. Secondly the goods sold online are cheaper compared the goods sold in store. We believe this is the main reason that more and more people will shop on the Internet, because Indonesia is a very poor country so lower price will attract more customers. Thirdly B2C is a global trend, and this is a technological revolution. There will be more people using the Internet to shop.

1.8 Solution

There is no doubt the competition on the global e-commerce market is growing that retailers need to be aware of, and to prepare themselves for when they should start selling their products online. Even though Unilever is the world's second-largest consumer-goods firm by sales, it needs to make sure that it is adapting to the global e-commerce game. For example, Unilever recently entered a strategic partnership with Alibaba. This partnership will enable Unilever to use the data-driven ecosystem of Alibaba to penetrate the Chinese market. The vast Chinese market has huge potential, especially in the rural areas, which the companies will focus on. Furthermore, Unilever had launched a flagship store on Alibaba's competitors site JD.com. We can clearly see that Unilever does not sit still and the future will show how it is building its own pathway in e-commerce.

We believe Unilever can use the same strategy in Indonesia, because the B2C growth is faster in Indonesia than in China. Unilever can directly invest in e-commerce or set up a strategic partnership with the biggest shopping site in Indonesia, such as Lazada, Mataharimall and Bhinneka etc. They are all big online retailers in the Indonesian market covering electronic products, fashion, daily necessities, books and so on. We think that Unilever can try to cooperate with them with benefits for both sides. Unilever can provide some products sold on the pages of Lazada. It will attract more people to shop on Lazada, increasing sales for both parties. B2C and B2B is the future trend of retailing representing both as a new challenge as well as an opportunity for businesses around the world. As a major consumer goods producers, Unilever must to find a way to adopt it or run the risk of being out-paced by their global as well as local competitors.

Advantage of Unilever
Global strategy

When entering and competing in foreign markets for its cosmetics and toiletries product, Unilever follows a global strategy, also called the think-global and act-global strategy. This strategy uses essentially the same competitive strategic approach in all markets where the company has a presence, with only minimal responsive to local conditions. The company sells pretty much the same products everywhere, while only making minor adaptions to local countries where needed to accommodate local preferences. Unilever strives to build global brands, and coordinates its actions worldwide in a centralized manner.

A global strategy used by Unilever is preferable to localized strategies because Unilever can unify its operations and focus on establishing a brand image and reputation that is uniform

from country to country. Unilever has had major success in building strong brand image such as Dove, Sunsilk, Rexona and Lux. Moreover, with a global strategy Unilever could better coordinate its marketing, operational and distribution network worldwide.

Innovation

As we all know innovation is extremely important for development of an enterprise. Competition has intensified in the industry and with more companies entering the market. Therefore, in order to maintain competitive edge, a business must always seek for a breakthrough—Innovation. Unilever's innovations are mainly focused in science and technology, in a deep understanding of the consumers'habits, tastes and behaviors, and innovation also covers areas such as design,packaging,marketing and advertising.

In addition,Unilever's innovation isn't always the kind you would expect from a company that forecasts double-digit percentage sales growth annually. For example, when market research showed that more Indonesians were dyeing their hair, Unilever launched a shampoo for color-treated hair -- a relatively simple product that wasn't previously available in Indonesia. Innovation made Unilever become a leader of retailer in Indonesia as well as in the world. In fact, Unilever holds a 40% share of Indonesia's market for consumer goods such as toiletries, cosmetics, shampoos and detergents. It accounts for 80% of the nation's toothpaste sales and 50%of its shampoo sales.

Quicker product development

Unilever always pay attention to quicker product development-efforts are underway to shorten the time spent rolling out new products, which will contribute towards Unilever increasing its flexibility to respond to changing consumer demands and keep ahead of the competition.

Culture

We use the products from Unilever almost every day across the world. Their brands are widely known and appreciated by consumers.In fact, there are 150 million people using Unilever products every day. When you open your refrigerator, or go to the bathroom, you will see at least one to two of their well-known products.The culture and target of Unilever is to "improve people's daily lives", and to create better, more efficient ways of working. Thisvisiondrives Unilever continuous innovation. And the corporate culture also encourages employees to work hard and love their company.A good culture can unite worker to work for the same goal. Therefore, the corporate culture of Unilever is undoubtedly one of their most important assets.

Recommendations

In addition to the solution proposed above for the mentioned problems, we would also recommend that Unilever to develop local-focused premium brands in cosmetics, food and beverages in order to increase revenue and solidify local presence with a strong and distinctive brand image in Indonesia.

Unilever must continue to strengthen its innovative capacity if it wishes to stay ahead of the curve, by focusing on new trends, new technology and development. The company must also pay attention to the ever-changing consumer behavior of the modern age, especially with the new generation of customers in Indonesia while continually expanding the market in search of new revenue streams.

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Strategy For Sahid Montana Hotel to Attract International Visitors

Dalma Casarella

Fabio Ribeiro Goncalves

Riki Ramdani

Chairunnisa Istiqomah

Joshua Emmanuel Damanik

This report is mainly based on researches done through websites such as Trip advisor, Booking.com and Sahid Montana Hotel. We chose this path because we did not have access to Sahid Montana Hotel's reports. The results of our researches lead us to the following guidelines questions.

Malang Hotel Industry

Malang regroups 63 different and type of hotels such as Hotel, Guest House and Suite Resort from 1-5 Stars. They offer a lot of services such as SPA, Laundry/Dry Cleaning or rental room for business purposes.

Hotel Sahid in Malang

Sahid Montana Hotel is amazingly located between the City Center and the station. Another important factor regarding its location is its proximity to many places of interest. Hotel Sahid provides 70 rooms; clients may chose between a Superior room or a Deluxe one. Its prices fluctuate from CHF 30.- and above. It offers different services such as SPA, meeting and banquet rooms for business purposes, Free WIFI, Free parking and so one. The range of services this complex offers is complete.

Regarding the reviews and score of previous clients we can observe an overall score of 5.5/10. This bad score is mainly due to the poor maintenance and cleanliness.

SWOT analysis

Our SWOT analysis provided us some good information regarding its weaknesses, opportunities threats but specially its strengths. In fact, its strengths are its location, which is located in the City Center, its staff who is really helpful and always at customers' disposal, its free parking and WIFI and its laundry/dry cleaning which is crucial for business men, and its special and traditional massage at SPA.

Strengths	Weaknesses
• Location of the Hotel • Helpful and nice Staff • Parking free • SPA with traditional massages • Laundry/dry Cleaning (Good for	• Cleanliness of the rooms • Expensive prices for what they have • Reviews/Feedback on Booking.com and TripAdvisor (Mainly from Indonesian)

international clients)	• Old and Tired Equipment
Opportunities	**Threats**
• Provide Shuttles from/to airport • Partnership with European tourism agencies • Offer nights to big group (Rolex, Richemont) against good feedback • Event such as Charities and special excursions in Malang for international tourist • Hire secret customer to have accurate feedback	• 63 Hotels in Malang (Booking.com) • Ranking of other hotels • 19 Hotels with 3 Star in Malang • Bad review from visitors - European choose hotels according websites such as TripAdvisor/Booking.com

Competitors' Analysis

In Malang city, the main competitors of Sahid Montana Hotel are the following:

1. **The Grand Palace Hotel**

   Its rates between Rp356.000 - Rp795.000. It is located in Jl. Ade Irma Suryani 23, Malang 65117, Indonesia

   The best places nearby are the garden tea, the Wonosari, the Malang Tempoe Doeloe's museum and the Malang town hall monument. It has some facilities such as Spa, mini bar in the room, lounge, WIFI connection, service room and a restaurant, Therefore, it has also provide different services to their clients such as free breakfast, Shuttle Bus service and room service.

2. **Solaris Hotel Malang**

   Its rates are between Price Rp274.000 - Rp370.000. The hotel is located in Jalan Raya Karanglo No. 69 , adjacent to Abdul Rahman Saleh airport.

   The best places nearby are the garden tea Wonosari, the Malang Tempoe Doeloe's museum and Malang town hall monument. It has also quite the same facilities as The Grand Palace Hotel such as

   service room, restaurant, WIFI connection and swimming pool. Moreover, the hotel also provide services such as Shuttle Bus service, Laundry, Room Service and Concierge Service

3. **Best Western OJ Hotel Malang**

Its rates are between Rp397.000 - Rp644.000. Best Western OJ Hotel is located in Jalan Dr. Cipto No. 11.

It is located also in the City Centre which is nearby the garden tea Wonosari, the Malang Tempoe Doeloe's museum and Malang town hall monument. Like the previous hotel, it has a WIFI connection, a swimming pool and a Gym. Plus, it provides services such as Meeting Room and Business Centre with Internet Access.

Hotel Industry Regulations to get an extra star

A hotel can improve its star if the hotel's customer satisfaction increases. In order to improve customer satisfaction, a hotel should improve the quality of their services, facilities and whatever might be the advantages of the hotel and not to mention a good promotion and marketing.

Events to attract international visitors

Sahid Montana Hotel is also doing business in the health care and education industry. Sahid Hotel should take in advantage of it by creating charitable events in other to help people in necessity to access education, as this subject is very important to international tourists, which may be interested. Therefore, the hotel should create special excursions in Malang for international tourists, as there is a lot of potential tourist attraction such as Bromo, Tengger, Semeru, National Park, Mount Semeru, Volcano or Coban Rondo Waterfall nearby the hotel.

What can they do to differentiate?

They can highlight the fact that there are amazingly located in the City Center, which could be easier for international tourists to access to market places and numerous attraction sites. Moreover, they are one of the earliest players within the City.

Why the hotel Sahid in Malang cannot compete?

Sahid Montana Hotel cannot compete mostly due to the really bad reviews from Trip Advisor and Booking.com as most potential international tourist clients check constantly those websites because they do not know the local hotels and Malang is quite far from US or Europe. Unfortunately, reputation is everything nowadays which can be on Internet or word of mouth especially in the Hotel Industry

Selling Local Products in the hotel

Introducing a shop with local products may highly interest international visitors. In fact, the tourist would be interested in several local products which they could not find anywhere else in the world. Therefore, Sahid could sell handcraft products from within the area of the hotel as it might also beneficiate the small local enterprises. It is a win-win situation for both party.

Partnership with European institutions

Sahid Montana Hotel should contact big European tourism agencies in order to make deals with them regarding Sahid Hotel's offers. As a result, tourism agencies should get rewards from Sahid by promoting its hotel.

Even if Sahid hotel is already registered in Booking.com website, its ranking is not helping them as they have bad reviews, an imperative point will be increase its score, pictures and feedbacks.

Sahid should offer few nights per year to big group such as Rolex, Richemont or other European companies to get pertinent feedbacks (Hopefully positive ones). This could help the hotel to be known worldwide, increase its visibility and it's ranking at the same occasion .

Sahid Hotel should really improve its ranking as it is its biggest issue by eliminating their weaknesses and taking new opportunities in order to be able to compete with its competitors.

Potential Strategies for Sahid Hotel

We used different tools such as the SWOT analysis to identify its strength and its weaknesses. Then we used PESTEL to analyse Sahid Montana Hotel's external environment to identify important factors, which might be helpful got the hotel. Moreover, we did a benchmarking to analyse the competitors mostly on website used by most of the costumers who are looking for accommodation such as Tripadvisor.com or Booking.com.

1.   **« Whitening » Strategy »**

This strategy is based on the complaints and bad reviews website such as traveloka.com, tripadvisor.com and booking.com. It includes the effort to strengthen the brand of the company through upholding local values through interior and exterior design of the hotel, without forgetting the 5 star hotel services globally in which includes the cleanliness, convenience and manners of services. The startegy will

hopefully increase more the word of mouth which is a substantial mean especially in the hotel industry and increase the positive reviews.

Furthermore, Sahid Montana Hotel is unfortunately known to be an expensive chain of hotels, to have an old fashion decoration and to have no that cleaned hotel rooms due to the complaints and the bad reviews. In order to enhance it, Sahid Montana Hotel should upgrade their facilities, which need to be more modern, increase the cleanliness and maintenance of their rooms and renovate the whole building, especially their meeting rooms in order to be more modern and get state-of-the-art IT equipment to attract companies which might need them to do a seminar for instance. For the analogy, If we want to buy shoes, we must check it if It's a good shoes or not, and we know it from a friend who usually we trust his opinion. Like the shoes, the people will comment on their experience in the hotel. In a nutshell, the comments of the people are crucial as it is their "Business Cards" to ensure the return of the customer or even better, they might advice their friends/family to choose the Sahid Hotel.

The Hotel can keep serving well their customer, as it is one of their main strengths and making tourist feel comfortable in your hotel.

2. **Event Strategy**

Sahid Montana Hotel could create big events in order to interest both the locals and the tourists such as music concerts within the facilities of the hotel as music a great mean to gather people. Sahid Hotel could sale the tickets and could make a discount for their hotel rooms, as people going to the concerts might be interested stay in. As a result, the hotel might have more customers. Moreover, Sahid Montana Hotel could sponsor music events to increase their brand awareness.

3. **Business Package Strategy**

Sahid Montana Hotel is ideally located in the middle of the city. In fact, its location is also strategically near the offices, banks, airport and stations.

The hotel could use their facilitates, especially their the meeting rooms, to host business meeting within the hotel for several days. As a result, Sahid could offer a "Business package" to companies which includes

the rent of the meeting room and the hotel rooms with a discount for their employees. Therefore, Sahid could also provide catering services with local food, which might be included in the "Business Package". The reason of the package is to get customers but mostly to get good reviews from international and local well-known companies, which is crucial for the Sahid Hotel. If companies are satisfied with its services, they

might recommend the hotel to other companies. That way, it could increase its brand awareness without any cost

4. **Tourism Strategy**

The location of the hotel has been strategically very profitable for the Sahid Hotel. In fact, it is easy to find the hotel as it is very close to the exit, public transports and the airport. The hotel provide pick up services between the airport and the hotel.

Sahid could take advantages of their location during the holidays as families and group of friends might come to Malang for tourism. It is easy to walk through the city as the Hotel is close to the main touristic attraction such as the garden tea, the Wonosari, the Malang Tempoe Doeloe's museum and the Malang town hall monument It is also quite easy to visit the city by public transport.

The hotel should consider offering excursions to customers, as they would not stay all day in the hotel. So, Sahid Hotel could hire local tourist guides to guide the tourists into touristic attractions, which are not close to the hotel and might be dangerous if the customers go on their own. Attractions provide by the hotel should be an extend of the hotel's services, which is could help increasing their good reviews if the customers are happy and have fun.

How to consider and benefit from the raise of the middle class in Indonesia and to adapt the services of the Sahid's group to catch this opportunity

Jean-Marc MURITH

1.1 <u>**Sahid's group:**</u>

City	Hotel	Stars
Central Java	SahidKusuma Prince Solo	5
	SahidJaya Solo	5
East Java	Hotel Sahid Montana	3
	Hotel Sahid Raya Surabaya	3
	Griyadi Montana	3
	SahidGunawangsa Surabaya	3
Jakarta	Grand Sahid Hotel Jaya	5
	Griyadi Blue Pacific	2
Lombok	SahidSenggigi Beach Villas	3
Papua	Sahid Papua	3
Sulawesi	Hotel Sahid Manado	3
	Hotel Sahid Jaya Makasar	5
	Hotel SahidKawanua Manado	3
	Hotel SahidToraja	3
Sumatera	Hotel SahidImara Palemb ang	3
	Hotel Sahid Bandar Lampung	3
West Java	Sahid Jaya Lippo Cikarang	5
Yogyakarta	Hotel Sahid Raya Yogyakarta	4
	The Sahid Rich	4

1.2 Quick overview about the purpose of the study

- What is the strength of the Sahid Montana? Why they cannot compete?

It seems that the Sahid's group is diversified in different segment of the hotel market. Indeed, we can see on the board above, that the group is existing in the 2, 3, 4 and 5 stars level. That can be a strength but a weakness too. When you are existing everywhere in the market, the problem is that you have not specialized in one of them, you are just good enough in every segment and I don't think that it is a good idea to be so diversified in this kind of business.

- What your idea/product/idea/ strategy to help them to compete?

They need to save their costs through another market strategy. The best idea is to be affordable for every people in Indonesia, because we can see that there is a huge proportion of national tourism. In consequence, they have to adapt their service to the population of every cities they are existing in Indonesia and not just for rich foreigner's tourism.

Moreover, when you are specialized in the middle class, you can provide a service more attractive. For example, in place to have 5 stars hotels who are not affordable for the middle class, you can provide 3 stars hotel, were within they are the facilities required for this kind of social class like cinemas, fast food restaurants, and so on.

- How your product/idea/strategy/service can help them?

It will first of all save money because if you see all the 5 and 4 stars hotel, you can imagine the costs that these kind of hotels generate for maintenance costs. Secondly, with this money saved, it will help them to open new areas and enlarge their existing in every cities. Thirdly, if you see it in a long term way, it will generate more benefits.

- When/where/How the product/service /idea/strategy can be realize?

This strategy cannot be realized in a short term way. You need to deindustrialize a part of the group and convert it in a specific way that it can be affordable for the middle class in Indonesia as it is growing years after years.

- How much investment is needed? What support is needed?

It is important to understand that when you will start with this strategy, at the beginning you will lose money. But if you project yourself in a long term way, you will see that the return on investment will be interesting.

1.3 The rise of the middle class

Half of Indonesian live in urban areas today and it's going to be more and more the case.

	1995	2000	2005	2010	2050
Rural Population (percentage of total population)	64	58	52	46	33[1]
Urban Population (percentage of total population)	36	42	48	54	67[1]

Source: World Bank

[1] Forecast by the United Nations (UN)

This figure catch our attention in the fact that people are coming out from poverty step by step and moving to rural cities. Indeed, people are becoming more independent and can afford to spend in a more large proportion their money. The Sahid's group need to be focus on this situation which is progressing. There is more turnover to do if you are involve and available for more people.

The problem of Sahid is simple and complex at the same time. As I said in the quick overview part, the group is diversified and focused in a significant proportion in the high class. Indeed the group is structured with 19 hotels in different segment of market as you can see on the group's board in the first part.

The group owns 7 hotels which are specialized in 4 and 5 stars. It is not effective to be attractive in the luxury segment because there is not a large proportion of people who can afford the luxury services. It would be more profitable to specialize these 7 hotels in the same business line that the 12 others are.

What is more impressive is that the young population is largely represented in the demographic data that we can see on the board as following.

	Percentage share of total population	**Male** (absolute)	**Female** (absolute)
0-14 years	27.3	34,165,213	32,978,841
15-64 years	66.5	82,104,636	81,263,055
65 years and over	6.1	6,654,695	8,446,603

Source: CIA World Factbook

We can see that people from 15-64 years represent 66% of the population (2/3!). Moreover the median age of the country is 28.5 years. What we can conclude is significant and very important. The most of the Indonesian people are young and working for companies which are more and more respecting legal statements. This category represent the rise of the middle class because they represent the workforce in Indonesia and as a result the people which can afford a 2-3 stars hotel avoiding to spend all their money in a 4-5 stars hotel. They have other area of interest.

What is interesting to analyze it's the unemployment progress years after years.

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Unemployment (% of total labor force)	10.3	9.1	8.4	7.9	7.1	6.6	6.1	6.2	5.9
Male Unemployment (% of male labor force)	8.5	8.1	7.6	7.5	6.1	-	-	-	
Female Unemployment (% of female labor force)	13.4	10.8	9.7	8.5	8.7	-	-	-	

We can see that the unemployment rate is decreasing step by step and conforming to the hypothesis which include a rise of the middle class and the progress of an economy based in consumption.

1.4 Indonesia modern traditional concept

The general appreciation of the facilities offered by the Sahid's Montana Hotels is not reflecting by 100 percent the Indonesian cultural context. Indeed quite 40 percent of the Sahid's Hotel are more specialized in luxurious facilities and huge resorts.

The raise of the middle class is very important to considerate. This class cannot afford to spend the money they do not have to play golf or to swim in an anonymous swimming-pool with nobody around to converse with. Realizing that quite 40 percent represent this kind of hotels, it is important for the Sahid's group to adapt their facilities to the raise of the middle class and as a result adapt their prices.

Moreover there is a lot of to do with the local tourism. Indeed there is a high proportion of people who are Indonesian and travel within the territory. The idea is to adapt the hotels to the 3 stars typical Indonesian model. In this market the competition is very attractive. An analysis of the market of the 3 star hotels would be made in the next point.

1.5 Market analysis of the 3 stars hotel in Indonesia

There is a listing of the brand which are represented the economical segment on the left and for the middle gam on the right:

-Ibis Hotel	-Novotel
-Ibis Styles	-Suite Novotel
-All Seasons	-Mercure
-Adagio Access	-Mama Shelter
-Ibis Budget	-Orbis
-Etap Hotel	-Adagio
-Hotel F1	
-Coralia	

We can see that the competition in the middle and economical gam is very concentrated. Moreover, all these hotels are well represented into the major cities in Indonesia which has increased in a significant level their presence into the mind of the Indonesian's travelers.

The idea is not to benchmark the best competitors in the segment of the 3 star's hotels but to offer something different with a surplus engaged by the Sahid's Montana.

Indeed, all these hotels offer the simple basis with a room services and some activities proposed in the same range of effort between all the hotels in this segment. The goal for these kind of hotel is to propose also a road trip or something like that which provide you a visit or some place to see.

What do Sahid's need to perform in this center of activity? The answer is quite simple but harder to put in place but with the financial power that compose Sahid's company, it would be like a "children play".

You have to understand that a client need a personal support to be considerate. Sahid's Group have developed since decade a formal aspect of the client treatment.

The Group is normally involved into luxury places with a behavior adapted to the rich European people. This culture of politeness that the Group has built could be used and normally be better than the competitors.

Clients like to be well treated and much more if they are just in an economic or middle gam environment. The goal is to supply the same level of politeness and quite the same level of services that you will find in a 4 or 5 stars hotel in Indonesia.

The Sahid's Group have something that we can formulate in marketing as "a key success factor". Indeed they have something that the competitors in this segment of market do not have. I'm thinking about the experience in the high gam. These experience is decisive to make a real breakthrough even if they are already present but in a low proportion in this segment.

Moreover it is important to consider a kind of market analysis tool which are decisive to take the right decision. The SWOT analysis which is structured through the strength, weaknesses, opportunities and finally the threats is very important to consider. The analysis is as followed:

Strenght :	Weakness :
Huge financial potentiel support	To much diversified
Well known throughout Indonesia	Mostly adapted for rich people
Experience in this business structure	A lot of work to do to readpat the

Opportunities:	Threaten:
The market is standardize with occidental concept market	The potencial new arrivants in this

1.6 Restructuration Plan

The first step would be to consider a restructuration of the luxurious Sahid's hotels. Indeed it is important to sanitize the facilities which are not adapted for the middle class clients and which generate important financial expenses. The idea is to save a maximum of costs to put these financial savings at disposal for the restructuration project.

City	Hotel	Stars
Central Java	SahidKusuma Prince Solo	5
	SahidJaya Solo	5
Jakarta	Grand Sahid Hotel Jay	5
Sulawesi	Hotel Sahid Jaya Makasar	5
West Java	Sahid Jaya Lippo Cikarang	5
Yogyakarta	Hotel Sahid Raya Yogyakarta	4
	The Sahid Rich	4

The hotel concerned by the restructuration project are as followed:

The plan is to convert all these hotels into the same model of the others that are in the Indonesian hotel market but with significant differences. As you can note into the board on the above, the Sahid's hotels which have to be restructured can benefit from a characteristic which is fundamental and could be in a certain measure a key of success. I allude from their luxury aspect. Indeed, they have the opportunity to have a welcoming environment which is more professional and formal that the competitors because of their luxurious culture of client's management.

The restructuration in a first stage is going to generate some costs and new investments. It is possible that during several years the plan will generatesome financial losses but Sahid's group don't have to be so afraid about that.

Indeed the fact that they can provide a different 3 stars services could skyrocket the turnover. If they follow this way I can assure you that the group wouldn't understand what's going to come in a few years. I speak about the general success that the group will have on the eyes of the middle class of Indonesia. These people would certainly prefer to consume in a 3 stars hotel which have a culture of politeness and where there is some luxurious facilities in an affordable price.

The Sahid's group have a real potential to kill the competition by doing that. I think that they cannot imagine the real financial potential that could be generate with this strategy in a long term view.

Finally, it is important to consider the listing as followed concerning the main actions, the time and the financial investment required to bring a significant business solution for the Group:

Action required	Time needed	Financial support
Hotels restructuration	1-2 years	50'000'000 USD
Marketing issues	1-2 month	300'000 USD
Personal adapted	1-10 month	100'000 USD
Government's acceptation	1 year	10'000 USD
Administrative expenses	1 year	50'000 USD

Conclusion

It was very interesting to analyze the market of the hotels in Indonesia and how it behaves. The big problem was that there wasn't enough information about the Sahid's Montana Hotel Group at my disposal. Indeed, some people in my classroom and me have tried to catch the opportunity to get information through different way with Sahid's workers but it was very difficult to convince them to collaborate.

Now about the recommendation that was made throughout this report is very significant and realistic. Indeed, we have sawn the important proportion concerning the raise of the middle class that is continuing to have more and more purchasing power. Moreover we have seen the proportion in the Indonesian population of the young people which are between 15 and 64 years old and who are the persons concerned by the raise of the middle class in this beautiful country. You can understand the importance to take the opportunity to catch this segment of the hotel's market which are the ones who travels in Indonesia when they are in vacations (domestic tourism very important in Indonesia). If the Sahid's Group do not consider this recommendation, it would be a dangerous lack in their strategy concept and could drive the Group in a badly financial future in this market.

Finally I would like to say that the project would have been more attractive and the report more relevant if the students from my group have taken the opportunity to collaborate in this project. You need to understand that these students from my group are located in Indonesia and that was a great opportunity to bring some interesting issues for the analysis and the realization of this document. What is sadder in this story is that I haven't got the opportunity

to have or receive the financial annual report or some intern's information that could have brought me more ingredients to drive this project.

Sources

World Bank Official Website

Sahid's Montana Group Hotel Official Website

The Raise of the domestic tourism available through this web address: http://eps.revues.org/4118

Recommendations For Sahid Montana Hotel To Capture The Market

Indonesian counterpart

Yoga FADHIL

Sharia Concentration Management,

Faculty of Economics and Business, Padjadjaran University

Swiss Counterpart

Iulian GEORGIOU

International Management,

School of Management and Law, ZHAW (Exchange at HEG Geneva School of Business)

Executive summary

Sahid Group have a majority of 3 star hotels which catermainly to local guests seeking leisure while also providing function rooms for business meetings and wedding ceremonies. It is located in strategic area in Malang city and surrounded by government office, sport arena, market, business area and a university. With the influx of new waves of international tourists, Sahid wants to attract these customers. Failure to do so would mean that Sahid's competition of multi-national hotel chains would take all the benefit from this. It is now time to analyse the opportunities and act boldly with game-chaning decisions.

Internal analysis

Marketing analysis

	Strategic Advantages	Strategic Disadvantages
Product	Hotel with Javanese traditional style	Offer only one theme hotel
Price	Average price as a 3 star hotel	
Place	Located in Malang city (a developing tourism center in east java)	Quiet far to Malang's main tourism area
People	Provide service with excellent hospitality (In Indonesia Javanese is well known of their hospitality)	Old-fashioned employee (most of the employees are old) -can't reach international tourist
Programs		No special marketing program
Physical Evidence	Available	

Operations analysis

	Strategic Advantages	Strategic Disadvantages
Design of product		Plain (nothing unique)
Managing Quality		
Location Selection	Operate in strategic area of Malang (the center of the city and suburbs)	Quiet far to Malang's main tourism area
HR and Job design	Experienced staff and personnel	Lack of creativity (innovation and improvement)
Scheduling		Too rely on holiday season (no promotion/special offer for non-holiday)

Human Resources

	Strategic Advantages	Strategic Disadvantages
Recruitment		Need much cost for employee development and recruitment
Development		Need much cost for employee development and recruitment
Maintenance	Low employee turnover	

Internal Analysis Conclusion

For internal analysis we only use Sahid Montana's HR, operational, and marketing function since financial data is not given.The marketing of sahid Montana is really depending on its traditional (Javanese) style hotel with mid-range prices in Malang to attract their customer.However Sahid Montana have difficulties attracting foreign tourists, their inabilitywill be a biggest weakness since the AEC (Asean/south east asia Economic Community)has already started.

Located in a strategic area of Malang (Government office, university, hospital and police station) give Sahid Montana's plus point for the convenient access. By having experienced employee also make Sahid Montana's operation cost less since they don't have to train new employee about the business activities, SOP, etc. Yet the price Sahid Montana must to pay is

the lack of creativity or innovation of the Hotel, they still rely too much with holiday season which come only two until three times a year.

Loyal employee indeed Decrease Company's employee turnover yet the next problem sahid need to solve is how they can get fresh idea and insight from new employee since the old employee as we mentioned before has been stuck in reverse and couldn't catch up with current generation and trends.

External Analysis

Political

	Opportunity	Threat
Local Regulation		Tax increases for hotel in Malang city since 2015 by 15%
Political issues		Cabinet reshuffle in the mid-2015 and beginning of 2016 may change the regulation relate with tourism industry
Presidential Decree		Presidential Decree Number 36, 2010. Forbid foreign company to own the most stock ownership of company (max 49%). it cause inhibit of foreign investment
Government Regulation	The constitution no 5 year 1999 about prohibition of monopoly practices and unfair business competition (antitrust regulation)	

Economical

	Opportunity	Threat
The increase of middle class GDP (income and number)	The World Bank expects Indonesia's gross domestic product (GDP) to grow more than 5.0% per year, driven largely by the middle class, who are the key customers in the motion picture industry (Middle income raise)	
Economy Growth		Decline
IDR (Indonesian Currency) high depression		Affect most of commodities in Indonesia (become more expensive)

Social and Culture

	Opportunity	Threat
Lifestyle	Taking day off outside city is already be the new lifestyle of Indonesia people	
Population		Decline
AEC (Asean Economic Community)	A borderless trade between south east asia countries make the competition easier if sahid can get the market	May be threat if sahid can't adapt to rapid changes
Sharia/Islamic tourism	New trend of tourism is occur in indonesia, called sharia/Islamic tourism. This kind of tourism not only attract local tourist but also people from middle eastern countries	

Technological

	Opportunity	Threat	Notes
Word of Internet		Get many bad reputation in internet may alter potential customer go to their competitor	The ability of WoM in Indonesia is outstanding, many business can be success and collapse because of WoM

Environment

	Opportunity	Threat	Notes
Malang City	Malang city is a famous city for its nice view and popular tourism destination		
Traffic	Even in the holiday season most of Malang traffic is relatively empty (not as crowded as other big cities in indonesia)		

Other

	Opportunity	Threat	Notes
Relation	Sahid Montana have a very good reputation with local government, private institution, and other hotel in Malang		

External Analysis Conclusion

Malang is a famous for its natural beauty combine with Javanese heritage, locate in plateau makes Malang city air relatively cooler than most cities in Indonesia. Also small traffic congestion means a less hectic city that attracts more tourists.

Since the upper-middle class is growing, this is a good opportunity for Sahid hotels to improve on their product and offer services to such customers, taking advantage of their experienced staff and their understanding of culture.

The expansion of the AEC is an opportunity that Sahid needs to grasp. This opportunities include cheaper imports that would lower costs as a result but also a greater market reach to customers coming from the AEC countries. Therefore Sahid should prepare with the correct cultural and language adaptations to these new customers.

The attraction of Islamic tourists from Western Asia is also an important opportunity sahid should grasp. The understanding of the Western Asian tourists, culture, habits and needs is also very important in supplying a good service and adding value to Sahid Hotels.

The rating systems from online websites even though it could damage Sahid's image in case of unhappy customers, it should mainly be seen as a good opportunity to spread the word of the high quality services and the Indonesian authenticity this group of hotels possesses.

Finally the good reputation that Sahid hotels have, needs to be spread and attract more people seeking for the quality that Sahid has to offer.

Recommendations

Sahid Montana hotels need to seize these opportunies to add value to their company's but also to the services that they provide to their customers and guests.

1.1 Western Asian Customers

To achieve this, Sahid Montana needs to recruit a team of hospitality specialists from Western Asian countries that will lay down the requirements and the likings of the wave of guests coming from those countries. This has to be done with the main focus of ensuring

customer satisfaction while at the same time maintaining the original character of the Indonesian hospitality traits. A good consolidation of the two would guarantee these customer's experience and would add to the value that Sahid hotels stand for.

1.2 European Customers

European customers are not uniform in the same sense as the American customers but seek slightly different experiences according to the region they come from.

For instance, Scandinavian and North-Western European customers of 25-35 years old,couldbe more adventures-oriented and probably pay less attention to service standards compared to older ones of the same region.

Customers over that age would include mainly families and elders that seek a more quiet, relaxed and low-profiled holiday that would include visiting and getting to know local attractions and customs.

Customers coming from Eastern and Southern Europe of the age of 25-35 could be less adventurous compared to the latter, and seek a service compared to the ones aged above 35 from those areas. Understanding these basic differences is crucial in implementing a correct segmentation and as a result a more accurate branding.

Hospitality consultants from these regions are recommended to be hired in order to compile a services and requirements analysis of the European customers.

1.3 North American Customers

Customers coming from mainly Canada and the US, are more uniform in their demands and therefore easier to put into one regional segment but still require an age segmentation.

Young professionals 25-35 have the greatest amount of disposable income and therefore would be willing to spend the right amount for a good value in exchange. As a result, anything that is at the same price as in their country but at a better quality, would be a good deal for them. This has to be taken into account in the pricing and product strategy of Sahid Hotels. People over the age of 35 and families, would be very similar to the equivalent from Europe. Hospitality consultants from this region are recommended to be hired in order to compile a services and requirements analysis of the North American customers.

1.4 Implementation

Sahid Group could compete with the multinational hotel chains, in terms of originality. Therefore their decoration, culture and traditions need to be maintained as a USP while fine-tuning the services provided.

Diversification is a proposed model to proceed with. This means that since the hotel has a lot of older employees, then new hotels are recommended to be built where the older staff would train the new employees. This will safeguard the success of the existing hotels and would give a chance to exploit the upcoming opportunities.

Strategy

1. Invest in the building of new hotels financed through bank loans
2. Hire hospitality specialists from regions of the world with high tourism demands
3. Train new staff with the experience of the old staff, to maintain Sahid's tradition
4. Emphasize on the uniqueness of the Indonesian hospitality as a USP
5. Expand to other regions within Indonesia for diversification

Conclusion

The emerging economy of Indonesia provides big opportunities for Sahid Group to expand. If these opportunities are not exploited correctly, Sahid risks turning these opportunities into threats. The key to exploiting is to act fast in catching the flows of foreign tourists into the country, by understanding their culture and their needs. Diversification is also key in this very competitive industry. Keeping your eggs in different baskets ensures that if one basket drops, not all eggs will break.
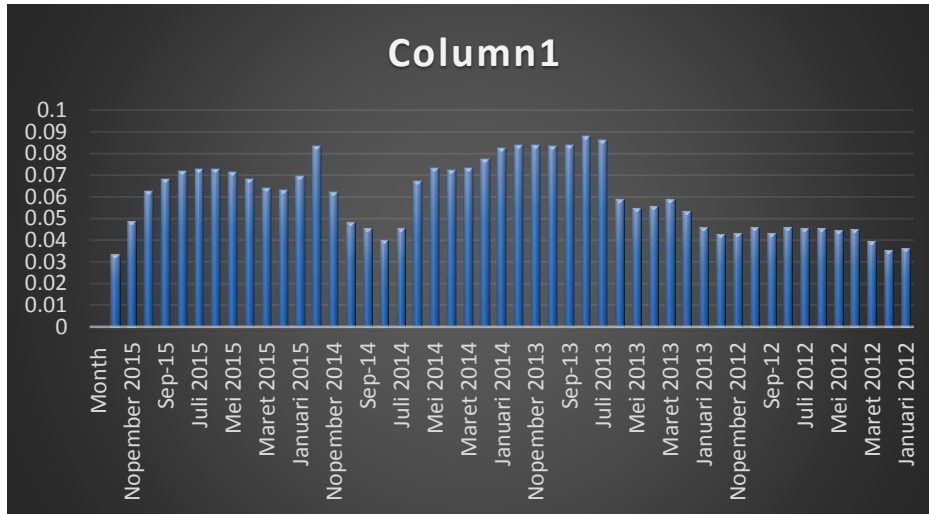
1.5Inflation Rate

Inflation Rate (2012-2015)	%
Month	Inflation
Desember 2015	3.35%
Nopember 2015	4.89%
Oktober 2015	6.25%
Sep-15	6.83%
Agustus 2015	7.18%
Juli 2015	7.26%
Juni 2015	7.26%
Mei 2015	7.15%
Apr-15	6.79%
Maret 2015	6.38%
Februari 2015	6.29%
Januari 2015	6.96%
Desember 2014	8.36%
Nopember 2014	6.23%
Oktober 2014	4.83%
Sep-14	4.53%
Agustus 2014	3.99%
Juli 2014	4.53%

Juni 2014	6.70%
Mei 2014	7.32%
Apr-14	7.25%
Maret 2014	7.32%
Februari 2014	7.75%
Januari 2014	8.22%
Desember 2013	8.38%
Nopember 2013	8.37%
Oktober 2013	8.32%
Sep-13	8.40%
Agustus 2013	8.79%
Juli 2013	8.61%
Juni 2013	5.90%
Mei 2013	5.47%
Apr-13	5.57%
Maret 2013	5.90%
Februari 2013	5.31%
Januari 2013	4.57%
Desember 2012	4.30%
Nopember 2012	4.32%
Oktober 2012	4.61%
Sep-12	4.31%
Agustus 2012	4.58%
Juli 2012	4.56%
Juni 2012	4.53%
Mei 2012	4.45%
Apr-12	4.50%
Maret 2012	3.97%
Februari 2012	3.56%
Januari 2012	3.65%

Sources: Bank of Indonesia

GDP:

Global Economic (GDP) Prospect (in %)

Country Name	Code	2010	2011	2012	2013	2014	2015	2016	2017
Indonesia	IDN	6.377625686	6.169784208	6.030050653	5.579211168	5.024664957	4.744	5.3	5.5
East Asia excl. China P.R.	EAO	6.891171502	4.778297623	6.274652194	5.154914798	4.67229451	4.615233743	4.766196428	4.982414991
Malaysia	MYS	7.424878279	5.29391284	5.473454192	4.713453716	5.992714026	4.725210912	4.223948092	4.48457352
Thailand	THA	7.506710715	0.833682448	7.322901043	2.809403672	0.865663679	2.5	2	2.4
Lao, PDR	LAO	8.526905517	8.038652681	8.024211032	8.518422612	7.458020211	6.44029	7.01973	6.945
Vietnam	VNM	6.423238217	6.240302749	5.247367156	5.421882991	5.983811895	6.2	6.3	6.3

*Assumption:
-GDP growth, constant 2010 USD
Real GDP (in %)
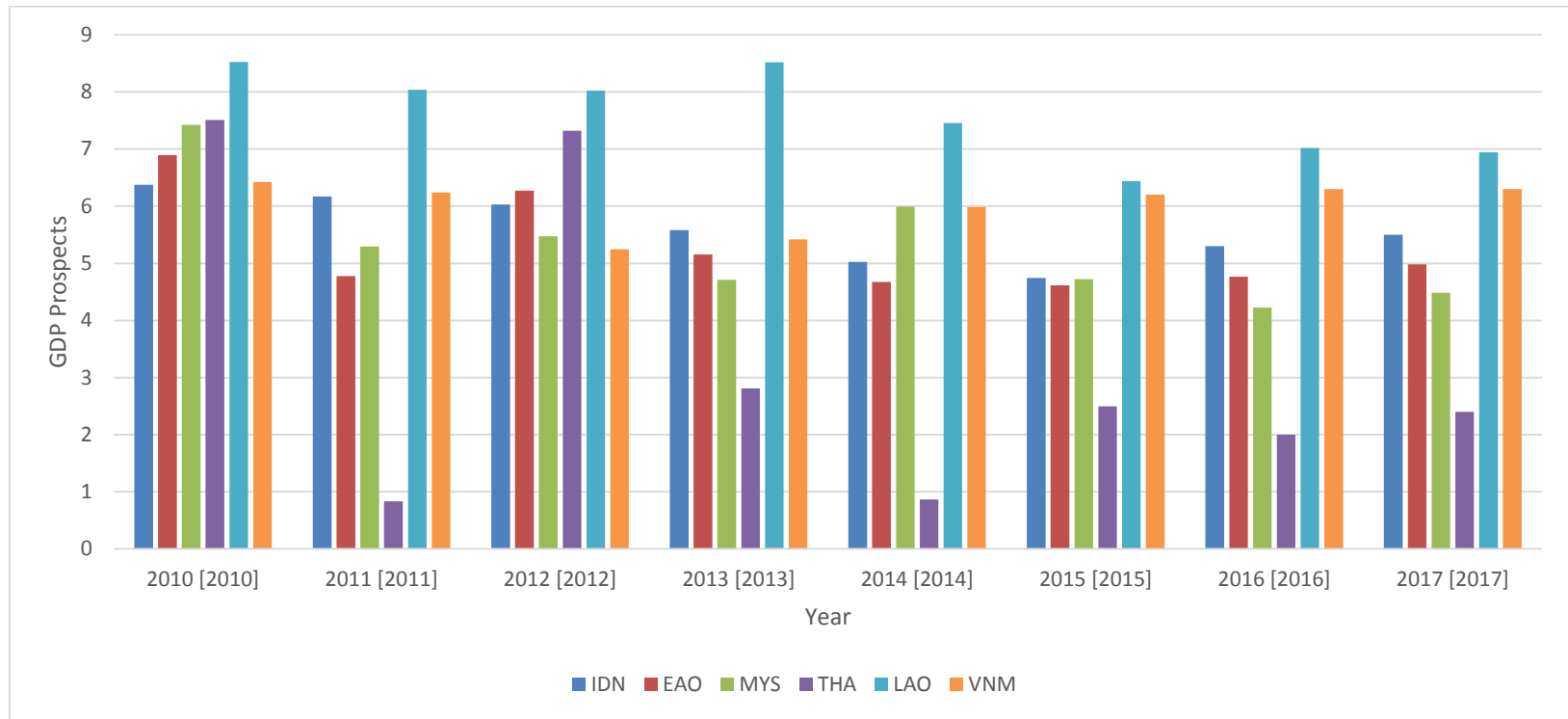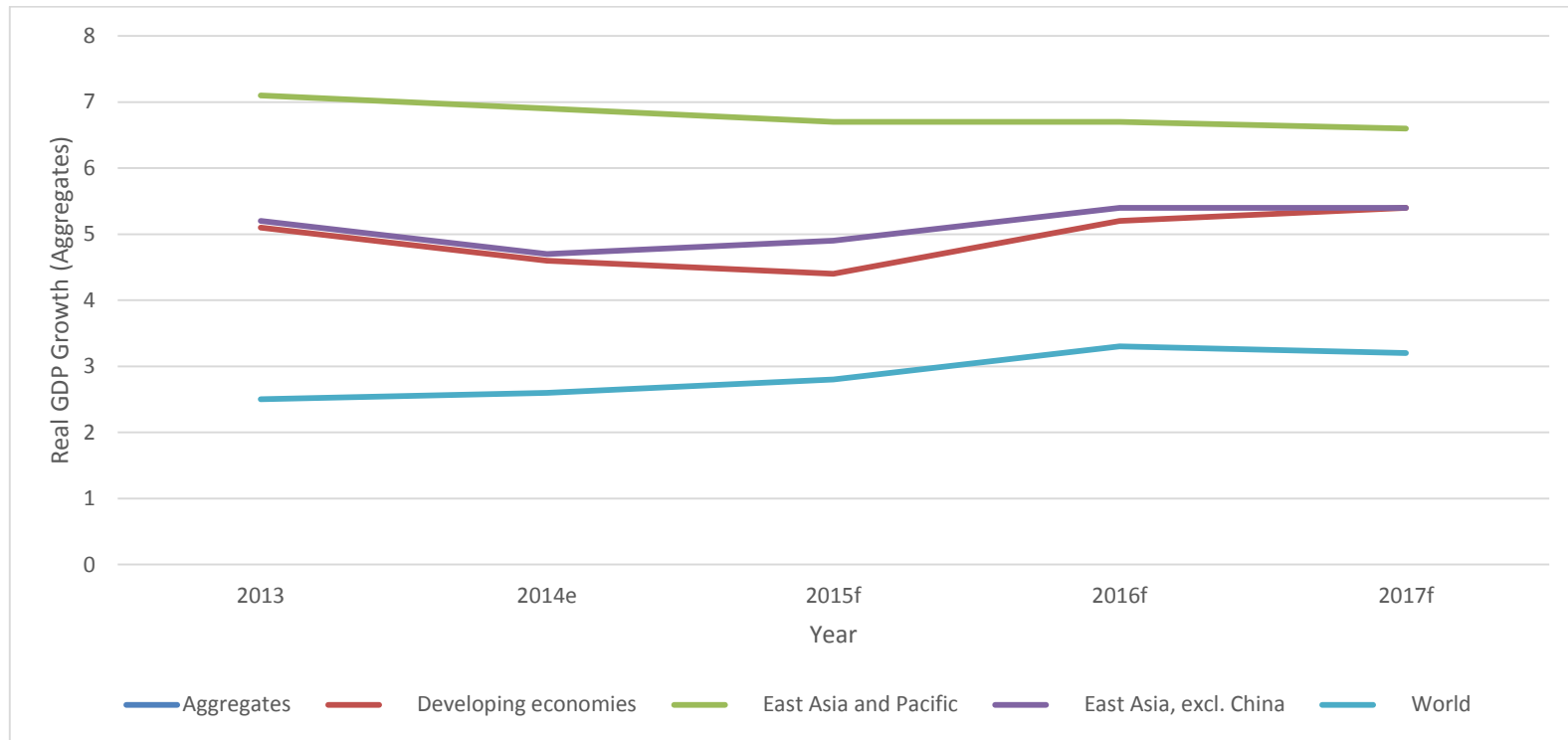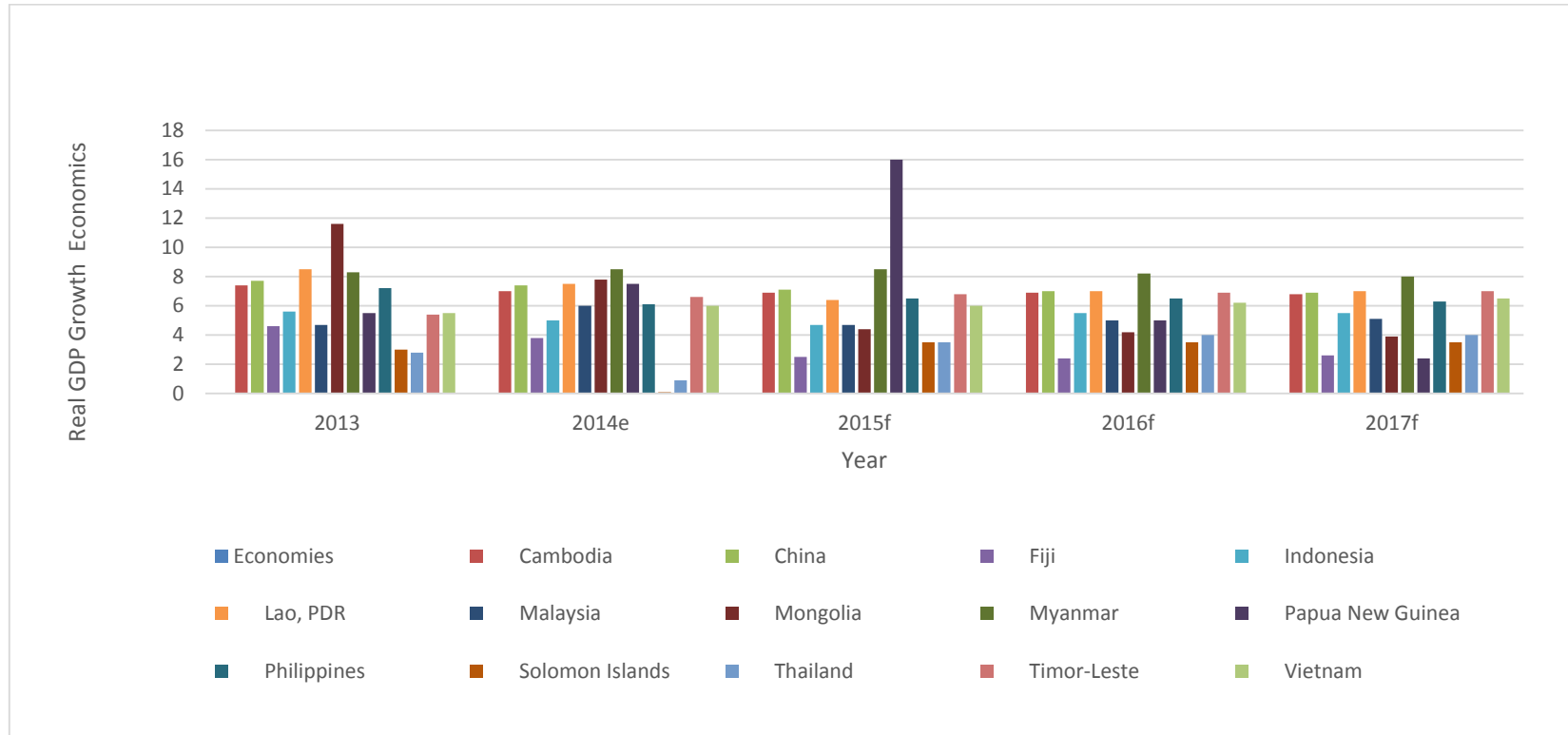
Aggregates/Economies	2013	2014e	2015f	2016f	2017f
Aggregates					
Developing economies	5.1	4.6	4.4	5.2	5.4
East Asia and Pacific	7.1	6.9	6.7	6.7	6.6
East Asia, excl. China	5.2	4.7	4.9	5.4	5.4
World	2.5	2.6	2.8	3.3	3.2
Economies					
Cambodia	7.4	7	6.9	6.9	6.8
China	7.7	7.4	7.1	7	6.9
Fiji	4.6	3.8	2.5	2.4	2.6
Indonesia	5.6	5	4.7	5.5	5.5
Lao, PDR	8.5	7.5	6.4	7	7
Malaysia	4.7	6	4.7	5	5.1
Mongolia	11.6	7.8	4.4	4.2	3.9
Myanmar	8.3	8.5	8.5	8.2	8
Papua New Guinea	5.5	7.5	16	5	2.4
Philippines	7.2	6.1	6.5	6.5	6.3
Solomon Islands	3	0.1	3.5	3.5	3.5
Thailand	2.8	0.9	3.5	4	4
Timor-Leste	5.4	6.6	6.8	6.9	7
Vietnam	5.5	6	6	6.2	6.5

Sources:

World Bank Data of Global Economic Prospects 1

World Bank Data of Global Economic Prospects 2

Tourism Statistics:

Number of Foreign Guests at the Hotel By Province, 2003-2014 (in Thousands)											
Provinces	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Aceh	0,50	9,70	25,10	11,20	11,50	9,20	9,00	6,30	4,30	7,00	11,80
Sumatera Utara	117,90	122,70	143,30	124,00	101,50	139,80	124,00	125,60	197,40	292,30	453,20
Sumatera Barat	27,20	21,00	28,40	32,00	34,60	34,70	18,70	20,60	36,90	59,00	63,80
R i a u	527,40	654,70	41,70	18,10	14,60	17,10	18,50	19,30	16,20	64,60	88,70
J a m b i	2,00	1,90	1,50	2,40	4,40	2,60	3,80	2,40	1,20	1,30	2,10
Sumatera Selatan	3,40	2,10	1,40	6,30	12,30	5,40	7,40	25,30	11,10	17,30	48,40
Bengkulu	0,20	0,30	0,30	0,20	0,10	0,20	0,10	0,20	0,60	0,90	0,80
Lampung	3,80	3,10	2,90	2,90	2,80	2,70	2,10	5,00	14,90	35,40	17,90
Kep Bangka Belitung	0,60	0,40	0,20	0,10	0,40	0,70	0,60	1,40	1,70	2,00	2,60
Kepulauan Riau	-	-	753,70	745,60	711,40	788,10	717,40	961,30	860,70	1490,20	1439,70
DKI Jakarta	705,20	713,50	652,60	785,10	654,80	651,20	882,90	1013,20	1190,30	1114,80	1222,70
Jawa Barat	81,60	83,50	87,60	95,60	118,70	159,60	156,60	178,10	243,90	310,00	333,00

Jawa Tengah	97,30	74,70	40,60	61,10	58,10	54,40	55,90	59,50	63,30	131,30	120,90
DI Yogyakarta	75,50	79,50	73,80	96,60	110,90	112,30	95,60	107,00	148,50	190,20	202,80
Jawa Timur/East Java	76,10	110,90	101,10	131,80	208,40	352,70	411,20	200,40	217,00	181,20	232,00
Banten	25,60	116,20	97,20	53,80	91,00	49,70	54,30	77,60	98,10	357,50	174,50
B a l i	1651,90	1461,20	1261,30	1561,30	1865,50	2068,20	2413,50	2296,00	2500,70	4802,70	5293,50
IDN	**3527,60**	**3584,00**	**3430,20**	**3862,60**	**4143,50**	**4640,70**	**5175,50**	**5313,40**	**5854,40**	**9500,70**	**10184,70**

Sources: Indonesia Statistical Center

The group

1.6 Central Java

- Sahid Kusuma Prince Solo – 5 star
- Sahid Jaya Solo – 5 star

1.7 Jakarta

- Grand Sahid Hotel Jaya – 5 star
- Griyadi Blue pacific – 2 star

1.8 East Java

- Sahid Montana – 3 star
- Sahid Raya Surabaya – 3 star
- Griyadi Montana – 3 star
- Sahid Gunawangsa Surabaya – 3 star

1.9 Lombok

- Sahid senggigi Beach Villas – 3 star

1.10 Papua

- Sahid Papua – 3 star

1.11 Sumatera

- Sahid Imara Palembang – 3 star
- Sahid Bandar Lampung – 3 star

1.12 Sulawesi

- Sahid Manado – 3 star
- Sahid Jaya Makasar – 5 star
- Sahid Kawanua – 3 star
- Sahid Toraja – 3 star

1.13 West Java

- Sahid Jaya Lippo Cikarang – 5 star

1.14 Yogyakarta

- Sahid Raya Yogyakarta – 4 star
- The Sahid Rich – 4 star

Locations on Map

REPORT

MARKETING STRATEGY and INFRASTRUCTURE IMPROVEMENT in SAHID MONTANA HOTEL

Muhammad Genzu Nandiro (team leader)

Unpad, Bandung

Irfan (member)

UPI

Julie Rohrbasser (member)

Geneva School of Business Administration

Rifqi Zaki Muhammad (member)

UPI

Global Virtual Team

NusantaraProject.org

2015

1.   Executive Summary

First of all, regarding the company we decided to choose Sahid Montana Malang. It is a hotel in Indonesia in Malang. The hotel is part of a hotel chain which named Sahid group. Secondly, we wanted to find innovative solutions in order to help the hotel to improve its image in general.

Indeed, we have three ideas which will improve the experiences of the client in the hotel in order to have a better souvenir and then come back again. The first idea is the infrastructure improvement. The second idea is a package for an Indonesian experience the name would be MT. Bromo Adventure Package. The last one is about internet based advertising.

We hope that it will cover enough area to optimize the hotel and be more competitive in the hotel industry.

Figure 11 A Snapshot of Indonesia's Tourism Industry

Indonesia

The population in Indonesia is about 257'387'142 people in 2015. So it is the fourth most populous nation. The capital city is Jakarta. The main languages are Bahasa Indonesia, English, Dutch, Javanese and others local dialects. The main religion in Indonesia is Muslim with 86% of the population which means that it is the largest Islamic country. However, there are also Protestant, Roman Catholic, Hindu and Buddhist people. The

currency is the Indonesian rupiah- The average life expectancy is around 68 years old. The GDP per capita 3'100 USD. The literacy percent is around 89% of the population.

Geography

Indonesia is a vast equatorial archipelago of 17'000 islands (6'000 inhabited) extending over 5'150 kilometers east to west, between the Indian and Pacific Oceans in Southeast Asia. It's straddling with the equator. The largest islands are Sumatra, Java which is also the most populous, Bali, Kalimantan, Sulawesi, the Nusa Tenggara islands, the Moluccas Islands, and Irian Jaya (also called West Papua), the western part of New Guinea. So, Indonesians are separated by seas and clustered on islands. Malaysia is his neighbor to the north and to the east is Papua New Guinea. Indonesia has the largest number of active volcanoes in the world this is why Indonesia is part of the "ring of fire" countries. Earthquakes are frequent.

History of Indonesia

With 17,000 islands, Indonesia have diversity of cultures and indigenous beliefs. Muslim invasions began in the 13th century, most of the archipelago had converted to Islam by the 15th century. Portuguese traders arrived early in the next century but were ousted by the Dutch around 1595. The Dutch United East India Company established posts on the island of Java, in an effort to control the spice trade. During World War II, Japan seized the islands. they were primarily interested in Indonesia's oil which was vital during the war, and tolerated fledgling nationalists such as Sukarno and Mohammed Hatta. When Japan left Indonesia, Sukarno and Hatta proclaimed Indonesian independence on Aug. 17, 1945. After independence from the Netherlands a well in 1945, the new republic confronted a high birth rate, low productivity, and illiteracy there has been since that time, improvements for each of these areas. The government used a "transmigration" policy to address uneven population distribution by relocating millions of people from Java to other islands. Indonesia has been hit extremely hard by the Asian financial crisis. In 1999, Indonesia conducted its first democratic elections since 1955. The democratic government faces many problems after years of military dictatorship.

Economy

Indonesia is South East Asia's largest economy and the market have a lots investment opportunities. Indeed, the manufacturing, oil and gas, and infrastructure sectors are all attractive. Indonesia strategic location on a major global shipping lanes is the reason why many businesses went there in order to keeps import and export costs low.

State-owned enterprises play a large role in the economy. The government retains ownership in the banking sector, which is stable and evolving. Supervision of the sector

has been transferred from the central bank to the Financial Services Authority. Indonesia's economy unexpectedly shrank for a second straight quarter as exports and government spending dropped. That why the search of a reinvigorate growth by President Joko Widodo wasn't possible. The rupiah fell as well as the GDP. Inflation is seen easing to 4%–5% by the end of 2015. The government had a goal to spend 22 USD billion in 2015 on infrastructure. In general, the two last year were not good regarding the economy and on decrease. In Indonesia, two industries are particularly important for this economy. Indeed, export earnings from oil and natural gas help the economy, and Indonesia is a member of the Organization of Petroleum Exporting Countries (OPEC). There are a lot of tourisst coming every year. The most popular island is Bali but tourists are coming from everywhere to see the rich diversity of plants and wildlife like the giant Komodo dragon and the Javan rhinoceros that we can only found in Indonesia.

Indonesia's Economic Growth 2009 - 2013 (annual percentage change)				
	Quarter I	Quarter II	Quarter III	Quarter IV
2013	6.05	5.83	5.62	-
2012	6.29	6.36	6.16	6.11
2011	6.45	6.52	6.49	6.50
2010	5.99	6.29	5.81	6.81
2009	4.60	4.37	4.31	4.58

Cost of living in Indonesia

The cost of living in Indonesia differs greatly between rural and urban location, as well as when comparing Jakarta and other cities. However, Indonesia is considered to have a lower cost of living compared to Western countries such as Switzerland. The cost of accommodation in Indonesia and within its different cities is highly variable.

Hofstede Model in Indonesia

Power distance indicator: 78

Indonesian people are dependent on hierarchy. There can have unequal rights between power holders and non-power holders. Usually, leaders are directive and management controls and delegates. In Indonesia the communication is indirect and negative feedback are hidden. In addition, co-workers expect to be clearly directed by boss or manager.

Individualism: 14

Indonesian people are way more collectivism and like to share with others. This is why the social framework is based on group. There is a high commitment between child and parents and so a family loyalty.

Masculinity/ Feminity: 46

Status and visible symbols of success are important but what bring motivation to Indonesian employees are not the materials gain. The position that the person has in company is way more important. There is an Indonesian concept called "gengsi" which is about the outward appearances.

Uncertainty avoidance index:48

There is a strong preference towards the Javanese culture of separation of internal self and external self. It is really different for them. Maintaining work place and relationship harmony is very important. However, direct communication is often seen as a threatening and uncomfortable situation. That is why sometime it is easier to have a third party intermediary involve.

3.   INTRODUCTION

Nusantara project is a project between different universities. In our group, we have a mix of student from Indonesia and Switzerland. We decide to focus on the hotel and tourism industry. Indeed, both of them are important for the Indonesian economy. So, our task is to define the best strategy for Sahid Hotel to be able to compete with international chain hotels and make the best return on investment. To understand our project, we will have a look on general information about Indonesia and then also look at the industry and market. We also have some analysis such as PESTEL, SWOT and the Porter 5 forces. Finally, we will provide you some of our recommendations, ideas and lastly there is a conclusion.

4. Background Information

Nowadays, hotel industry in Indonesia is getting more and more competitive than ever. This phenomenon occurred due to more international chain hotel sees Indonesia as a country that have massive potential in hotel and tourism industry. This is great news for every customer who plans to spend their vacation on Indonesian territory as they can get any kind of hotels that suit them, this is an important news for Indonesia local hotel. The impacts are not only feel by the small hotel owned by individual but also to local hotel chain. The number of new hotel development led to intense competition among hotels. This condition requires that the hotel management to think in order to win the competition. Only hotel that have a *competitive advantage* that can win the competition.

Meanwhile, a competitive advantage can be obtained if the hotels are market oriented, learning-oriented, and able to manage intellectual capital held to improve innovation and performance of the hotel. One of the hotels that feel already the impact massively is Sahid Montana Hotel Malang which is under the ownership of Sahid Hotel Group. Indeed, there will have more and more competition for this hotel group.

Malang City, one of the major tourist destinations in East Java Province, has already many hotels in order to attract more tourists but since the turn of the century, international chain hotel companies putted Malang City as their expansion target. Few of them which have already expanded their business to Malang City are Harris Hotel and Ibis Hotel which are under the ownership of Accor Hotel Group. They both offer a competitive price combine with more facilities and benefit, and newer building than local hotel can offer as their marketing strategy.with that kind of strategy put into motion by their competitors, Sahid Montana Hotel which is already establish since middle 80's, must renovate their buildings and infrastructures in order to be able to compete head to head with their competitors. However, such strategy is prove to be cost inefficient and will force Sahid Montana Hotel management to increase their price range beyond what their targeted customer can or want to pay. So, there is a need for creative and outside the box strategies in order for the Sahid group to be able to compete fair and square with their competitors.

5. Overview of the Consulting Project

5.1 Objectives and Scope

Our main objective is to undertake such as study to provide the innovative solutions through marketing strategy and it infrastructure to improve company's image in general since there is still no sufficient marketing strategy in Sahid Montana Hotel and draw up the idea for insfrastructure improvement. Marketing strategy is vast topic and it would obviously not possible to do justice to all its aspects in this study.

This study limits itself to answer the following questions:

1. What are the kind of the best innovative solutions?

2. How can these help the company to improve its image in general?

Analize the marketing strategy and draw up the infrastructure improvement.

Our scope is based on the finding from team 17 idea generation to provide solution in improving marketing strategy and the infrastructure through marketing analysis, to this case we have three ideas which will improve the experiences of the client in the hotel in order to have a better souvenir and then come back again.

5.2 Current Situation

Sahid Montana Hotel is a 3 star hotel complemented with 70 well-appointed room and suites, and 5 meeting rooms with various capacity. Located right in the heart of Malang city, it is surrounded by government offices and business area.

Sahid Montana Hotel offers comfort to people both for business and traveled in Malang. Hotel Sahid Montana Malang offers impeccable service with complete facilities. This will make guests stay more memorable and unforgettable. Hotel Sahid Montana provides a variety of on-site facilities to satisfy every guest who stays here.

Facilities that can be enjoyed while staying at this hotel include safety deposit boxes, coffee shop, laundry service, concierge, 24-hour room service, Wi-Fi in public areas, meeting facilities available for guests to enjoy. Each guestroom is elegantly furnished and equipped with useful facilities.

For guests who do not bring their own vehicle from the airport, the hotel also provides airport transfer service at an additional cost. There are also recreational facilities such as parks and spas for pampering after a long day. Hotel built in 1987 also has two restaurants that provide a variety of delicious dishes during guests stay here.

Sahid Montana Hotel is well suited for leisure, meeting, gathering, exhibition and wedding party. 'Cinnamon Coffee and Restaurant' at Sahid Montana Hotel is in addition to their leisure facility. Peaceful atmosphere extends to the hotel's leisure facilities which include also a garden, spa. Whatever people reason for visiting Malang, Sahid Montana Hotel will make people instantly feel right at home.
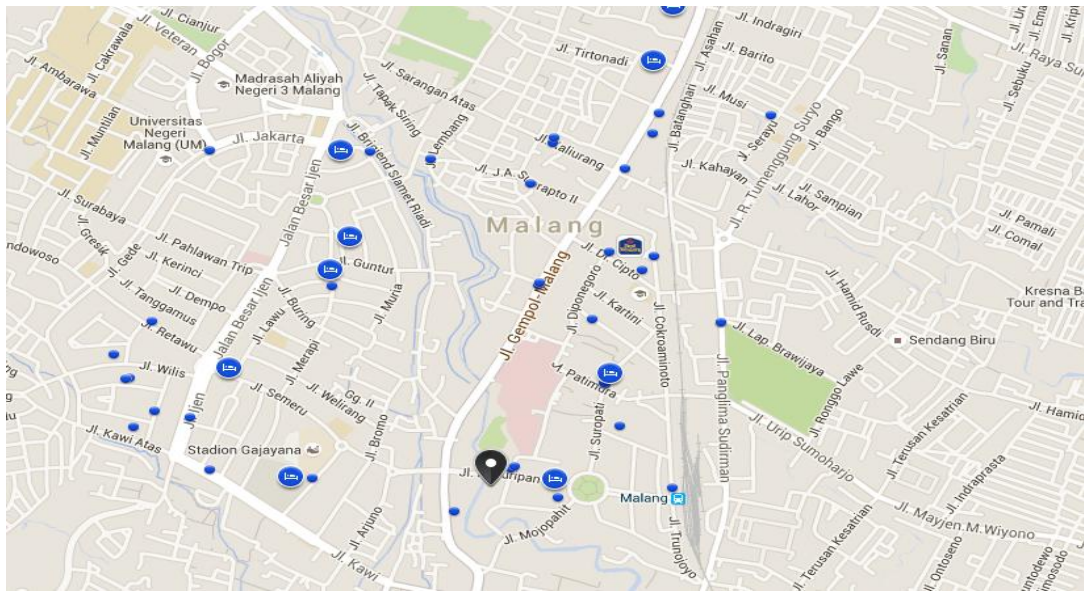
Policy

check-in: 14:00:00 | check-out: 12:00:00

Fare

For hotel rates, Sahid Montana Hotel Malang offers fares starting from Rp 300,000 (approximately $ 26) per night, the rates already include breakfast and of course including tax expense anyway. But the price could change any time. If we are going to stay at this hotel, fatherly know the rates for each type of room is better to contact the hotel in advance.

Address and Telephone

Address	:	Jalan Kahuripan No. 09 Malang East Java – Indonesia
Telephone	:	(+62-341) 362 751, 328 370.
Fax	:	(+62-341) 327 620
Website	:	www.sahidmontana.com
	:	reservation@sahidmontana.com
	:	sales@sahidmontana.com
	:	smm@sahidmontana.com

6.   Analysis

6.1 Porter 5 Force Analysis

In order for us to understand current situation hospitality and hotel industry in Malang city, we need to use Porter 5 Forces analysis which will include the analysis

about threat of new entrance, threat of substitute product, rivalry among existing firm, bargaining power of buyer, and bargaining power of supplier.

- **Threat of New Entrance: High**
  - o The threat of new entrance for hotel industry in Malang currently on high level because in 2015 there are new regulation that allowed new hotels to be build in the City of Malang. Also from 2013-2015 there is a significant increase in number of new hotel in Malang.
- **Threat of Substitute Product: High**
  - o There are around 45 motels and non-star hotel that available in Malang, therefore there are a lot of other substitute product for housing that a potential customer can choose from.
- **Rivalry among Existing firm : High**
  - o Currently there are 15 star-rank hotels in Malang, and with current occupancy rate around 60% will only raise the rivalry among star-rank hotel in Malang even higher.
- **Bargaining Power of Buyer: High**
  - o With around 60 hotels available in vicinity of Malang City, any potential customer will be able to choose freely the hotel that suitable for their needs and their budget therefore make their bargaining power very High
- **Bargaining Power of Supplier : No Data**

6.2 SWOT analysis

In order to understand better the situation, we wanted to do a SWOT of the Sahid Montanta Malang hotel. Indeed, by doing that we will me more able to have a current general view of the hotel. In addition it will also help us to define our strategy. The SWOT analysis will be used as a qualitative approach. The most appropriate idea/strategy to be implemented in an effort to improve the competitiveness of business at Sahid Montana Hotel is the Intensive Aggressive Strategy means intensive strategies are included in the determination of the company's strategy includes market penetration strategy, market development, and product development.

Table 1 SWOT Analysis

Strengths	Weakness
✓ Have a traditional Indonesian atmosphere within the hotel ✓ Experienced staff ✓ Direct booking within the hotel	✗ ✗ website is not complete and have a blank page ✗ Room furniture and AC unit are on bad shape

website ✓ Located in downtown of Malang city ✓ Good networking ✓ International airport ✓ Facilities like Wi-Fi, spa, restaurant,…	✗ Room capacity ✗ Unpleasant odor within the room ✗ Most of staff are a bit old and need to replace with younger one ✗ Local visitors few international tourists ✗ No specialty of food and beverage ✗ Parking too small
Opportunities	**Threats**
➢ ASEAN Economic Community (AEC) mean more foreign tourist will come to Indonesia	✗ International hotel group expanding their business to Malang ✗ Lot of hotel emerge with newer building and more facility with same price tag as Sahid Montana has ✗ Aggressive competition ✗ ASEAN Economic Community (AEC) agreement will be effective and means that foreign hotel group from other ASEAN countries can easily enter Indonesian market

Our target consumers

We want to attract more consumers from local people to international tourists. In fact, for the moment our clientele is mainly from Indonesia but in order to growth we also need to diversify our clients. That is why having international tourists is a good idea. We need to so some improvement to match with the criteria of Western hotel chains. Our target is the middle class who want to travel through Indonesia with the desire to have a real Indonesian experience not just beach. We want our customers to discover Indonesia with all its variety.

7.   Recommended Solution

The Idea

Now, that we define the situation, we can propose ideas or strategy. Basically, we all have idea but then we voted to agree and find the three best one. As already mentioned one idea is about the infrastructure, the second one is about the experience and the last one is to attract more customers through Internet.

7.1   Infrastructure Improvement

One of the main weaknesses of Sahid Montana Hotel is its infrastructures and facilities. In order to be able to attract more visitors particularly foreign tourists, they need urgently to improve it. We know that a total renovation to rejuvenate the hotel is out of question because it is too costly and will force the hotel management to increase their price out of their targeted customer prices range. So, we made some substitute idea that can improve the condition of its infrastructure with the fraction of cost of total renovation:

➢ **New interior design for the room:**

Right now the room's interior designs of Sahid Montana Hotel are pretty out of date. So, we need to change the design into more modern one while preserve the Indonesian taste of the room. We purpose changing all of the items on the list below in order to create a new fresh look:

➢ **Curtain:**

Using a bright or pastel color like light blue, cream, white, light yellow, or light brown

➢ **TV:**

Use LCD TV

➢ **Bed Cover:**

Use bright or pastel colors

➢ **Wall paint/wall paper:**

Use a batik accent or traditional Indonesian tribal accent

7.2   MT. Bromo Adventure Package

The hotel needs to propose some activities to their customers. Obviously some of them already organize all their time but some other want to have the opinion of the hotel and prefer advice directly from the hotel. For this package our targeted customer will be a young adult backpacker (18-30) who like particularly adventure and off-road enthusiastic.

Indeed, this package will offer a one of a kind adventure experience to Mt. Bromo for the customer who stays on Sahid Montana Hotel where they will be able to drive a 4x4 off-road car in darkness on the Mt. Bromo desert to the mountain peak with company of experience navigator. Then, they will be able to enjoy the famous Mt. Bromo sunrise. After that they can visited a temple located in the foot of Mt. Bromo crater.

After they finish visited the temple they can continue to next activity: Horse Riding, the customer can feel riding a horse on their own on the Mt. Bromo desert.

a.   **Time:**
    i.   Holiday season (June to August).

b.   **Method of promotion:**
    i.   Online advertising.
    ii.   Travel blogger endorsement.

c.   **What we need to make it:**
    i.   Partnership with local off-road vehicle rental agency and horse rental agency.

7.3   **Internet Based Advertising**

This Idea goal is to fully utilize the current website of Sahid Montana Hotel and all social media available to promote Sahid Montana Hotel. In fact, to be successful in 2016, hotel companies must invest in technology. So, there is two parts in this idea:

- **The Website Promotion**
    - In order to effectively using the current website to promote and attract potential customer the website need to be completed and add more content. The website is not working properly. Indeed, there are too many blank page with no content. In addition, when you want to book a room sometime is working sometime not and its written error. So, we really need to optimize the website and also we want to add this content:
        - Room List, Picture, and Rate
        - Restaurant and coffee shop picture and menu list and its specialty
        - Virtual Tour
    - Moreover, the website needs to be more visible. It is true that when you research a hotel in Indonesia in Malang the Sahid hotel Montana is not the first one that we found. So, we decided to also improve and analyze their website. To be more visible they need to optimize their SEO which is Search Engine Optimization. They also need to change in their source code their keywords in order to be more visible on the Google search Now, customers can find them only on page 7 of Google with the YouTube video which is far

too long nobody look after page 2 or 3. Even our competitors, Harris, Best Western and Airbnb are before us in page 4 of the Google search. The website is ranks 1'518'670 over the worlds which is an improvement because it used to be 1'710'961. This is the keyword that people search for finding the hotel.

However, because it is difficult to find it on Google there are only 4.8% people who find our website and then go on it. This is quite low. The bounce rate is 19%. The daily page view per visitor is 5 and they spend I average 4 minutes.

This is for all these reasons that we think that the hotel company really needs to develop his website in order to meet consumer demand and even propose an application for the mobile.

- **Social Media Advertising**

This part consisting aggressive campaign on all social media in order to attract and influence younger customer to choose Sahid Montana Hotel. The social media we should use are:

  - Instagram
  - Twitter
  - Facebook
  - Snapchat
  - Travel Blogger
  - Youtube

We already have social media but we can do better to attract them in our website and so in our hotel. The Hotel website put the link for their social media at the bottom of their page which is common.

Regarding their Facebook page, they have 188 people who like the page and 27 people who mention have been to the hotel but there are only 4 opinions about. Customers can find information about their events mainly with quite regular post. Moreover, there are action button in order to have a direct access either at their website and to contact them. However, there is no link to directly book a room to their hotel.

Their Twitter is good; they have already made 450 tweets and have 176 followers. There are the same posts than in the Facebook page.

The Instagram account is easy to find and also complete there are 160 publications with 624 followers which is their most efficient social media. The pictures are random from food to events.

Google + have a call to action button as you can book directly a room for there. There are more opinions and you can find useful information on it. However, there are only 5 subscribers.

They don't have a YouTube channel but they have a video which promote the hotel which is great but they should explore more this social media as it is use by so many people and tourists.

All of the internet based advertising are free of charge. However, if Sahid Montana Malag wish to have a full efficient website and promotion. They can invest a small amount of money in SEO there are some tools that push website on the top of the research and on Facebook to be more present.

They are present in travel bloggers and already in tripadvisor. Unfortunately, there are some negative comments. They can also interact on Snapchat to attract young people.In general, for all their social medias we would advise them also to write in English in order to affect more international tourists.

Figure 4 Example of Social Media add-on Toolbar

8.   Budget Planning

8.1   Infrastructure Improvement

Table 2 Infrastructure Improvement Budget

NO	ITEM	Price/Piece	Total Price
1	Curtain (Brand : Hotel, Color: Silver)	IDR. 1.028.106,-	IDR. 71.967.420,-
2	Bed Cover (Brand: Hotel, Color : Cream pima Floral	IDR. 411.123,-	IDR. 28.778.610,-
3	LCD TV 32" (Brand: LG)	IDR. 3.550.000,-	IDR. 248.500.000,-
4	Wallpaper (Brand: Sanderson, Length : 10m	IDR. 800.921,-	IDR. 56.064.470,-
TOTAL			IDR. 405.310.500,-

8.2   Mount. Bromo Adventure Package

Given that this option price will be based on the negotiation between the management and the travel guide, there is no way to estimate the cost for this plan, but for the comparison we will presents some of other travel package to the same destination by other travel guide:

- **Tourdebromo Travel Guide**

8.3 Internet Based Advertising

Figure 5 Tour de bromo Travel Budget

Table 3 Internet Based Advertising Budget

1. Web Development	
➢ Domain Registration, 1 year	IDR. 500.000,-
➢ Web Hosting (100 M) @ IDR 200.000 x 12 months	IDR. 2.400.000,-
➢ Web Design of openProfile	IDR. 10.000.000,-
➢ Web Maintenance Cost /year	IDR. 500.000,-
➢ Analysis and Data Input	IDR. 3.500.000,-
Sub Total of Web Development	**IDR. 16.900.000,-**
2. Web Mail	
Web Based Email	**IDR. 5.000.000,-**
3. Launching	
➢ Banner-making, 2 pcs	IDR 700.000,-
➢ Newspaper Ad, a couple day	IDR 750.000,-
➢ Consumption	IDR 1.250.000,-
➢ Building loan	IDR 1.500.000,-
➢ The main event	IDR. 4.000.000,-
Sub Total of Launching	**IDR. 8.200.000,-**
4. Internet Workshop (Training)	
➢ Loan of Computer Lab, IDR 15.500 x 6 hr x 30 PC	IDR 2.700.000,-
➢ Module, 30 person x IDR 5.000	IDR 150.000,-
➢ Consumption, 32 person x IDR 7.000	IDR 224.000,-
➢ Mentor, IDR 75.000 perhour x 6 hr	IDR 450.000,-
Sub Total of Training	**IDR 3.524.000**
TOTAL BUDGET	IDR. 33.624.000
Tax (*PPn*) 10 %	IDR. 3.362.400
TOTAL BUDGET AFTER TAX	**IDR. 36.986.400**

9.   Conclusion

For the moment, we have three ideas which we concentrate on. They are completely different but also complete each other. We need to develop a bit each of them and then we can do a budget plan.

The first idea is the infrastructure improvement. The second ideas is a package for an Indonesian experience the name would be MT. Bromo Adventure Package. The last one is about internet based advertising.

We provide solution on marketing strategy and the infrastructure through marketing analysis, to this case it will improve the experiences of the client in the hotel in order to have a better souvenir and then come back again.

We hope that it will cover enough area to optimize the hotel and be more competitive in the hotel industry.

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Appendix B: Interview Summary

Interviewee   :   Dewi Kristiana

CEO of Sahid Montana Hotel

Time   :   7-8 October 2015

1. The Weaknesses:
    a. The hotel has limited room capacity and facility to upgrade the hotel star. The reason to upgrade the room numbers is because the hotel now competes with newcomer chain hotels which open their hotel in Malang. Other reason is if the hotel upgardes number of rooms it need investment and also increase the price.

This impact to the business because the current price of the hotel is around Rp300,000 untill Rp500,000 so if the hotel increases the number of rooms and upgrade facility etc, the hotel might not compete with chain hotel which set the similar price. However, with limited capacity the hotel often refuse the visitors and it is not good for income.

b. Regeneration of staff. The hotel has mature and old staffs that it means the hotel need to fire the existed staffs and hire new one. It is not good for the hotel because it wil impact to loyalty and the management must pay incentive based on the government regulation.

c. The customers mostly are local and not many customers from overseas. The hotel need idea to attract foreign visitors. As people know that Malang have many international tourists but since the hotel always has full booked before, so the management did not think to enter global market. Malang has many potential such as Bromo Montain, international airport soon, zoo etc. The management has know that there are regular dutch visitors but they do not know how to market, held events or design the food to be fit with their interest.

2. The Strenghts:
   a. The hotel has a good networking with other hotel, government, institutions.
   b. The hotel has a nice hotel with the traditional Indonesia style.
   c. The hotel has an experience staffs and reputation.
   d. Good locations both in Sahid hotels in Malang.

Marketing Analysis for SAHID HOTEL MONTANA

OEHEN KEVIN

NIA ELFERIDA

KALYCA NEYSA

MUHAMMAD FATURROYAN

PREAMBLE

The Nusantara project is an i\online work made with the collaboration amonh several students from differents universities all over the world.

The aim of project is to focus on a business model, analyse it through the tools that we have learned during our information and being able to purpose some recommendations for the future strategy of the company.

On the other hand, the project allows us to collaborate with students from other universities in the world and so, in that way, it is also a unique and original experience.

We, the group 18, are composed by Oehen Kevin, Nia Elferida, Kalyca Neysa and Muhammad Fathurroyan.

As written on the official document called Student Instruction Nusantara Project Profile Sept-Dec 2015

" The title page of the report must contain your team number and names of all teammates. If some of your teammates did not participate in the project, list their names on the tittle page of the report, and add a note inidicating that these students did not participate."

So please note that the present report, as well as the previous task has been exclusively done and work by me (kevin Oehen)

I have indeen know several problems of communicating with mu group because of their non involvement.

I have no news from Kalyca Neysa and Muhammad Fathurroyan since the beginning of the rpoject despite my many messages sent.

I also have to point out that Nia Elferida, even if she does not participated actively to the project, was kind enough to answer me sometimes and to help me for some questions about Indonesia that i was asking myself.

So the present report has been exclusively made with the work of Kevin Oehen with the time assistance of Nia Elferida.

Kalya Neysa and Muhammad Fathurroyan, in our eyes, does not participate at all.

Focus On The Indonesian Tourism Industry

Tourism in Indonesia is an important component of the economic activity in Indonesia however it represented only 3,5% of the country's GDP in 2014.

Among the major assests of tourism in Indonesia we can identify: 13,466 islands, the second longest coastline in world, 1340 suku (ethnic groups) recorded in the censusu of 2010 and more than 700 spoken languages, a tropical climate and very diverse nature and culture.

Currently tourism in Indonesia is managed by the minister of Culture and Tourism, International tourism campaigns have focused largely on the appearance of a tropical destination, with the picture to the white sand beaches and imagination of blue sky. The seaside resorts and hotel were developed in some Indonesian islands, with the islands of Bali, as the main destination. But cultural tourism is also an important part of the country's tourism industry with for instance great destinations like Toraja temples, Prambanan and Borobudur, Yogyakarta, Minangkabau.

Since 2000, every year, about 5 millions foreign tourists visited Indonesia. But it is mainly dosmetic tourism who is booming, due to strong economic growth and the emergence of a large middle class.

The situasion in South Asia, home to three of seven busiest airport in Asia (Jakarta,, 10th world airport and first airport in the region in 2012. With Bangkok and Singapore belong to the French newspaper lemonade.com/fr), makes Indonesia an easy country to access. Besides Jakarta airport, the main doors of Indonesi international airlines entries are Denpasar on the island of Bali, Surabaya in eastern Java and the island of Medan in northern Sumatra.

However, the development of international tourism has sometimes run into the local population, which has created of the Indonesian tourism industry. Most conflicts related to landownershid, local traditions and the impact of tourism development on local populations.
Let's take a brief look at repartition of tourists arrival in Indonesia in the period 2002-2004.

We can see first that on the top the list we can indentify asian country like Singapore at the head. It show that even if the tourism in Indonesia tend to internationalize, the asian countries still represent a high amount of tourists for Indonesia.

We also have to point out incredible growing of the tourism comming from China. Nevertheless international tourism is also present and increase gradually with the UK, France,Netherlands and Germany.

Ten most tourism destinations in Indoensia recorded by Central Statistics Agency (BPS) are Bali, West Java, Central Java, East Java, Jakarta, North Sumatra, Lampung, South Sulawesi, South Sumatra, Banten and West Sumatra.

As with most countries dosmetics tourism are by far the largest market segment. The biggest movement of dosmetic tourist is during the annual Eid-ul Fitr, locally known as lebaran. During this period, which is a two week holiday after month of fasting during Ramadan, many city dwelling Muslim Indonesian visit relativees in their home towns. Intercity traffics is a t its peak and often an additional surcharge is aaplied during this time.

Tourist arrivals in Indonesia 2002–2014

Source:Statistics Indonesia[16]

Country	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Singapore	1,447,315	1,469,282	1,644,717	1,417,803	1,401,804	1,352,412	1,397,056	1,272,862	1,373,126	1,505,588	1,565,478	1,634,149	1,739,825
Malaysia	475,163	466,811	622,541	591,358	769,988	891,353	1,117,454	1,179,366	1,277,476	1,302,237	1,335,531	1,430,989	1,485,643
Australia	346,245	268,538	406,389	391,862	226,981	314,432	450,178	584,437	771,792	931,109	961,595	997,984	1,128,533
China	36,685	40,870	50,856	112,164	147,245	230,476	337,082	395,013	469,365	574,179	686,779	807,429	926,750
Japan	620,722	463,088	615,720	517,879	419,213	508,820	546,713	475,766	418,971	412,623	450,687	491,574	525,419
South Korea	210,581	201,741	228,408	251,971	295,514	327,843	320,808	256,522	274,999	306,061	311,618	343,627	370,142
Taiwan	400,334	381,877	384,226	247,037	236,384	227,586	224,194	203,239	213,442	221,877	216,535	245,288	244,003
United Kingdom	160,077	98,916	113,578	163,898	110,412	121,599	150,412	169,271	192,259	192,685	212,087	228,679	249,218
Philippines	84,060	76,665	76,742	78,402	74,982	137,317	159,003	162,463	189,486	223,779	229,806	246,497	253,237
United States	160,982	130,276	153,268	157,936	130,963	155,652	174,331	170,231	180,361	204,275	212,851	234,134	251,380
France	96,844	75,945	91,710	109,567	98,853	104,473	125,216	159,924	163,110	148,381	170,046	190,853	210,097
Netherlands	110,631	91,446	92,152	114,687	110,272	106,987	140,771	143,485	151,836	159,063	146,591	158,181	169,308
Germany	142,649	113,895	134,625	156,414	106,629	112,160	137,854	128,649	145,244	145,160	148,146	168,110	184,815
India	35,063	29,895	36,169	36,679	54,346	68,908	102,179	110,658	137,027	154,237	168,187	201,009	223,607
Thailand	50,589	42,585	55,024	44,897	42,155	68,050	76,842	109,547	123,825	141,771	149,760	141,349	136,833

Introduction to Sahid group

Founded in 1953 by Mr Sukamdani Sahid Gitosardjono, Sahid group is an Indonesian bussiness group with the hotel industry as its main activity. Indeed except the hotel enterprise, Sahid group also has businesses and holding in the media (Bisnis Indonesia), healthcare, textiles, real estate, and education industry.

But for the project we'll mainly focus on the hotel activity of the group.

The company began with its first hotel in Solo and the second in Jakarta. At theat time seeing the potential of the tourism sector in Indonesia, they have a lot of confidence inj the future of this market and start to adapt to an agressive market strategy to expand their business.

Current the group is present in 27 hotels across Indonesia under the mSahid Hotels chain and is now the direction of Mr Hariyasi Sukamdani, the son of the original creator.

" asian and Indonesian hospitality staff members take more care of people as this part of our culture and is so deeply engrained in our nature, more so than you see in other markets such as Europr."
Mr Hariyadi Sukamdani, president director of Sahid Hotel group on gbindonesia.com on 2014

SWOT analysis

strengths	weaknesses
- Strong position on the market (sahid is one of the leading local hotel groups in indoneia) - High knowledge about Indonesian culture and way of life - Diversification of their offer (with different range of 3, 4, and 5 stars hotels) - Relatively high financial stability due to the other business of the firm that make this company attractive for foreign inverstors	- Low pratical experience in international tourism business whoi may create some issues for the internationalization strategy of the group
opportunities	threats
- Growing of international tourism to Indonesia - Rising of strong economy in Asia such as China who can attract inverstors	- The growing of international tourism in Indonesia also create more competitive market. Moreover some international hotel group (accors, Swiss bell an so) are also interested of the opening of this market. So the competition is getting harder

We can now ask ourselves what startegy Sahid Hotel should have to take this international tourism oportunity, in order to not fall behind the huge hotel major groups (Accord, Swissbell, Aston an so) who have already start their implementation.

Hospitality short market analysis

For instance if we just take the most representative case of Accor group:
Sebastien Bazin, chief executive officer of Accor in a conference on december last year in Jakarta explains :
" Indonesia is priority market for agreement in the Asia-Pacific region, with potential for significant development, on which we are already leader segments."

Belong to the conference report, the past year was a record year for accor development in Indonesia. The group opened 18 new places, both on the high end and in the economic, bringing the hotel network in the country to more than 70 institutions in 24 cities by the end of year. Of course this expension is willing to growth and the others great international hotel groups are aligned with this trend.

Now let's have a look on he repartition of both international and local hotel company in Indonesia (figure 1) and in a second time only the repartition between the local company (figure 2)

The two figure was took from HVS report of 2012 " extraordinary growth opportunities in Indonesia for hotel chains"
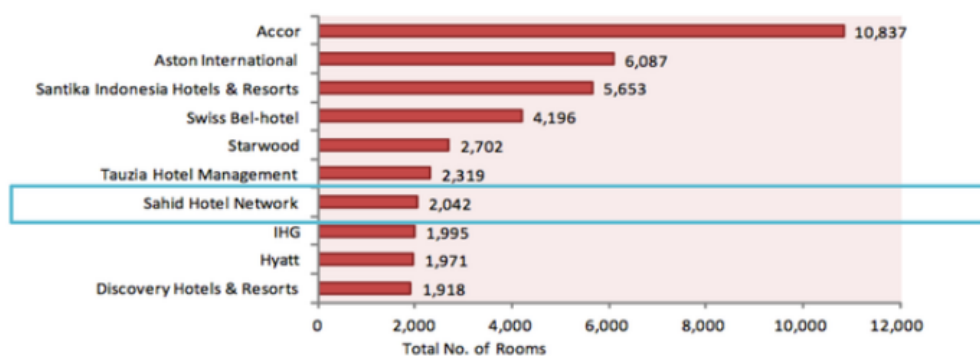
Figure 1. Leading Hotel Groups In Indonesia, As Of 1h 2012 (By Number Of Rooms)
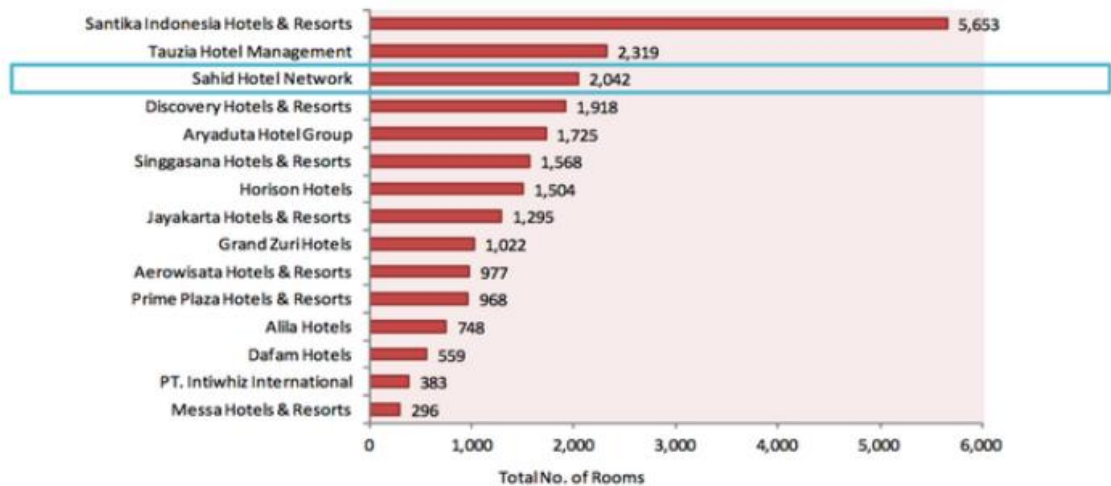
Figure 2. Domestic Hotel Groups In Indonesia, As of 1H 2012 (By Number Of Rooms)

We can see that Sahid Hotel is well placed (among the top three) of the Indonesian hotel company in terms of number of rooms.

Of course this is only one indicator and we have to use other indicators to have a better overview of the place of Sahid Hotel in the market. But belong to my point of view this quantitative indicator is quite revelvant to evaluate the size of a hotel company in the market.

We willl mix this indicator with qualitative indicator later in the report to have a more complete overview of Sahid Hotel value on the market.

On the other hand, we can see that when we take into account international hotel companies, Sahid Hotel decrease from the thrid place to the seventeeth place in the global market.

Companies positioned on top five of the ranking are all intenational (except Santika, the local leader in third position).

That's show a relative success of international businesses in penetrating the indonesian market. That also show that conquering and developing an international customers base may be required to survive in this market who is increasingly dominated by large international groups.

We can now review more qualitatively how Sahid Hotel is seen on the market by international tourist, and what are the positive and negative points that we can identify.

For this, we will look at the two essentials international and legitimate website that give voices to international tourist about their experience in a peticular hotel.

The two website chosen for this quick "satisfaction survey" will be : tripadvisor.com and hotel.com

This will give us an overview of the general opinions.

Moreover we will look at the review of the two hotels in different location to diversity the reviews and avoid the influence (good or bad) of only one hotel in our total analysis.

The two hotel chosen will be : Grand Sahid Hotel at Jakarta and Sahid Hotal at Makasar.

Grand Sahid Hotel at Jakarta		
Tripadvisor.com	**Score :** Traveler rating Excellent — 8 Very good — 47 Average — 68 Poor — 23 Terrible — 27 Rating summary Location ⊙⊙⊙⊙◯ Sleep Quality ⊙⊙⊙◯◯ Rooms ⊙⊙◉◯◯ Service ⊙⊙◉◯◯ Value ⊙⊙◉◯◯ Cleanliness ⊙⊙◉◯◯	*Last 10 comments summary :* By reading the last 10 comments on tripadvisor.com, we can get this overview : the staff is friendly and the hotel is well located in Jakarta. But on the other hand, some people complain about the building and the infrastructure (too old) and the room (too small and sometimes nasty). In general, people will not recommend this hotel.
Hotel.com	3.0 / 5 Good Score breakdown (from 26 reviews) 5.0 ▬ (2) 4.0 ▬ (2) 3.0 ▬▬▬▬ (16) 2.0 ▬ (6) 1.0 (0) Average rating for: Cleanliness 3.0 Service 3.5 Comfort 2.9 Condition 2.6 Neighborhood 3.3	By reading the last 10 comments on hotel.com we can get this overview : The main problem raised is clearly that the building look too old, and so appears dirty and need renovation. On the other hand the hotel is well located, the food is great and typical and the staff is friendly.

Sahid Hotel at Makassar		
Tripadvisor.com	**Score :** Traveler rating Excellent — 2 Very good — 6 Average — 16 Poor — 11 Terrible — 7 Rating summary Location — ⊙⊙⊙⊙○ Sleep Quality — ⊙⊙⊙○○ Rooms — ⊙⊙⊙○○ Service — ⊙⊙⊙○○ Value — ⊙⊙⊙○○ Cleanliness — ⊙⊙⊙○○	**Last 10 comments summary :** Again it look that the infrastructure of the buidling is kind of old, we can also identify a recurrent problem of air conditionning specific to this hotel. For the postive points, the hotel is well located and they propose great food and breakfast.
Hotel.com	**2.8 / 5 Fair** Score breakdown (from 4 reviews) 5.0 — (0) 4.0 — (1) 3.0 — (2) 2.0 — (0) 1.0 — (1) Average rating for: Cleanliness — 2.5 Service — 3.0 Comfort — 2.8 Condition — 2.5 Neighborhood — 4.5	The positive point cleary raised is that the hotel is well located and look perfect for a short stay. The staff is friendly and speak well english. But the rooms and the infrastructure is not satisfying (smelly pillow, dirty bathroom, old building).

In general, we can notice that belong to the review sample chosen, the hotel is moderately appreciated by international tourists. In factit seem that hotel chain have recurring problems (old building, dirty room, obsolete infrastructure) that make the hotel chain slight undervalued.

But on aone side, we had identify that the hotel chains seems to have well located hotel which is a strong and durable strenght. Reviews also often point out that the staff was professional and friendly, and moreover the food proposed by the hotel was very satisfactory.

In a nutshell, it look like that our representative survey rank the Sahid Hotel as a average hotel group which will (do the tricks) for short stay but it's easy to find some better places which better value on the market.

Recommendations

➢ Firstly the morst urgent action to achieve is to launch renovation of the most dilapidated building of the group.

This is truly the basis to able to attract more easily international customers and meet their standard.

At long term the renovation of the oldest building will increase the rank of the hotel on international website such as tripadvisor.com and so the hotel group will gain value on the market on one hand and will also improve his brand image.

- ➢ Secondaly, the food served by hotel is often cited as a good point. Indeed international customers like the typical cultural side of the meals preapred by the hotels restaurant. This is a strenght over the huge international companies.
  So we suggest to develop this strenght to really created a kind of food experience at the hotel and created an image of an hotel chain where the food is very typical and tasty.
- ➢ Thirdly, we advice to launch collaborations with travel agency of those three key countries : China, Australia, and United kingdom. Indeed these three countries represent a significant share of tourists arriving in Indonesia each year. Moreover it seem that this phenomenon is really to increase in the future.

Conclusion

Even if international companies have already a strenght place in the market, Sahid Hotel group doesn't have to copy the huge international companies to survive.
We strongly guess that hotel grup will loose at this game.

So we think that Sahid Hotel group should differentiate himself from others in order to survive in this market.

Indeen the group really have to find deep on his Indonesian roots and history the elements that will make Sahid Hotel a incomparable experience for international tourists.

Of course this is only recommendation of a possible strategy for the future of the group and only time tell if this orientation will pay off or not

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Strategy for Sahid Montana Malang in compete in Hotel's competition

Laetitia Aldi (team leader)

High School of Business Administration of Geneva - Switzerland

Haute Ecole de Gestion de Genève – Suisse

Supervisor **Philippe Regnier**

High School of Business Administration of Geneva - Switzerland

Haute Ecole de Gestion de Genève - Suisse

Supervisor **Boris Reymond**

High School of Business Administration of Geneva - Switzerland

Haute Ecole de Gestion de Genève - Suisse

EXECUTIVE SUMMARY

This report will mainly be about Indonesia competition as a whole. The first part talk about Indonesia in general, the main features and some key fact. Then I give an overview of the tourism industry in Indonesia with some indicators. Then I go deeper with the explanation of the competition. I divided the term of competition in 2 sections; external competition which are the competition between countries and the internal competition which represent the competition between hotels in Indonesia.

After a global understanding of the competition, I talk about the Sahid Group and also about the Sahid Montana group. To finish the report, I talk about the competition of the hotels in Indonesia.

In my report I also give some solutions about solutions that can be taken in order to improve the competition in Indonesia and for the Sahid Montana hotels.

Keywords: Indonesia tourism, Indonesia Competition, Sahid Montana Hotel Competition, Improving Competition, Indonesia, Indonesian Hotels

Indonesia

Republic of Indonesia or Indonesia, is a sovereign state in Southeast Asia. There are around 18'307 islands and the population is about 255 million people (253,899,536 in 2014). They count 6'000 islands that are inhabited with Java accounting for more than the

half of the population. The country is forested of 60 percent of Indonesia's land and a significant portion is mountainous and volcanic (Java alone has 122 volcanoes).

It is the world's fourth-most-populous country and most-populous Muslim-majority country which represent about 88% of the population. Roughly 10% is Christian (Protestant and Roman Catholic) and approximately 2% is Hindu and Buddhist. Those religions are officially recognized by Indonesian and have official national holidays commemorating events of importance to their followers. The government is not based on a single religion even if the Muslim represent more than the half of the population.

The country has 34 provinces and the capital is Jakarta. Indonesia shares land borders with Papua, New Guinea, East Timor and Malaysia. Indonesia is a member of ASEAN and take part of the G-20 major economies. The economy of Indonesia is the 16th largest by nominal GDP.

There are more than 100 of different native ethnic and linguistic groups. The Javanese group, which represent 41% of the population, is the largest one. Between the different ethnic groups, there are some that are bigger such as Sundanese - 14%, Madurese - 7.5%, Coastal Malays - 7.5%, and others - 26%. Even if the country has abundant natural resources, yet poverty remains widespread.

Indonesia Tourism

In Indonesia, tourism has an important role in the source of its foreign exchange revenue and also for its economy as a whole. The tourism sector ranked as the 4th largest among goods and services export sectors. In fact, this country has a lot to offer to their tourists; from natural beauty, historical heritage to cultural diversity. For Indonesian, it is important to keep the tourism sector because it is an important source of revenue.

Regarding some figures, there were 9.4 million of international people that visited Indonesia. Those visitors stayed in hotels for an average of 7.5 nights and spending an average of US$ 1'142 per person during their visit. Visitors from around the world come to Indonesia, but the top 5 sources of visitors are Singapore, Malaysia, China, Australia and Japan. As a whole, the tourism sector contributed to around US$9 billion of foreign exchange in 2012.

For instance, Malaysia and Indonesia are really close to each other and travelers from both countries are important source of visitors that generated travel and tourism industry. Both of those countries are "complementary". In fact, for Malaysia, Indonesian are the 2nd largest visitors (reaching 2'548'021 in 2013) and on the other hand, Malaysians are also the second largest visitors for Indonesia (reaching 1'302'237 in 2011).

There are some facts that can impact badly the tourism sector. For example, the Indonesian government ask for a visa which requires tourists from certain countries to pay an amount of money to enter the country, and if tourist want to stay more in Indonesia, they will have to pay another amount of money in order to extend their stay.

In my opinion they should do like in South America. They give international tourists a 3 months visa to have the chance to explore the country. It will be more profitable for all parties.

Competition between countries

I divided the term of competition in 2 sections; external competition which are the competition between countries and the internal competition which represent the competition between hotels in Indonesia.

As I have seen in different sources, there are more visitors in Malaysia than Indonesia. In fact, even if international tourism numbers in Indonesia are growing, the numbers are still low in comparison to Malaysia. Thailand is also a country where people love to go. In 2014 Thailand had 24,809,683 of visitors which represent a huge amount of revenues. The fact is that Thailand has been known as a tourist destination for a longer period of time compared to other Asian countries, especially for Europeans. For instance this country does not offer only the visit of beautiful temples, statues and ecotourism, but they also provide luxury tourism which is a new segment that tourist love.

In order to improve this kind of competition, I explain below some solutions that can be taken in order to improve the tourism sector (in the external competition):

The international tourist feeds foreign exchange and the domestic encourages economic activities. But in my opinion, the tourism sector in Indonesia is not being taken as seriously as in some Asian countries (such as Thailand).

Indonesia should try to make partnerships or let foreign investors come to the country. To do so, the country should focus more on tourism and put it as a principal priority. Local government also need to change their priority and pay more attention to local tourist destinations. For instance they can put more frequent flights or more destinations in the country. Furthermore they should develop the quality of human resources and infrastructure.

They also should expand their marketing efforts by increasing the promotion of various Indonesian destinations both offline and online.

Another option to put tourism as a key factor, is that Indonesia should make several cultural exchange programs with Asian countries.

Indonesia should cooperate with different travel agents in order to promote their hotels.

Sahid Group

First of all, Sahid Montana Hotel is from the Sahid Group. It is an Indonesian conglomerate and the hotel industry is its core business. Sukamdani Sahid Gitosardjono founded the company in 1953. In Indonesia, the group operates 27 hotels under the Sahid Hotels chain.

The group has also other businesses and holdings in different fields such as the media industry (Bisnis Indonesia), the healthcare industry, the textiles industry, the real estate industry and the education industry.

Sahid Hotel Group

Sahid Hotels group was founded in 1953 in Indonesia. The group is the leadership in Indonesia's hospitality industry. In fact. They provide all the comforts and conveniences of home to many customers at their hotel that are settled across the country.
The company has grown to become the nation's largest independent hotel chain. The first hotel was in Solo and they create a second one in Jakarta. The company understood quickly that tourism in Indonesia was growing and they took this opportunity to expand their business. They create a huge office tower which is the highest in Jakarta with 132'000 square meters of office space and they also acquired land in Bintan which is close to Singapore where they build a resort on a 52 hectares site.

Sahid Hotel Group also does some projects with partners in a joint venture. In addition to property they also manage hotels that are owned by other parties through hospitality management arm and currently run 30 hotels with close to 5'000 rooms.

The main hotels are; Sahid Hotel Jakarta, Sahid Jaya Makassar, Sahid Hotel Surabaya, Sahid Kusuma Solo Hotel, Sahid Raya Solo, Sahid Lippo Cikarang, Sahid Medan, Sahid Toraja, Sahid Kawanua Manado, Sahid Manado, Sahid Raya Yogyakarta, Sahid Bandar Lampung, Sahid hotel Imara Palembang, Sahid Griyadi, Montana Malang, Sahid Montana Malang, Sahid Jasa Tirta Selorejo Malang, Sahid Hotel Papua, Sahid Hotel

Griyadi Pacific Blok M Jakarta, Sahid Sinjai Sulawesi Selatan, The Sahid Rich Jogja Hotel, Plaza Hotel Semarang and Sahid Hotel Griyadi Antariksa Malang.

The group is planning to expand their hotel around the world. However, they will focus on Asia first. They are right because the ASEAN region is growing really fast compared to any other region. If they want to enter in other markets, they will have to adapt their strategy to the country concerned. As Mr Hariyadi Sukamdani, President Director said, "*For four and five star hotels, we are looking to make multiuse projects as high end hotels have a longer payback period. So we will combine the hotel with other facilities such as a shopping mall which we have done previously in Bali and so this is an option for international markets.*"

The group is thinking to enter in the Chinese market. In fact, the number of tourist in China is increasing a lot and it could be a great opportunity to expand in this country.

Competition between hotels in Malang - Indonesia

As we have seen, Indonesia value its tourism and the market is growing which is why there are a lot of different hotels where people can stay. Due to this fact the competition is also growing between countries and between hotels in a country. Customers expectations are changing and they want more luxury things for a good price. In fact, clients are more demanding in terms of services and facilities and this forced hoteliers to provide them with a better service.

Regarding the competition on internet, if we type on google "Hotel Malang" booking give us the choice of 60 different hotels. As we can see on the appendix 1 the 3 main hotel that appear are Hotel Tugu Malang which is a 5 stars hotel, Hotel Santika Premiere Malang, which is a 4 stars hotel, and HARRIS hotel & Conventions Malang, which is also a 4 stars hotel.

There are also many hotels in competition with Sahid Montana hotel such as Accor Hotel Group, Aston hotel Group, Swissbell hotel and Horizon hotel. Despite the fact that they are international groups, those hotel know how to promote and attract customers. There are many reasons why people would be more interested in those international hotel rather than a local hotel such as Montana Sahid Hotel.

One of the reason is the fact that all of international's website are by far more attractive and also easier to use. There are maps in order to find the location related to the need of the customers and it gives an overview of the country. There are also different offers that

each hotel do depending on seasons or special occasion. Even if the hotel make 5% of offer on the normal price, customers will think that he/she is saving money.

There are also hotel's website such as Accor Hotel where we can register and see our account and manage the booking. The latter has a website really complete and really attractive such as the Swissbell hotel.

Sahid Montana hotel

The Sahid Montana Malang is a hotel which has 3 stars and has 70 rooms and suites but also 5 meeting rooms with different capacity. The hotel is well located in the center of the city and it is surrounded by government office and business area. The hotel offer different services to people who are looking for leisure, meeting rooms, gathering, exhibition or even a wedding party. Cinnamon Kitchen & Coffee at Hotel Sahid Montana Malang is in additional to their leisure facility.

If we type the words "Sahid Montana Malang" in google we can see that it appears to be the third link. When we click on this link, an internet page appear with two choices; Sahid Montana Malang or Sahid Montana Dua Malang. There are no many differences between the two website except the fact that the picture are not the same.

They have a website where they have different section and we can click to on: rooms, meeting & banquet, service & facility, promotion, gallery, news & event, contact us and Sahid Group. The only thing strange is that there are nothing on the page of room, meeting & banquet, service & facility, promotion and news & event.

Sahid Montana hotel – Issues

Sahidmontana.com is a website which combine 2 website as it has already been said before. But for foreigner who don't know well the country, it can be tricky. It should has only one website which unify the 2 website. Furthermore there are no clear distinctions between the two websites which is why there is a lack of maintenance on their website and customers are confused.

In my opinion it is really important to have a website which describe the characteristics of the hotel and also that shows different pictures of the place. For instance in their website they only have 8 pictures which is not enough to have an overview of the hotel and they also have only 7 comments from previous clients. This can be problematic and it can have really bad effect on the choice of customers. In fact, there will be 2 options for a client who wants to book a hotel.

The first option would be to close the website and look for another hotel that will have more information about the hotel. For example, I am really interested to visit Asia and I would love to go there. However I live in Europe which is really far away from Indonesia and before booking my hotel and my activities, I would like to make sure that I know where I am going and if I don't have many information on the hotel's website I will probably look for another website. If we want more picture of the Sahid Montana hotel we have to go on booking.com. In fact, there are plenty of picture and by far more information about the hotel.

The second one is that, if the client is still interested to book a room in this hotel, he or she will have a look on well-known website such as TripAdvisor or Booking to see more pictures. The risk of the second choice is that client can see bad comments or some pictures that are not attractive.

Talking about that, we can see on appendix 2 that the rating on TripAdvisor is not very good concerning the hotel. In addition to that they are ranked 29 out of 50 hotels in Malang in TripAdvisor. Sahid Montana has bad and good comments and on the average it is ranked as a "good enough" hotel.

Regarding the website booking.com, as it has been said before, there are more information than in the official website. Booking shows you directly how many stars a hotel has and what is its main facilities such as free Wi-Fi, free parking and other interesting information that are easy to find.

There is also another issue concerning Search Engine Optimization (SEO). SEO is not well used in the case of http://www.sahidmontana.com. In fact, SEO is the process of affecting the visibility of a website in a search engine such as google. In this case, if we go on the source code we can see that there are no keywords.

Sahid Montana hotel – Recommendation

My first recommendation would be to improve the website. In fact there is a need of improvement. For instance people who live in France are really far away from Indonesia and maybe they have never been to Asia. This is why it is very important to have a website which is clear enough in order to reassure the customer. In a way, the website of a company is the image of it. In my opinion they should add more attractive pictures on their website. They also have to complete their information such as the information of their service and facilities because when we click on it there is a blank page. Furthermore, the comments of many customers are not English which is difficult to understand for International travelers.

Concerning the SEO they should also improve it. In my opinion they have to put some keywords such as "hotel Indonesia", "hotel Malang", "best hotel of Malang" etc. The hotel has to put more effort on that. If they do so, the visibility of the hotel group will be more efficient and of course will attract more customers. The goal will be to appear on the first google page when we type "hotel Malang"

Another recommendation would to make some partnerships with travel agencies in order to promote the hotel. For instance in Geneva there is a travel agency which promote the destination of Peru. There are many place to visit and the agency is selling to people the hotel which are partners with the travel agency. There also many travel agencies in Geneva that are specialized in Asia trip. In order to promote this destination the Sahid Montana hotel have to make an special offer when there are less travelers. Holidays vary in different countries. The strategy to adopt is to make special offer when there are holidays in a country. For example in Geneva, people are on holiday the 3rd week of October, which is not common to other countries. Depending in which country, the Sahid Montana hotel have to take advantage to make special offer when it is day off in a special country. In addition to that, it may happen that there is a low season for Sahid Montana hotel and if it is an official period holiday in a country, it is an opportunity to attract customers

Special offers is also a good strategy to put incentive to book a night Sahid hotel Montana. For instance if customers book for 4 or more nights, the hotel should offer free guided tour of the city.

All my previous recommendation are mainly focusing new customers who have never been to Sahid hotel. Those recommendations may increase their revenue and increase brand awareness, but attracting a new audience may cost a lot. This is why I also made some other recommendation regarding existing customers.

Usually, repeat customer spend more than new ones which is why the hotel has to take care of their loyal customer. To do so, there are many ways to keep this trust.
The first recommendation would be to build an email list in order to keep in touch with their customer. It allows businesses to develop a more personal relationship with their customer. It would be like a newsletter where customers will be informed about all the news, send thank you notes or also some offers and events.

There is also another way to keep the loyalty of customers. For instance, if there is a customer who comes more than once, Sahid Montana hotel should reward them and

make special discount for them. In offering reward to customers, it shows that the customer is apart from the rest of people and it also shows that we appreciate our customers.

I also recommend to have a great customer service. According to different website such as TripAdvisor or Booking, comments about the staff were pretty much satisfying. Customers were happy with the staff because they are polite and useful. Sahid Montana hotel have to keep up with this strategy. Having a nice staff with friendly attitude will be rewarding as it has been done in putting great comments on TripAdvisor.

There is also the fact that Sahid Montana Malang is a local hotel and in my opinion they should advertise or promote this fact. For example, if I go on holiday in an Asian country such as Indonesia, I would love going in a typical and local hotel in order to not have those huge continental breakfast, international food and so on. The promotion of local food, traditional meals should be highlighted.

The Sahid Montana hotel have also to propose special dinner and special breakfast instead of having continental food. It works for both new and repeat customer. The fact that customers travel to Asia is also to find and discover new things. Breakfast is the first thing we do during the day. In order to start a good day customer have to be impressed by the breakfast or the atmosphere. By this way, customers will have a good memory of the hotel because of having a traditional Indian breakfast, lunch or dinner is unusual. To give an example, in Geneva it exists a restaurant where we eat Peruvian food and during the dinner there are many shows. At the end of the meal (when you leave the restaurant) they offer a little present from Peru. This restaurant would remain in my head for the rest of my life because I lived a unique experience and I would love to redo it again. This is why Sahid Montana hotel should do something similar in order to be different from other traditional hotels.

Conclusion

In conclusion, the Sahid Montana hotel has to make some improvement and especially on their website.

However, they are present in many social Medias such as Facebook, Instagram and twitter. They are interactive and try to involve their customer which is very good to keep a good relationship with them. Regarding customers, there are two kind of target customers: the repeat and the new customers. For the latter, they will not be less sensitive on price for different reasons. In fact, they don't know the place and they don't the service that the hotel offer. They don't know what to expect. In addition to that, if it is
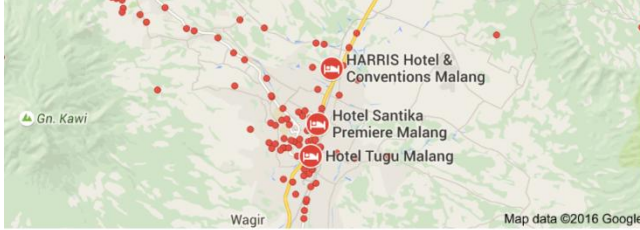
the first time that they visit Asia and that they have only 1 week of holiday, they will don't care about prices. On the other hand, repeat customer already know what to expect. Which is why they will be more sensitive to the price.

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Appendix

Appendix 1 :

Appendix 2 :

ANALYSIS for SAHID MONTANA Hotel to increase their competiveness in a more and more fierce market

Nadia Anindita

Student of the University of Padjadjaran

Teo Suter

Student of the Haute Ecole de Gestion of Geneva

Introduction

The purpose of this report is to provide an analysis of the Sahid Montana Hotel in order to increase their competiveness in a more and more fierce market. The tourism industry's growth has brought new competitors well armed, from huge groups, with huge resources, new infrastructures, and modern management able to respond to an international demand in the field of tourism industry. As a result, the Sahid Montana Hotel is in frontof difficult situation, which needs to be solved.

In order to figure it out, a partnership between universities meets the challenge to involve students from different countries to work together and bring innovative solutions. The international dimension of this work is an opportunity for the participants to learn how to manage an international relationship throughout the project, to discover new approaches and a differnt way of working. Five students initially formed our group, but finally only Nadia and Teo had the possibility to work on this project.

Current economic context

Indonesia's goverment is aware of the potential of the tourism industry to help the national economic. With an annual budget of $98.4 million for the sector, the ministry is a consistent actor of the tourism industry's development. Actually, with a total contribution to the GDP of 9.3% in 2014, and according to the Ministry of Tourism, this sector is about the keep rising until 15% by 2019.

These politics indicators show the potential of the sector for the next years and are favourable conditions for investments. A direct consequence might be the hardening of the competition and a higher profitability asked from the investors. To keep being important actors of the sector, hotels will have to be innovated, competitive and attractive.

In that context, we have started our analyse with the goal to find the best strategy to help Sahid Montana Hotel to improve their current situation and keep being an important local actor of the tourism industry of Malang.

Defining the economic contribution of tourism industry

In Indonesia, tourism industry has an complit impact on the economic activity. The contribution of this sector can be defined by two contributions: the direct and indirect.

Direct contribution   :

The contribution reflects the internal spending for business and leisure purposes. The contribution to GDP is calculated from total internal spending by netting out the purchases made by different tourism industries. The direct contribution of this industry to the GDP in 2014 was 3.2% and estimated to rise by 6% in 2015.

Direct contribution

The contribution include of purchases from suppliers, collective of the tourism industry spending and investment spending by the sector.

Total contribution

The total contribution includes the global impact on the economy.

The contribution of tourism industry on the GDP in 2014 and 2015 and with a project in 2015:

Indonesia	2014 US$mn[1]	2014 % of total	2015 Growth[2]	US$mn[1]	2025 % of total	Growth[3]
Direct contribution to GDP	27,464.9	3.2	6.0	49,036.1	3.2	5.3
Total contribution to GDP	79,836.8	9.3	7.0	151,189.0	9.9	5.9
Direct contribution to employment[4]	3,325.8	2.9	2.3	3,905.5	2.9	1.4
Total contribution to employment[4]	9,813.9	8.4	3.3	12,127.3	8.9	1.8
Visitor exports	11,152.4	5.6	5.5	20,135.0	6.2	5.5
Domestic spending	36,722.3	4.3	6.4	65,425.0	4.3	5.3
Leisure spending	37,666.2	2.5	5.6	69,817.5	2.5	5.8
Business spending	10,208.5	0.7	8.1	15,742.5	0.6	3.6
Capital investment	14,129.2	5.3	5.7	29,780.7	6.0	7.1

[1]2014 constant prices & exchange rates; [2]2015 real growth adjusted for inflation (%); [3]2015-2025 annualised real growth adjusted for inflation (%); [4]000 jobs

According to the source: world travel & tourism council-travel and tourism- economic impact 2015, Indonesia

Succes factor analysis

To better understand the current situation, we are going to have a lokk to the key success factor of the sector, and then compare the Sahid Montana's situation to others.

Key Success Factor	weight	Sahid Montana		Everyday hotel		Tugu Malang	
		Rating	Score	Rating	Score	Rating	Score
Number of Room	0,17	3	0.51	4	0.68	3	0.51
Service Quality	0,17	4	0.68	4	0.68	4	0.68

Brand Reputation	0,18	2	0.36	3	0.54	5	0.9
Promotion & Education	0,13	3	0.39	4	0.52	4	0.52
Hotel Facilities	0,14	3	0.42	3	0.42	4	0.56
Internet	0,10	3	0.3	3	0.3	4	0.4
Parking	0,11	3	0.33	3	0.33	4	0.44
TOTAL	1		2.99		3.47		4.01

According to the guest reviews on agoda.com, Sahid Montana seems to suffer from quite a bad reputation in the clss of 3 star hotel in Malang, Sahid Montana has the lowest rate. Most complaints came from the facilities ot the hotal, the un-furbished old hotel problems with the dust and constant need of engineers to fix room issued.

As the closest competitor we choose Everday Smart Hotel which is also a 3 star hotel with slightly better reputation than Sahid Montana, because they have a new furniture, concept, and less of a complaint from the guest. While Tugu Malang Hotel as the market leader in Malang is actually one the oldest hotel but they make an effort to refurbished the interior and make it seem more modern but still with the vintage vibe, every nook and cranny of the hotel pick the interest of the visitor. not much a big hotel but prize and charming stay experience.

Competitors

Based on similarity in the star rate (3 Stars Hotels) and the location, which is in the centre of Malang. On a scale of 1 to 5here a comparison of the main hotels:

Local hotels (Malang)	Guest reviews rate (higher better)
Gajah Mada Graha	**3.5**
De Boutique Style	3.5
Ollino Garden	3
Kartika Graha	3.5
The Grand Palace	3

Local hotels with 2 or more located in Indonesia	Guest reviews rate (higher better)
grage	4
Everday smart	3
Max one	4
solaris	3
Sahid montana	**2.5**

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Chain hotels	Guest reviews rate (higher better)
Swiss bell	4
ibis	4

With only a low rate, 2.5 Sahid Montana is the only one bellow 3 and has the worst rate of the twelve hotels. The increased competitions on the market and the technology allow tourists to have a large offer of hotel. In this context, a group cannot have a long-term vision with the lowest ratio. They have to improve their services to be competitive in order to stay an active actor of the market.

SWOT analysis

We have chosen to build a SWOT analyse, an analysis tool than identify the Strengths, Weakness, Opportunities and Threats:

Internal Strategic Factor	Explanation
Strength	
Hotel staff's response is good and quick. Also really polite.	One of the factors that create enjoyable stay. The staff would assist the guest with the problem nicely
Ideal location in the centre of Malang.	Easy access of public transportation and close to the central park, shopping place and restaurants.
The hotel is clean.	One of the factors that create enjoyable stay.
Competitive price.	The price is not that expensive, quite reasonable.
Authentic Indonesia company	More attractive to foreigners
Weakness	
Bedding	Seem often old and uncomfortable

Bad feedback on websites	The websites which help to compare hotels have bad feedbacks from customers
The room facility is old.	Many complaints the room conditions. From the air conditioner, water heater to the bedsheets that was considered 'not fresh' by the guest on some internet review.
Limited parking space.	Can't handle many vehicles for an occasion.
The maintenance seems to be lacking.	Many guest need to end up having the engineer in the room to fix some room issues.

External Strategic Factor	Explanation
Opportunity	
Indonesia has plenty of natural resource for tourism growth	With plenty of naturl tourism resource there is a lot for a foreign tourism to explore and make an interesting stay in Indonesia. Malang also has many popular destination like, Jatim Park (theme park), batu secret zoo, beaches, and waterfalls.
One of the country that has the highest economis of growth in the world	Which make an opportunity for the business in the hotel industry to expand.
Advances in technology.	Today's technology that makesit easier to facilitate the booking and research process and also promotion.
Commitment to promote Indonesia tourism industry by goverment.	98.4 million to promote Indonesia to international media
Chinese tourist	Currently only draws in 1% of Chinese tourists
Threats	

Goverment regulation thatforbid civil servant to held a meeting in a hotel, from November 2014	When it's actually one of the regional sources
Inclining tourism growth and easy entrance of the business.	Creates more competitors.
Poor Indonesia economis situation in the Recent years.	Sales decline with insignificant growth throughout the year. A hotel creates a small margin so it makes better.
International competitors	With the growth of the sector, competitors will be stronger and might improve their market share

PESTEL analysis

PESTEL is a working tool used to identify the Political, Economical, Social, Technological, Ecological and Legal aspects that might influence the enterprise.

Political	• Political instability	8	?
	• terorist risk	9	?
	• Political withdraw for the tourism industry's		
	• promotion	6	2
Economical	• Economic growth	5	2
	• Increased competition		
	• Currency exchange rate	8	9
Social	• Decrease of the number of tourism	8	3
	• Support of the local citizen	7	6
	• Increase of the foreigners' willingness to have local		
	experience	7	6
	• Economy of sharing (Airbnb)	6	7
Technological	• Reservation more and more convenient from smartphones.	7	9
	• Feedback on websites	8	9

Ecological	• Minimum Environmental impact asked by consumers	5	7
	• Climate change	6	6
	• Long flight less popular because of the environment impact	7	6
Legal	• New taxes regulations	7	?

On the right, on a scale of 1 to 10 there are the **impact** and the **degree of uncertainty**. High impacts combined to a high degree of uncertainty emphasize the risk to the hotel to be influenced by those factors.

The scale would be more pertinent if it was made with more information. The Sahid Montana Hotel can understand with this PESTEL what might impact their business and they might be able to anticipate the future evolution of the 6 different aspects (PESTEL). For this *purpose, a local analysis, the knowledge of the political situation, taxes policy and economics growth of the area could be used to improve this analysis.*

Our strategy

Two goals, many targets

Sahid Montana needs to raise the bar before their competitors begin to big and increase too much the market share. To be a local company is an advantage, first because tourists want to see something different tan in their own place or than their last trip. Secondly, for the domestic travellers who like to help national business and/or want to stay in the Indonesia atmosphere. However, to be competitive, as we have seen, Sahid Montana needs to change the bad reputation on fundamental accommodations requests. Our strategy has as purpose to show that the hotel has understood the problems and complains of the costumers. To achieve this goal, we have divided our strategy in two main parts:

1. Large investments in order to give a new look to the hotel and room's equipment
2. Launched a advertisement campaign to promote the new image.

Before changing the reputation, they have to change the factors influent this reputation. The first point is essential to demonstrate that the hotel, aware of their weaknesses, has the will to keep being an actor of the sector for the next years. Furthermore, if they want to keep attracting consumers, they have to respond of their requests.

The Sahid Montana hotel should fix some internal problem like doing some serious renovation to the room, and interior impact to have a good competition with the competitors. Make an investment to fix problems and maintenance hot water issues, room facilities regarding to the bedsheet and towels, Internet connection and small things that could improve the staying experience seem crucial.

Those serious problems probably make the guest feel uncomfortable and not wanting to come back, moreover to recommend it to their friends or family.

Growth strategy (related diversification)

After the issues are fixed the hotel could make more diversity to the facility.

- ATM/cash machine on site
- 24-hour front desk

- Fitness centre
- Smoking area
- Massage

Growth strategy (network)

Build network with local tourism agencies, so they could collaborate by taking the guest to a tourism destiation. Also provides shuttle services from or to the airport.

How your strategy can help them?

The problem of Sahid Montana has arisen as a result of a poor maintenance of the infrastructures and a low reaction of the new accommodations requests from the costumers. Those mistakes have a direct impact on the reputation of the hotel. In consequence, Sahid Montana has now two fundamental issues, which are quite problematic. That's why our strategy is divides into to separate ideas. The first one will changed the core of the problem, and the second one the consequence of the previous

When the strategy can be realized?

The tourism industry mainly depends of the seasons and vacations of their consumers. The first step, which is the construction work, has to be made when the consumers will be bored. According to some meteorological websites, the best period may be between December and March but the statistics of vacancy would be more relevant to choose the best period. The objective is to minimize the impact on the turnover.

The objective of the second step is to promote the new image of the hotel. The launch of the advertisement campaign depends of the reopening of the hotel. However, it has to allow an arrival of the tourists as soon as the hotel is operational. Consequently, the campaign should start during or before the construction work, with a precision timing. Again, some statistics could help. If the hotel is able to provide the average date of the reservations made by their tourists, they will know when they should launch the campaign.

June's weather

January's weather

What Support Needed.

To respond of this question, we should know how Sahid Montana hotel's consumers more often make their reservations. With a government directly implicate in the tourism industry's growth, it could be a great partner. Then, tourists who are looking for authentic hotel may request the tourism office, which could be a good institution to promote the new image of the hotel. Currently, every promotion has to take advantage of the social networks, which are a quick, cheap and strong way to send a message to our target.

How Much Is Needed?

Once again, we don't have enough information about the group to answer this question. The hotel has to define the amount of the construction work to have a competitive infrastructure. it depends of the cost of the local human labour, materials, etc. it is negotiated with local companie. Of course the budget has to be

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in line with the future earning expected, the turnover, the tourism industry growth in this area and the eventual government helps.

The advertisement campaign could follow many financial strategies. Some of the following points are used for defining a budget:

- a part of the turnover
- A number of the future benefits expected
- The average budget of the sector

Conclusion of Nusantara project

The experience of the Nusantara project has allowed me to work with people from the other side of the planet and showed me, in one hand, that we use many similar tools to make an analysis as SWOT and PESTEL.

In the other hand we understood that it is not as easy as we thought to plan meetings, arrange deadlines and follow and develop similar ideas when we have a time difference of 6 hours, not the same schedule but first of all not the same priorities.

This project was for some of us a very important project, for others just an evaluation and a few something not very important. When we started, we saw a diverent involvement between us. At the end, we were finally only two on the project.

We expected more of this project, as much about cooperation between international students, as much about information provide by the hotel in order to build a strong, pertinent and professional analysis.

Conclusion of Sahid Montana hotel analysis

The Sahid Montana has to overcome the actual problems. This challenge asks patience and willingness. In order to improve their reputation, the hotel must change the roof of the problems. It means provide financial resources and a consequent advertisement campaign to be as soon as possible competitive again.

Through a new image, consumers will have pleasure to stay in the hotel, give well appreciations on websites and the reputation will change quickly. But aware of the current issues, the manangent of the hotel has to make the right decisions to avoid the same consequences in the future.

In such a context, the political investments show the opportunities of this market and in consequence a very interesting potential return of investments. But it also means

that the competitiveness has to be back quickly, otherwise large group will take advantage of the situation to increase more and more their market share.

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ONLINE MARKETING STRATEGIES FOR SAHID MONTANA HOTEL, MALANG

AUTHORS:

(LEADER) MUHAMAD SYAMIL MOHD SAUFFI

MMU CYBERJAYA, MALAYSIA

NURUL ASMIRA ROZLAN

MMU CYBERJAYA, MALAYSIA

NIK NUR AQILAH BT NIK ABD AZIZ

MMU CYBERJAYA, MALAYSIA

SOPIANI

UNIVERSITAS MARITIM RAJA HAJI ALI, INDONESIA

SUPERVISORS:

PROF DR KAMARULZAMAN ABD AZIZ

MMU CYBERJAYA, MALAYSIA

MR SULFIKAR SALLU

UNIVERSITAS MARITIM RAJA HAJI ALI, INDONESIA

EXECUTIVE SUMMARY

Sahid Montana Hotel is a modern traditional nuances built in 1987. Located in Kota Malang, at Jawa Timur, Indonesia. Precisely at Jl . Kahuripan No. 09. The distance of this hotel from the city center is only about 1 km , about 5 minutes drive from the Mall Olympic Garden , and a 7 -minute drive from the Malang Plaza Shopping Centre. Sahid Montana Hotel is a three-star hotel equipped with various facilities such as safety deposit boxes , coffee shop , laundry service , 24- hour room service , concierge , meeting facilities , and free WiFi , and an airport transfer service at an additional cost . There are also recreational facilities such as parks and spas, sauna and whirlpool tubs for pampering. The hotel also has two restaurants which have a very tasty dishes and traditional nuances with modern touches.

In the modern age nowadays, the rapid increment in the establishment of new hotels in Indonesia led to a problem ofoversupplying of rooms. This subsequently results in a highly strong economic competition between the small and medium hotels inside the country itself. Facing many well established international chain hotel, such as the Accor Hotel Group, Aston hotel group, Swissbell Hotel and Horizon Hotel. Sahid Montana Hotel must find out their overall strength and competitive advantage as well as rectifying their weaknesses in order for them to compete with these international brand.

Through our research done in accordance to requirements from Nusantara Project, some flaws in online marketing effort was deemed worth highlighting, as we believe, through rectification of the weaknesses, Sahid Montana Hotel will be able to increase visibility and virility in current market. Recommended solutions and ideas for improvements are included in this report with high hopes it can be applied in Sahid Montana Hotel future marketing strategies. Each recommendations forwarded in this report are based on researches based on current happenings and proved theories with suggestions of ideal benchmark examples.

OVERVIEW OF THE PROJECT

Situations Needing Rectifications

- According to Ibu Kristina, the CEO of Sahid Montana Hotel, they are too dependent on offline marketing and are not performing well in online marketing.
- Low rating on traveler website such as Agoda, Trivago, booking.com and Tripadvisor.com.

● Lack of engagement and advertisement on Social Media.

Objectives
● Introduce online marketing strategies that can be employed by Sahid Hotel in order to achieve greater brand awareness.
● Streamlining the system that has been used by Sahid Montana Hotel.
● Finding the right opportunities for Sahid Montana Hotel to grow their customer base.

Scope
● Online marketing of Sahid Montana Hotel on a few platforms :
 - Website
 - Social Media
 - Travel sites
 - Paid advertising

CURRENT MARKETING STRATEGY ANALYSIS

The marketing allocation for Sahid Montana Hotel is roughly 10% of their total revenue. As of now, it is reported that the hotel is still heavily dependent on its offline marketing. Most of its budget allocation for their marketing is spent on thismedium of marketing.

Sahid Montana Hotel positioning strategy

Historic and cultural experience for customers
 - Sahid Montana Hotel's strength is the fact it has been standing for more than 30 years. The hotel are made with cultural and historic features allowing such cozy and peaceful atmosphere. The hotel are keen on reliving the impression of traditional Indonesia with a modern twist.

As per request from Ibu Kristina, this report will be to suggest rectifications and recommendations on application of online marketing medium to promote the hotel. The current online marketing strategies employed by the hotel serve many rooms for improvements.

The hotel currently own a website hosted on domain http://www.sahidmontana.com/satu/. The website are already quite sound in projecting traditional and cultural values that Sahid Montana's image is to project. However, some aspects are in need of

improvements, especially the online booking system, text, and images used in the website as well as its usability and compatibility across all devices.

The second medium is usage of social media; focusing on Facebook. Sahid Montana Hotel current Facebook page are currently not getting enough engagement from their followers measuring using the number of likes and interaction happening on the page. The number of likes should also be increased.

Another medium we chose to focus on is performance on online travel sites, namely; Agoda, Tripadvisor

In this tech era, people more likely to use online marketing to spread the news. Online marketing is an interactive tool which can be used between marketers and the public at large while providing advantages such as :

- Online marketing costs are inexpensive in comparison with other mediums.
- Online marketing allows consumers of the world to research and purchase services and products at their own pace and convenience.
- Online marketing allows for statistics to be measured more easily and at a lower cost. Virtually all elements of an online marketing campaign can be traced and tested in some way. Methods in which this can be done include pay per impression (CPM : Cost per thousand viewers), pay per clik (PPC), pay per play (PPP : pay per audio advertisement played).
- Online marketing campaigns can be implemented much faster than traditional forms of advertising, reaching a targeted audience within a matter of days and in some cases, hours.

ONLINE MARKETING STRATEGY #1 : SEO

The content of the website is very crucial in driving good SEO. Sahid Montana website is placed on domain http://www.sahidmontana.com/satu. The website act as the main online platform for the company's branding and also host landing pages for most of online advertisement employed. Improvement of website will increase relevancy factor thus increasing adrank, making the website to appear higher on search page. Improvement to be implied on website :

Website Quality
User experience should he highly valued throughout the website browsing experience. The website will portray the standards and values of the hotel. Website design, layout,

site content, usability and credibility of the website will give direct impact on users' experience. The most crucial aspects Sahid Montana hotel should be highlighting on are:

- Text
  - The text included on the homescreen of Sahid Montana website is adequate enough, but more should be out on amenities page so that more information can be given out to attract customers. The marketing team can also consider writing blog post so that more information can be put across. Usage of related keywords in text written on website will positively improve Google Adrank.
  - The marketing team should constantly post on latest happenings, and make sure the website content are always updated
  - A text on how travellers can arrive to the hotel should also be included so that customers' journey can be eased
- Pictures
  - It will be worthy to hire professional photographers to capture good photos to be used across the website. Photos are very crucial because it will be the point where customer will make decision besides the pricing. Many people are easily attracted to pictures, and customers will want to know the condition of the room they are paying for. Pictures used should also be able to portray the image and branding Sahid Montana hotel carries.
- Navigation
  - Header menu on Sahid Montana hotel are not fully utilised on. Some of the links lead to empty pages. For example "Service & Facility" and " News & Events". This should be removed. Navigation should be made easy and the navigation choices should be made obvious.It is good to limit the header menu to important and crucial tab, for example "Hotel overview", "Room", "Services" and "Contact Us". Sub menus should also be included so that user will be able to find and search for information quickly and easier.
- Website compatibility
  - "52% of consumers used a mobile device when booking travel", Mobile Marketer, May 2013. This proves how crucial it is to have mobile compatible website. Sahid Montana should modify their website so that is it compatible and responsive across all devices, since currently, the website is only available on desktop version.

- Usability of website
  - o Online chat system can be introduced to Sahid Montana website so that user can easily interact with customer service staffs
  - o The website should also provide links to the hotel's social medias sites
  - o The website should also host relevant landing page for ads run.

Loading Speed

Analysis of Sahid Montana current website show a vast room for improvements. Firstly is their loading speed which is tested at 16.0s by GTmetrix. Improvements should be made as studies show that users leave a site if it hasn't loaded in 4 seconds. Moreover, Google are also considering page speed as a major benefactor in ranking algorithm.

To tackle this problem, Sahid Montana can consider to :

- Leverage browser caching – significant reduction in loading time can be done by storing commonly used files from the website on visitor's browser. This will enable loading time to be faster for repeat visitor.
- Enable gzip compression – loading time can be fasten by reducing the size of files needed to be send to server so that speed will be faster when user wants to load page. This can help reduce sizes of pages up to 70%.
- Properly scale images used on website. This proper sizing method will enable reduction in data size. Specifying image dimensions will also eliminating the need for unnecessary reflows and repaints and allows for faster rendering

Another noticeable problem is when user google for Sahid Montana website, the first link that will appear on Google Search is http://www.sahidmontana.com which will need user to choose which hotel's website they want to look into. This landing page redirects might also turn down some customers as the page is not really engaging and make loading speed slower.

Result for website's speed test is included in Appendix.

Online Booking System

Up to date, the availability of a good hotel booking engine is crucial for all hotel or chain website. This is the usually the first real user engagement method. A proper booking engine is critical as it is the one element in the web that converts potential guests into actual guests.

Online booking system is already embedded on Sahid Montana website. However, the system is lacking in a few ways when compared to competitors' site. First major problem is the system is not consistently working, during the research period, few attempts made by our team member lead to "no page found" page. It will be very repelling for future

customers to face this. The layout and form can also be improved. The form for "Room" selection that shows figures '1', '2', and '3' is rather confusing and not enough self-explanatory.

The positioning of the booking system is already good on the home page, improvement that can be further made is by making it to show on every page instead of just the home screen.
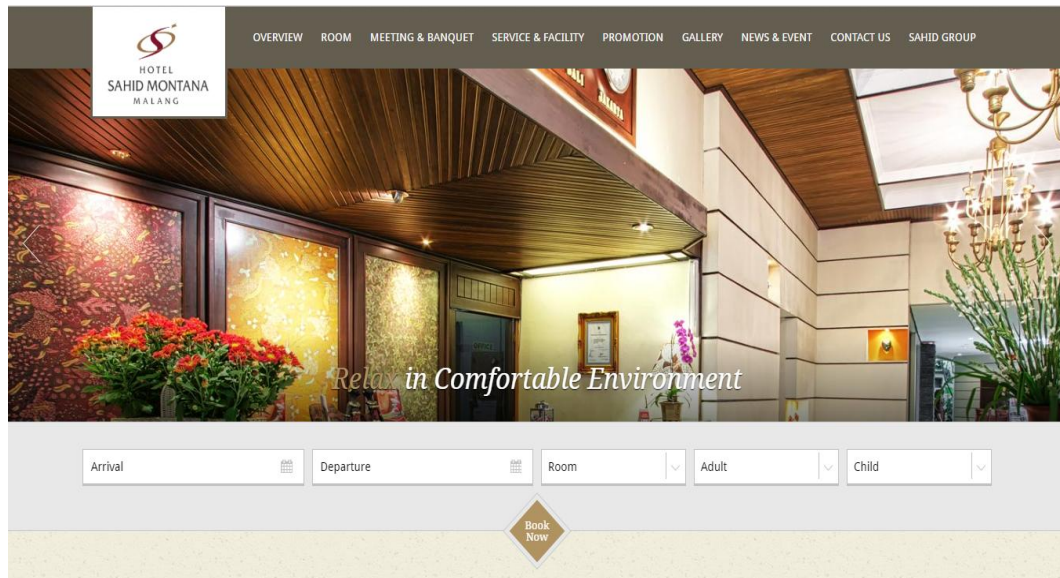
Best practices that should be run are:

- Image Merchandising
  - o Images used to show room should be of vibrant colour, high quality, and should be able to communicate the elements of the property that the hotel want to highlight.
  - o It will also be a bonus if a 360 degree view of the room can be shown.

- Feature and Market Promotional Rates
  - o The system should include special ongoing promotions and also highlight "Specials" on Room / Rate Descriptions. Promotional Pricing functionality available on most system should be used accordingly to along the marketing metrics. By using this, you can show "slash-through" pricing that will give the feel of similar experience that customer get from purchasing at online travel sites and give them a feel that they are getting good value by booking directly on hotel website.

- Feature Detailed and Attractive Product Descriptions and always list amenities
  - o Build channel specific room descriptions to specifically showcase rooms via booking engine.
  - o Focus on the value-add of services and facilities.
  - o Currency translation and website language translation should also be made available

- Include Accurate and Clear Rate Descriptions
  - o The data shown should be accurate, and always updated prior to any changes
  - o Include rate descriptions by describing all things the rate include
  - o Disclose the guarantee and cancel policies within the rate plan in order to avoid future conflicts

- Offer Concise, Attractive Room Types
  - o Too many options may repel customer, keep range of room type simple and make sure they are unique in order to avoid confusion to customers and enable them to identify the best deal for them
  - o Show only the rates for rooms that are actually available at that moment of booking to avoid confusion.
  - o Include inventory count for each respective room offers.

- Security
  - o Partnership with PCi (Payment Card Industry) is crucial so that security of data can be guaranteed. High security standards should be followed so that trust can be gained from customer and to avoid any future problems.

Benchmark hotel online booking system

One of the best hotel online booking system is featured on Preston Hotel website. The system is user-friendly, self-explanatory and are engaging good conversion.

The system is placed on top of the page. User can access the system by clicking on the "Book A Room' header menu or by directly selecting options from the interface as shown below which are shown on all pages across the web.
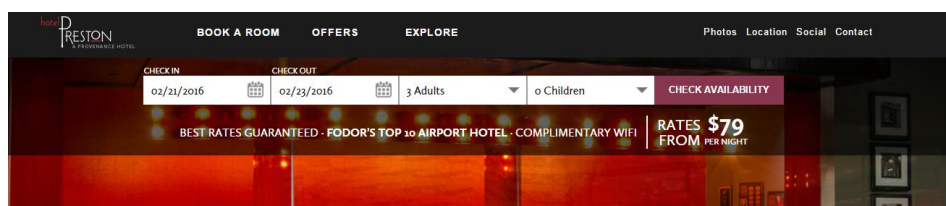
Once user has chosen the date and number of people that will stay in, user will be directed to a page listing all the most suitable room offers at respective best rates and offers. The hotel is also smart by putting ongoing offers on the page.
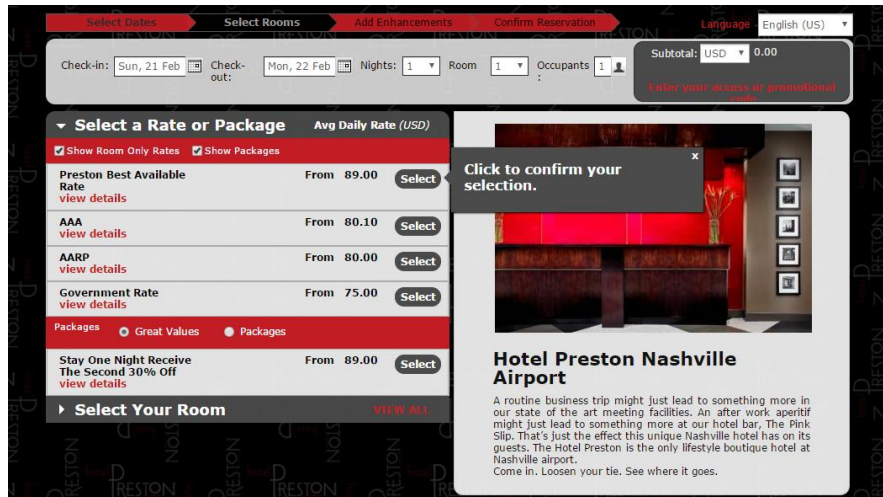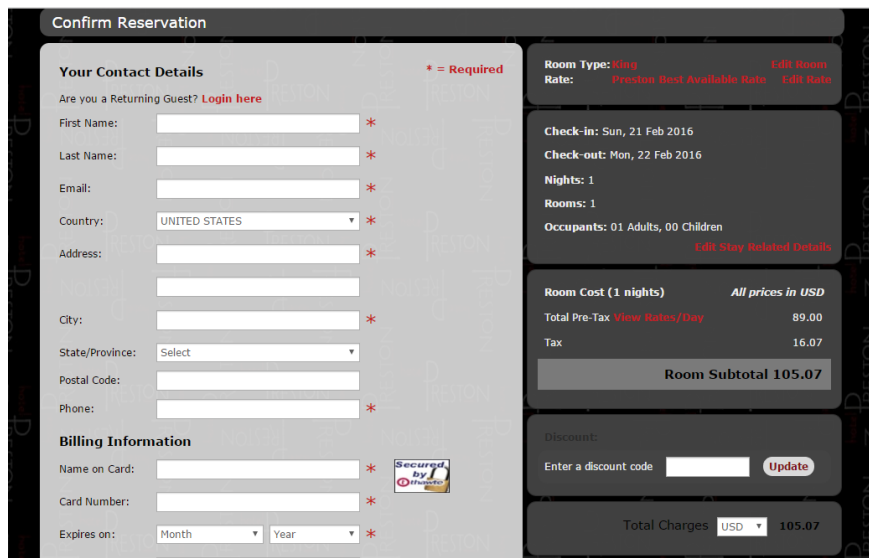
Images of respective hotel are also shown and user can learn more about the room by clicking on "view details". Inventory are also shown for each room type.
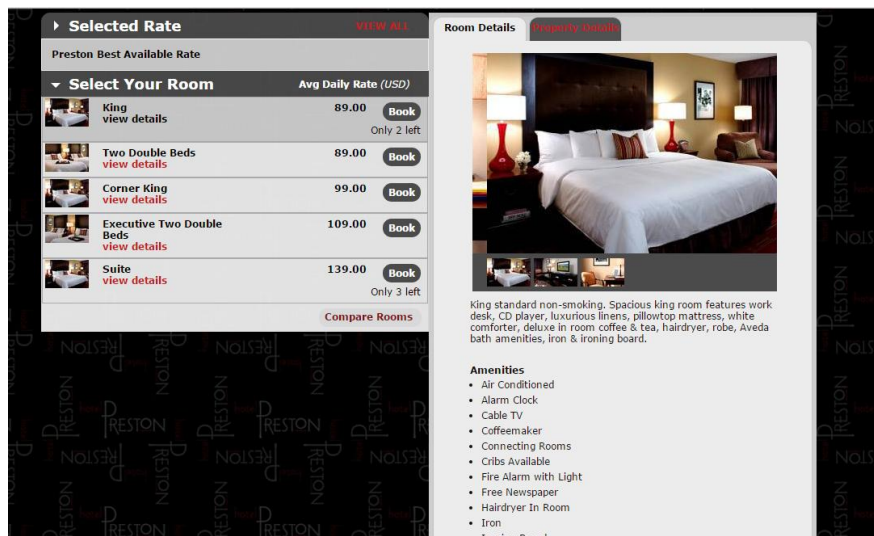
Once user has selected desired room, user can also choose options to further enhance their stay, this is a good marketing to improve in hotel product sale.

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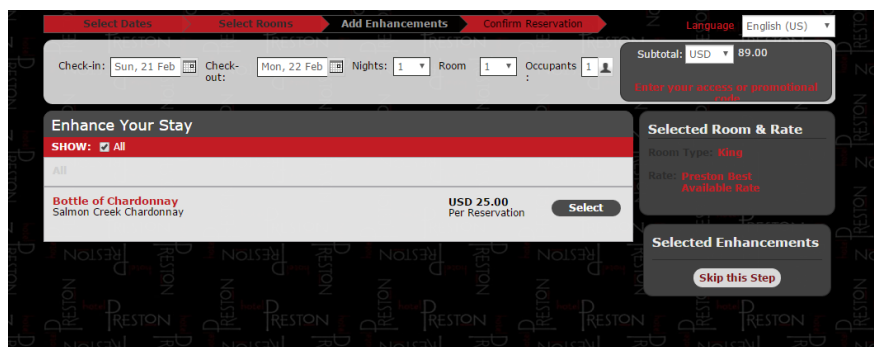
The fourth and final step is to confirm order, and for customers' to enter their personal and billing details.

ONLINE MARKETING STRATEGY # 2 : FACEBOOK

Overview of Current Usage of Facebook by Sahid Montana Hotel

As disclosed by the CEO of Sahid Montana Hotel, Madam Dewi Kristiana, the hotel is concerned about the degree of engagement with their customers on Facebook. It can be seen that the amount of likes that they get is quite low despite being one of the popular choice of budget hotels in Malang. There were severals flaws detected after the team analyzed how the hotel manages its social media account, particularly in Facebook. Firstly, their posts are only about their hotel promotions and no posts that mentioned about the area attraction, travel tips, or activity packages. Customers will not be interested in engaging with the hotel, as they do not have a topic to discuss on. Next is they do not provide the booking option in their Facebook profile even though Facebook has provided such settings. An example of a company that provides 'Book Now' call-to-action in its Facebook page is Hotel ibis Styles Malang.

Another issue is there are two different Facebook accounts that belong to Hotel Sahid Montana Malang. This can cause confusion among customers, giving out bad impressions regarding the hotel's management of its social media.
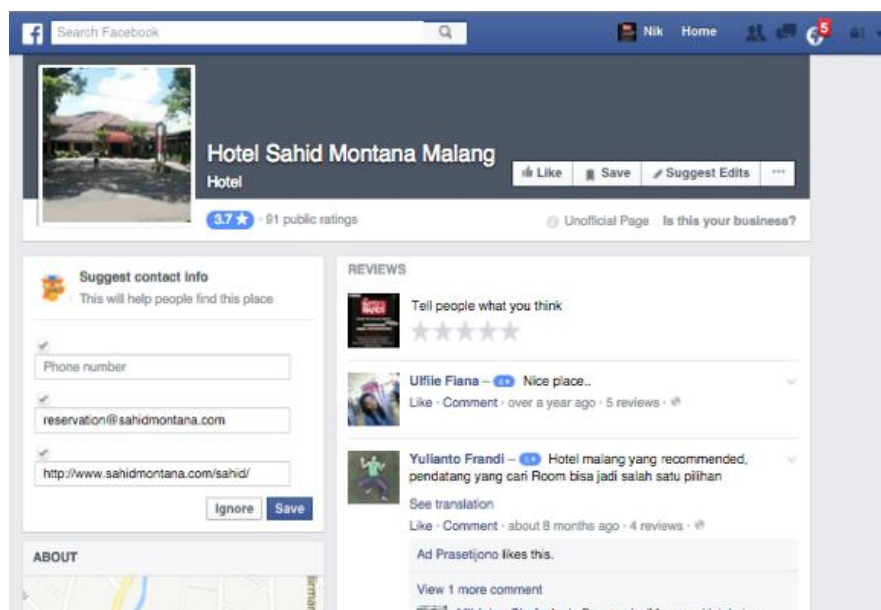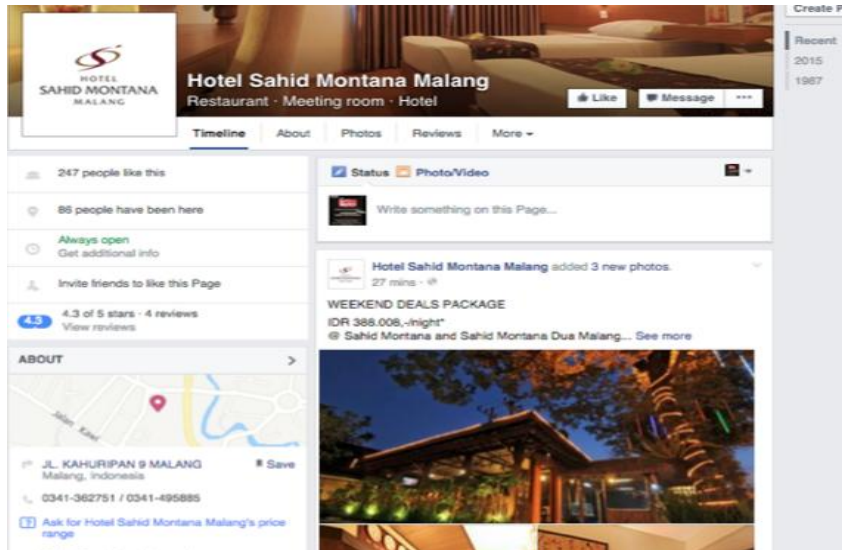
Meanwhile, in terms of the design of its page, it has fulfilled all the necessary criteria to achieve uniqueness of Facebook page. The placement of its logo is just right and its page reflected the colors and experiences in accordance to what the hotel offers but is also compatible to Facebook's style. Their postings mostly include photos that are well presented with a watermark of their logo in it with the proper size.

Recommended Improvements to Facebook Page

Lane Douglas, principal of the social me Theydia solutions for sales and marketing firm MarketBridge stated that "most people don't do vacation planning sitting at a desk, thinking about dates and planning and calendars. I may be coming home from my vacation, sharing photos on Facebook, and a friend of a friend may see those and decide to consider that destination too, just based on my pictures." The hotel should encourage your guests to share their impressions once they are back home. Furthermore, interacting on social media helps to improve your visibility on search engines: the more people speak about you, the more visible you are!

Firstly, what the hotel could do to improve its reach in Facebook is to raise visibility of their page and attract more customers. They could consider doing a monthly or semi-annual offers and contests in Facebook. An example is 'Like to win' contest where customers are supposed to like the hotel's page to participate in the contest. The winners are then randomly selected and their name will be posted in the comment section of the contest post. This kind of post can ensure a return of high amount of likes, as people love contests. Another example would be a contest that encourages visitors to share a photo of them in any location of the hotel. They are to tag themselves in the photo to participate in the contest. The management can then select a participant with the most creative photos as the winner. These contests are considered one of the efficient methods to spread word about the hotel for free. The hotel will not have to incur costs for this as its free publicity.

'Boost Post' is another suggestion that could speed up the process that would increase likes and shares that we would like to present to the hotel. It is known as a suggested post and/or sponsored post. This method promises higher chances of being shown on the

Facebook newsfeed of not only people who have liked the hotel's page but also of those who are friends with the hotel's fans. It allows the posts to be targeted towards a particular group of people based on age, location, gender and interests. You can set this sponsored post in accordance to you preferred amount of expense.
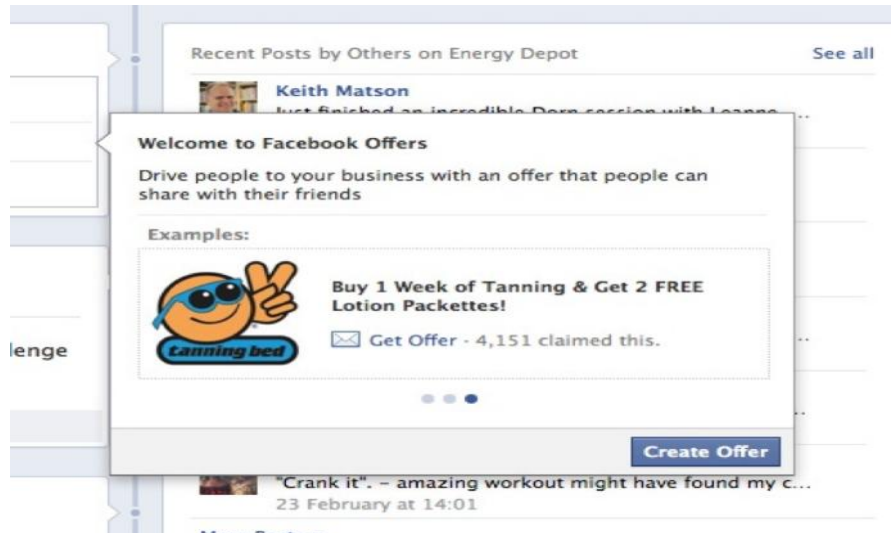
The hotel can also option for Facebook offers, which is are a great way for them to expose their page and their business. For example, if the hotel ever comes up with a great deal on the price of rooms, they can do it through this Facebook offer. It allows their visitors to redeem this offer and this would nudge them into action; send a nice viral message into the news feeds of their friends. This can also be promoted through Facebook ad campaign to get bigger exposure.

Facebook targeting is also another setting that the hotel could consider utilizing to target posts by gender, relationship status, educational status, "interested in," age and language. For example, the hotel wants to promote family packages to a specific segment of your audience, which are people who are already married thus the hotel should target them. Targeting will prevent the hotel from being boring or irritating the rest of the community who cannot relate to that post. In addition, The hotel can achieve better engagement in terms of the percentage of people who have seen the promotional post. The more the hotel sends out relevant messages to the right people, the more likely it will appear to your visitors.

The hotel could also consider updating their posts about current trends or topic that would allow a direct communication with the guests. When the hotel is able to engage in conversations with the guests, it is most likely that useful feedback will be returned. According to Jeff Weinstein, editor in chief of HOTELS magazine, "customer loyalty toward a hotel chain or property can be influenced within seconds through a posting on one of those sites". It is also important that the hotel do not ignore any comments or feedback that they get from the guests. The guests must feel that their opinions and views regarding the hotel matters to them. Hence, comments should always be replied to because that is how the hotel will be able to understand the guests' behavior better. In addition, it helps the hotel to pinpoint the flaws in their management or services.

In reference to the current marketing strategies of the hotel, it is mentioned that there are two Facebook pages set up for it. It is suggested that the inactive page to be deactivated as it does cause confusion for guests. You may end up losing more guests if they were to stumble upon the inactive page instead of the active page. It may give an impression that the hotel does not know how to manage its social media. Another issue that was brought up is the 'book now' call to action Facebook setting. The hotel should enable this setting as it gives conveniences to guests that are checking out their hotel through their Facebook page. An example of this Facebook setting setting is shown below.
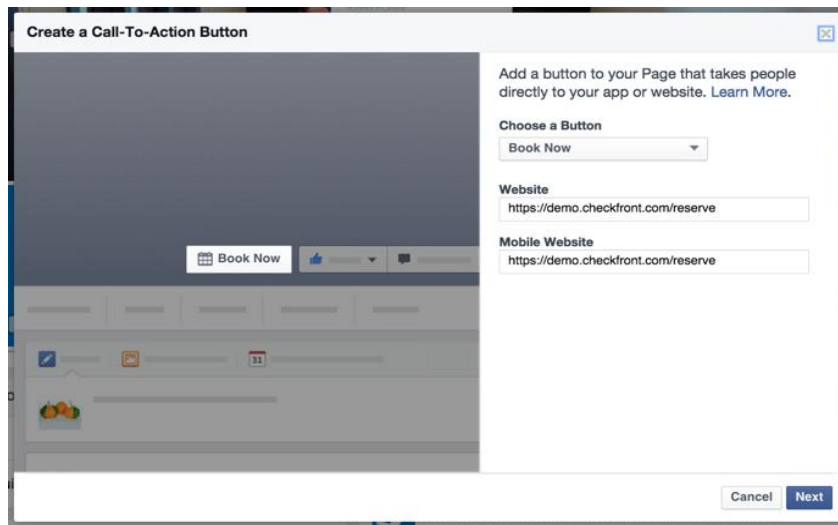
Regarding the postings of in the hotel's page, it is important that they do not make it about them only. They should highlight the activities that they can do when they stay at the hotel. For example, the hotel could highlight the nature park and outdoor activities (hiking on Mount Bromo, chilling at Kondang Merak beach etc) in Malang and that the hotel is a small distance toMuseum Malang Tempo Doeloe.

ONLINE MARKETING STRATEGY # 3 : ONLINE TRAVEL SITES

Overview of Sahid Montana Hotel's Performance on Online Travel Sites
In this technological era, online travel sites is the most crucial tools for any other hotels in order to increase their revenue. Same goes to Sahid Montana. These are examples of online travel sites that Sahid Montana are on :-

- Booking.com
- Trivago
- Agoda

We have discovered that Sahid Montana Hotel is less attractive compared to other hotels due to the low ratings and unattractive comments from customers including :

- Smelly bedroom
- Slow Service
- Old facilities

All reviews (146)   Sort by: [Newest ▼]

Wilson S.
Solo travelers
■ Indonesia, Thu 03 Dec 2015

Good hotel near train station
⊕ comfort cheap good
good for you just for a short trip and if you using public transport

[5.7]

Report this review

Samuel L.
Business travelers
■ Indonesia, Thu 08 Oct 2015

Old hotel with some problems
⊕ clean
when we entered the room, it was smell unfresh and bad.... then we found the pillow have very bad smell then we complained to reseptionist, their response was good and quick.. When we were sleeping suddenly at 1.00 in the morning the air conditioning sound very noisy until morning so we can not sleep well... The hotel is old but clean... need renovation...

[5.7]

Report this review

Felix B.
Business travelers
■ Indonesia, Mon 27 Jul 2015

Good Stay
⊕ Clean, comfort, nice service

[8]

Report this review

Vito T.
Families with young children
■ Indonesia, Sun 19 Jul 2015

Okay
⊕ staff are friendly and helpful
The bathroom was leaking and the parking lot is small...but the staff were helpful and friendly... Cleanliness is okay

[6]

Report this review

hery S.
Business travelers
■ Indonesia, Sat 20 Jun 2015

Not so good
⊕ Location, nothing, nothing

[5.7]

Report this review

Aprilla A.
Families with young children
■ Indonesia, Mon 18 May 2015

Do not correspond to reality
⊕ The location is near the downtown
The room condition (furniture, bathroom, and television) is very old and rather smell. It is very different from the picture on Agoda.com

[6.7]

Report this review

Nur A.
Couples
■ Indonesia, Mon 30 Mar 2015

This hotel is far from good quality.
⊕ Good location. Nice weather.
Never mind.

[3.3]

Report this review

Suten D.
Families with older children
■ Indonesia, Fri 02 Jan 2015

Hotel location is easy to access
⊕ Friendly staff, Clean, Closed to train station
Hotel location in the centre of Malang city, Easy to reach public transports, Comfortable staying even the room and bed are small, furniture look old, and bad wifi signal from the room

[7]

Report this review

Felix B.
Business travelers
■ Indonesia, Tue 30 Dec 2014

Good stay
⊕ Clean, comfort, reasonable price

[8]

Report this review

agira D.
Families with young children
■ Indonesia, Sat 16 May 2015

Nice hotel but may be need more touch for interior
⊕ At down town
Good enough

[8]

Report this review

Screenshots of customer reviews on Expedia.com

kryptonite123
Kuala Lumpur
Level **4** Contributor
Ⓐ 39 reviews
▤ 35 hotel reviews
⚐ 26 helpful votes

"Only if u have too...."
◉◉○○○ Reviewed 26 October 2014   ▯ via mobile

The only thing good is the staff are polite.... The room is dusty, caused my eyes to be reddish. The water pressure at bath is pathetic. Breakfast was horrible. Another good thing is they have a live band at the restaurant at night. Also, walking distance to train station.

Helpful?   👍 ⟨ 4   **Thank kryptonite123**   ⚑ Report

250
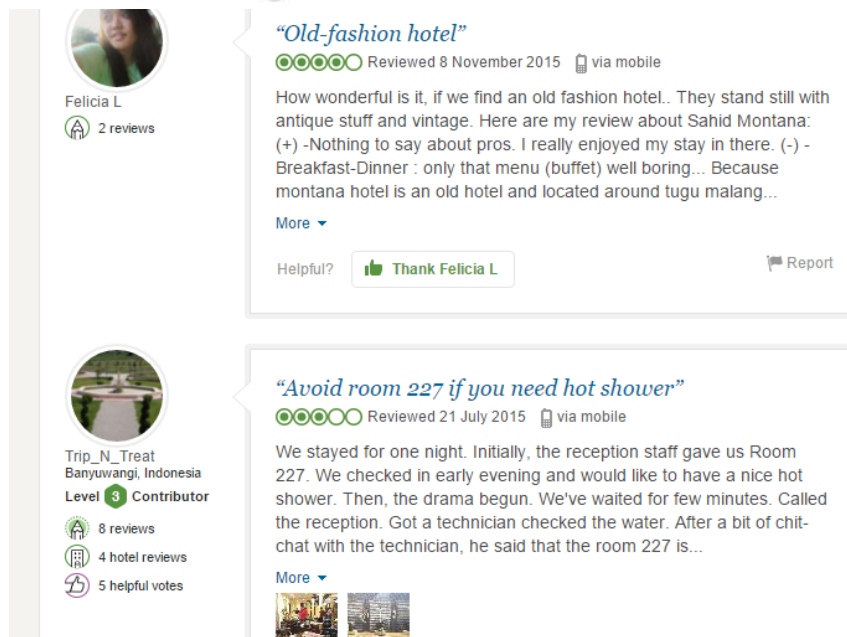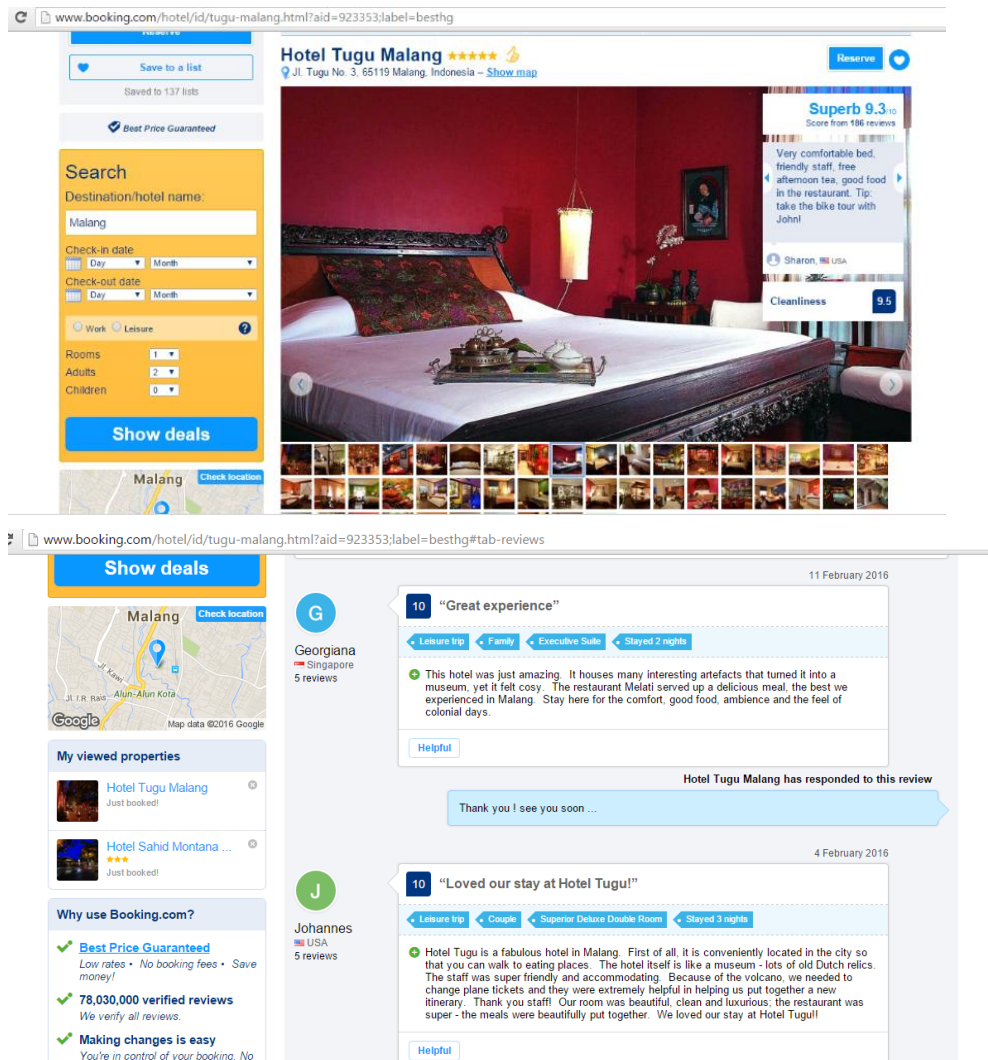
Screenshots of customer reviews on Tripadvisor.com

This internal aspects is very important to maintain the relationship between the customers. If you do not provide a good service, people will spread about your services (For example: bad reviews from agoda.com). The amount of reviews your hotel receives online can directly affect revenue. Gaining a higher volume of guest ratings will improve your competitive online position andvisibility but most importantly, encourage potential guests to spend their money with you because your hotel appears reliable and trustworthy in comparison to competitors

- Create SOP (Standard Operation Procedure)
- Give incentives to the employees
- Re-new the facilities
- Hire travelling consultant
- Provide training for the permanent workers of the company for them to improve and to teach new employees in the future.
- Obtain feedback from the customer and try to improve on the things that they lack of.

Benchmark Hotel

Hotel Tugu Malang is the one of Malang Jawa Timur's best hotel that showcase a proper hotel management and should be an example for Sahid Montana Hotel to follow. All the review shows that they've provide a good service and first class facilities for their visitors, and this has satisfied their customers which consequentially made them one of Malang Jawa Timur's best hotel because of their good reviews.

www.booking.com/hotel/id/tugu-malang.html?aid=923353;label=besthg#tab-reviews

Recommended Ways to Improve Ratings on Online Travel Sites

- Management responses.

A study from Forrester and TripAdvisor reveals that 71% of travelers think that management responses are important in order to improve ratings on Travel sites.

- Management responses give travelers confidence that they are booking at a hotel that will take care of their needs. Even seeing responses to negative reviews written about a hotel makes 79% of travelers feel reassured.
- Guests who arrive at a hotel feeling confident in their booking decision and assured that the hotel will take care of their needs start at a higher satisfaction level.

Guide to crafting a response.

1. Remain kind, professional and genuine. If responding to a negative review, do not get defensive.
2. Respond in a timely fashion. Late respond is almost as bad as not responding at all. Using reputation management software can help streamline the process.
3. Key ingredients to a response to a negative review:
    - Thank the guest for their stay.
    - Apologize for their problem or complaint.
    - Address the specific problem mentioned.
    - Offer a solution/explain how the hotel is taking action.
    - Invite the guest back to the hotel.
4. Key ingredients to a response to a positive review:
    - Thank the guest for their stay

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- Let the guest know that the hotel is happy to hear about the positive experience
- Invite the guest back to the hotel.

- <u>Hiring travelling consultant</u>

  By hiring travelling consultant, they could come up with great ideas in order to attract more customers to come to Sahid Montana Hotel. One of the good reason is because by paying the travelling consultant they can use their influence in order to assist the hotel and this could subsequently boost the number of customers in a short period. They can give out great advices, hints and the things that a hotel management should avoid while serving their customers and whatnot.

ONLINE MARKETING STRATEGY # 4 : VIDEO ADVERTISING

Sahid Montana should consider using video as a form of advertising as it is said by many marketers that video is the future on content marketing. Video marketing has now overtook the place where banner and text advertising was used and the usage of video marketing is growing in accordance to growth of mobile internet. The rise of websites like Youtube and Vine has also made video marketing trending. Social medias are also engaging users to react with video marketing.

The main perk of video marketing is it offers simplicity in putting message across to viewers. It is engaging and the content are mostly easier to digest. Forrester's researchers has quoted that if a picture paints 1,000 words then one minute of video is worth 1.8 million .

Sahid Montana can use this platform to create brand awareness. If the video content is engaging enough, reaching the viral effect will create significant improvements to Sahid Montana hotels visibility in online marketing world.

List of advantages video advertising are offering are:

- **Video helps to increase sales conversion**

There is a chance to appear on first page of Google search when customer types any relevant keyword if the video is uploaded along with proper description, tittle and sitemap.

- **Mobile video advertisement is going cheaper**

Now days the eCPM price is cheaper than normal CPM price. Increasing mobile internet penetration has increase video targeting to mobile users. Targetting mobile users will incur lower marketing costs

- **YouTube is going very big and now 3rd largest search engine in World**

Appearance on Youtube will increase visibility and virility for the brand promoted.

Another hotel, Ibis Hotel has successfully employed video advertising and a lot of lessons can be learned from their success. The summary of the campaign is included in Ibis Snuggling Bunnies Case Study.

CASE STUDY : Ibis Snuggling Bunnies

"ibis Snuggling Bunnies" was launched in June 2013 BY BETC London. The objective of the campaign is to promote Ibis new bed emphasizing on its comfort. Ibis is trying to make a mark in the hotel industry to create more brand awareness using low budget, to achieve that, they have come up with this disruptive way to boost Ibis brand awareness and engagement. The campaign was very successful and was named 'The Cutest Ad in 2013'. The strategy adopted was to produce an online video that can create a viral effect in order to generate noise and ensure content reach a wide audience.

The video was filmed at the Ibis London Blackfriars, 30 bunnies are given the chance to roam free in top floor of the hotel room. The video then focuses on the bunnies moving to find the comfiest place in the hotel for naps – then they all settled on the "Sweet Bed™ by ibis".

Screenshots of Ibis Snuggling Bunnies Video Ad

This video ads has enable Ibis to reach to people outside their traditional travel environment. This has broadened the target audience, and usage of seeding channels has amplify social interactions. Especially on social media.

Paid activity focused on promoted page posts targeting fans, prospects, competitor fans, and those interested in pets, cute animals, viral videos and travel.

The ad has also give positive impact for brand awareness as it has been quoted and posted on many websites, thus increasing reach and its viral effect.
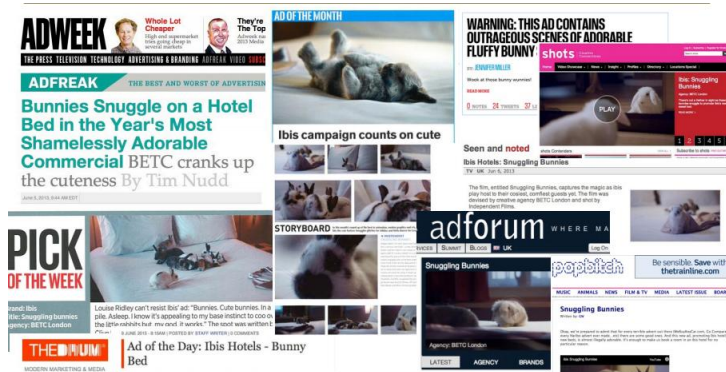
2,995 TOTAL LIKES

1st most viewed video in UK travel (07.06.13)

2nd most shared video in the UK (26.06.13)

298 UK Facebook shares

1,685 new UK ibis FB followers (during June 13)

CONCLUSION

In order for the Hotel Sahid Montana Malang to improve their return on investment in their marketing, they should allocate their marketing budget more on online marketing rather than offline marketing. Offline marketing is a dying strategy as it now works best on audience that are of old ages. The audience that consisted of the young generation is usually most of the time glued to their phone as they most of their activities can be done online. The growth in Indonesia's Internet sector is increasing rapidly due to the increasing demand of the middle class wealth and driven by the supply side by the intense focus of the mobile operators to increase the amount of data subscribers. In addition to that, Forrester stated that 60% of the human population uses social media when they look for accommodations and usually do their purchases online. Therefore, it is important for the hotel to follow this current trend to keep up with the needs of consumers.

The hotel should also consider pushing their effort into their brand positioning strategy, as it is important for a business to have an identity of their own. Their visitors should be able to grasp what the business is all about whenever they hear of 'Hotel Sahid Montana Malang'. All of this means the hotel is advised to hire employees that comes with digital and marketing skills that would know how the best way to reach out a wide range of audience of local guests and international guests.

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Strategies For Sahid Montana Hotels To Sustain And Success In Hotel Market

Ramesh A/L Gunaseher

Syazwan Aiman Bin Sharip

1. **INTRODUCTION**

Sahid Hotels is one of the leading local hotel groups in Indonesia having been founded in 1953.Sahid Group's family of hotels has grown to become the nation's largest independent hotel chain. The group was founded in 1953 by SukamdaniSahidGitosardjono. Currently the group operates 27 hotels across Indonesia under the Sahid Hotels chain. It also has businesses and holdings in the media, healthcare, textiles, real estate, and education industry.

Building for the future Sahid Hotels intends eventually to own and operate one hotel, resort or serviced apartment complex in each of Indonesia's 33 provinces, with at least 4.512 rooms available domestically.Sahid Hotels in strategic location across Indonesia are providing superior facilities and amenities for their guests, along with a level of gracious service that's second to none.

Even so, Sahid Hotel have less of an international network for them to do and also at the global level. With a growing presence throughout the years many leading international hotel chains, Airbnb's threats that offers peer to peer hospitality services throughout the world, has become the Sahid Hotel 'to the growth of their income that they need to raise their game and compete in the high competition they face.

Sahid Hotel Group:

1. Sahid Hotel Jakarta
2. Sahid Jaya Makassar
3. Sahid Hotel Surabaya
4. SahidKusuma Solo Hotel
5. Sahid Raya Solo
6. Sahid Lippo Cikarang
7. Sahid Medan

8. SahidToraja
9. SahidKawanua Manado
10. Sahid Manado
11. Sahid Raya Yogyakarta
12. Sahid Bandar Lampung
13. Sahid hotel Imara Palembang
14. SahidGriyadi Montana Malang
15. Sahid Montana Malang
16. SahidJasaTirtaSelorejo Malang
17. Sahid Hotel Papua
18. Sahid Hotel Griyadi Pacific Blok M Jakarta
19. SahidSinjai Sulawesi Selatan
20. The Sahid Rich Jogja Hotel
21. Plaza Hotel Semarang
22. Sahid Hotel GriyadiAntariksa Malang

Therefore, we have conducted some analysis to find out ways to help Sahid Hotels to improve which is by marketing. Advertising and online business marketing is a huge   part of a business nowadays. This will help the Sahid Hotels to get more ideas and   strategies to develop their disadvantages and weaknesses.

METHODS

METHOD 1

A group of website managers should be hire to manage all website related issues. Their responsibility is not only design the interface of website and add-on other newsfeed, but they should also improvise the official website too. For instance, the language of the testimonies/ reviews in the official website should be change into English in language. This is to ensure more foreign visitors who visit the official website could understand all the information provided in the website. Other than that, they can also provide more languages' choices, so the website visitors can choose any language they understand. This will show the appreciation and warm welcome of the visits of foreign country tourist by the hotel company.

Other than improvise the official website, the website managers should more concern on the review or feedbacks in the travel media by response to as much as reviews which appear in the internet (online hotel platform, trip advisory website, social media) regardless the positive or negative reviews.

Try to collect all the problem stated in the negative reviews, analyse the problems and fix it/ improve it if possible. This is because internet world is giving a great impact

toward real world in this era. By interacting with the reviewers might give a positive impact as this could build a very good customer relationship between Hotel Company and customers. Besides, this could increase more positive reviews to covers to previous negative reviews which can help the hotel to build a great positive image in the internet world. The rate of the customers toward the hotel will increase when the quality of the hotel has been increased. With the good review and rating by the customers will directly increase the confident level of new customers to visit the hotel.

METHOD 2

Collaboration with both domestic and foreign country's travel agency should be consider. For example, the hotel could offer benefits (commission) to the travel agency in order to encourage them to visit the hotel instead of others. This can be done by setting the hotel as one of the place to stay in the customer's travel itinerary. This way is not only can increase the sales of the hotel but indirectly, the foreign visitors will share or promote the great quality of the hotel to their family and friends when they back to their own country. Then, they may make the hotel as one of the references when they want to visit Malang again.

METHOD 3

The hotel should try to approach the local government department such as the ministry of tourism. By offering to be sponsorship whenever the ministry is doing promotion or advertisement about highlighted place to visit in Malang or Indonesian. (TV, Radio, Internet, air plane advertisement) This is one of the most efficient way to advertise the hotel towards the foreign countries. The reason is because with the help of the government, it will give more confident toward customers to believe in the quality of the hotel brand.

2. ASSUMPTIONS AND REQUIREMENTS

For every project, there are highlighted assumptions that will drag the deadline. In order to counter back any assumptions, some requirements have been voiced out in order for the project to run smoothly and meet the deadline asked by the management.

To implement any ideas about social media, there is possibility of the website of our page will be out dated due to the absence of specialised position to handle the social media. So, the obvious solution to tackle this problem is to actually elect someone or a team specialised in handling only the social media.

This is because, they can focus fully on the content of our media used, when to post and also what to post. We also can merge that team into our marketing team so that more ideas can be collected on how to increase the profit of our hotel.

The idea to merge with the marketing team also can decrease the workload of the social media team because to collect all the reviews from the customers, sort them out and thinking of improvement will need a bigger team.

We are also considering our social media to be hacked by outsiders to bring us down. This assumption can really cause us major problems if most of our marketing focus on the social media. So, to solve this, we need a very good security for our media.

We can outsource the security; hire people from the outside of our hotel or we can just hire someone to take care of our social media. This steps are to ensure that our social media is safe from hacking and cyber bullying by the outsiders and maybe from our competitors that see us as their threat and they want to bring us down.

Moreover, we assume that the usage of social media are to increase our profit may as well increase the cost. So, as a start, some cost-benefit analysis will be done to know if the methods are indeed suitable for us to continue. This is to ensure this project can sustain for a longer time and not just implementing them once or twice in one year. Cost-benefit analysis also can show us clearly what are the implicit costs of the ideas   in running the project.

3.   DELIVERABLES

Positive Deliverables:

a) First of all, assigning the experts for the website handling. This is to help the website to be updated all the time. By doing this, Sahid Hotels will be able to know the needs of the customers and improvise it.

b) Secondly, is by create a team to manage the social media accounts to find out the feedback of the customers. This is also to promote more on the Sahid Hotels in social media. This team will take care of it and they do not have to be worried of the social accounts.

c) Make sure there are people to update and monitor the progress on budgeting so the team project manager knows the costs occurred and need to be added. This is to know where the cost need to be high and concentrated more.

d) Appoint someone to record all the progress and update made to be informed to the project manager and CEO. The report will be used for future development and improvement.

Negative Deliverables:

a) The task performers might be able to complete the task on time which may occur delay in the improvisation.

b) The website and social media accounts might not be updated if the website handler not able to track the feedback and needs of the customer.

4.   COSTS

METHOD 1

Cost:

There are two main cost for using method 1, which are cost of human resource and cost of purchasing related hardware and software for website developing. Cost of human resource: The average annual salary of a web-developer in Indonesia is $5,347.00. (Source: http://www.hongkiat.com/blog/designers-developers-salaries-worldwide/)

Other Cost related to website developing :

Website Breakdown:

- Planning – $600 – $1200
- UX (sitemap, wireframes) – $0 – $600
- Visual Design – $960 – $2400
- Programming – $3000- $7200
- Content Support – $240 – $600
- Client Training / Documentation – $0 – $600
- Testing and Launch – $960 – $1200

Total Cost: $5,760 – $13,800 *and up, depending on Requirements*

(Source: http://www.executionists.com/blog/much-website-cost-2015/)

Challenges:

- Budget Constrain
- Lack of talents in Indonesia
- Time taken to beautify the image of hotel in the Internet
- Advance of technology

METHOD 2

Cost:

Example of the costs of benefits given to the specific travel agency are:

- Free rooms
- Commission
- Discount of price
- Others expenses

Challenges:

1. Travel agencies might expect and request for better benefits.
2. Competitors might give us the same way to tackle the industry.
3. Quality of hotel to meet customers' requirement

METHOD 3

Cost:

There are only some miscellaneous cost which will be involve in this method. The costs are depending to the product, services or financially sponsor to the project/ advertisement involved in this method.

Challenges:

- To meet requirements of government
- Budget constrain
- Time taken for whole procedures
- Government policies

5. RISK EVALUATION

Method 1

The first method we will be implementing to increase the company's sale through social media is hiring a group specialized on handling the social media. They will design the website, update it with various language feature and monitor online reviews given by the customers.

Some risks can be highlighted from method 1. This involves with the psychological needs of the workers, the skills we need and their social security. For the psychological needs, some issues maybe rise including their preferable workplace, their family and the salary. Some workers prefer to work alone and some of them prefer working in a group. Another

issue regarding the workplace is whether they can work inside the office or they want to do telecommuting which is work from home.

Regarding issue involving the workers' family, we need to know whether their family is staying near them or are they willing to live apart since the workers are working with us. Although this issue often treated as a no-big-deal issue but for us, their emotional needs should be considered as we want to have our workers be as comfortable as they can with us. As for the salary issue, we need to consider the current salary of the position needed which is a web-developer. We also need to review how our competitors' web-developer salary in order to prevent our employees to be attracted by other companies.

Besides that, we need to list out the skills we needed to fill up the position(s). This can prevent us from hiring people with unnecessary skills. For example, they need to know web development language such as html and many more. We don't need people with software development skills because it has nothing to do with website development. Having people with non-required skills can make our projects experience a set back until the problem is solved.

Last but not least, the social security of the future workers. We need to list out what is the health benefits prepared for them. This can help us to attract workers and increase their morale to work with us. We also need to know whether they had health issues or not because it can cost us or we might have to find their replacement if they diagnosed with serious health issues.

Method 2 & 3

The second method for our project is collaborating with travel agencies at famous holiday location in Indonesia and maybe collaborating with well-known hotel application such as Trivago. One of the issues highlighted for this method is there is possibility that the travel agency might want higher commissions from us. That is why we need to review how much our competitors pay for them to ensure the customers will keep supporting us. For collaborating with hotel application, the app usually will compare our rate with our competitors' rate for one night. To win customers' heart from the apps, we need to optimize our value per money. This means, for every money the customers spend for our hotel, we need to make their visit worth it. This can avoid us from negative review from the customers and we don't want it to appear at the apps.

The final method of our project is to approach the Ministry of Tourism in Indonesia to make agreement with them. We can be partner with them when they are promoting

Indonesia in tourism events held oversea. With this agreement, we can attract foreign tourist to compete with the international hotel. The problem with the government is that, there is possibility for them to make ridiculous wish for the agreement to happen. Maybe they want to us to full sponsor rooms for the government if needed or maybe they want the hotel to pay them to make it happen. If the situation happens, this option might be left out or negotiations to make it a win-win situation can be discussed.

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NUSANTARA PROJECT REPORT:SAHID MONTANA HOTEL

MEMBER'S NAME:

Swanita Alvinia Nursarah (Team Leader)
Multimedia University

Sekar Arum Citranaya
Multimedia University

Muhammad Firdhaus Omar
Multimedia University

Mohammed Yusuf Omer
Multimedia University

ArisKurniawan
UMRAH

Indri Junanda
UMRAH

Cindy Napitupulu
Manado University

Acknowledgement

1. EXECUTIVE SUMMARY

In this report, we stated the major problems faced by Sahid Montana Hotel and we proposed solutions that might help to solve those problems.

Sahid Montana hotel is a 3 star hotel with 70 well-appointed room and suites, and 5 meeting rooms with various capacity. Geographically, Sahid Montana hotel is located in the heart of Malang city, Indonesia.

Based on the data given, Sahid Montana hotel's rating has decreased because of the rapid growth of the new hotels in Indonesia especially International chain hotel with the same offerings. Therefore, Sahid Montana hotel should compete with the high competition of international chain hotels.

Furthermore, according to the information given from Ms.Dewi who is company representative ofSahid Montana hotel have the problem in terms of marketing. Advertising in this hotel still not developed well though Sahid Montana hotel is under Sahid group, which is one of the Indonesia's leading independent players in the area of hotel and development.

In this study, we investigated the current issue that Sahid Montana hotel facing, and work together with all team members to overcome those issues. From our analysis, we can conclude that Sahid Montana definitely needs to emphasize more on the promotions such as increasing online marketing strategy. Management of Sahid Montana hotel can provide the social media advertising and enhance website to attract more potential customers. We attempt to provide the possible solutions for these matters.

2. BACKGROUND INFORMATION

Sahid Montana hotel is a 3 star hotel that previously named as Montana hotel, this hotel was established in 1986. After Montana hotel decided to work together with Sahid group around eight years ago, Montana hotel changed the name to Sahid Montana hotel. Therefore, Sahid Montana hotel is under Sahid group. Sahid group's family of hotels has grown to become the nation's largest independent hotel chain, and also one of the Indonesia's leading independent player in the area of hotel development and management. Not only hotel development, but they also have university, hospital and other organizations.

Sahid Montana hotel is located right in the heart of the Malang city, Indonesia. It is located near government office and business area. Currently, Sahid Montana hotel has 70 room and suites, and also 5 meeting rooms with various capacity. Sahid Montana hotel has 2 major facilities meeting room and restaurant. Therefore, their revenue is not only from the number of room sold but also from restaurant visitors. The official site of Sahid Montana hotel is http://www.sahidmontana.com/, actually they have two hotels which are Sahid Montana hotel 1 and Sahid Montana hotel 2 which they allow customer to book a room from their website.

The challenges for Sahid Montana hotel is now they have to compete with the international brand hotels that coming to Indonesia with same price. Therefore, they need a new strategy to overcome the high competition by improving their online marketing in order to attract new target market.

3. OVERVIEW OF THE CONSULTING PROJECT

3.1 Purpose and required result

The main purpose of this study is to generate ideas and propose solutions for the problems faced by Sahid Montana hotel. We want to propose new marketing strategies mainly in improving the online or internet marketing for Sahid Montana hotel in order to achieve better results. However, there are also other areas that we think SahidMontana hotel should improve.

We aim to help Sahid Montana hotel to increase the rating of hotel among the customers. This will not come simply by telling people to give high rate to Sahid Montana hotel, but Sahid Montana should adopt a new ways to satisfy its customers and change the attitude of the customers towards it. Those ways will be discussed in detail in the coming sections.

We will also expect some of the results from this study to make Sahid Montana hotel accessible through online Medias. As it is stated earlier from the CEO of Sahid, one of the key weaknesses of Sahid Montana hotel is that they have a poor online marketing and still depends on the offline marketing which nowadays is very outdated. Therefore, we will provide solutions to help Sahid Montana to use online Medias for marketing purposes and we expect that it will boost Sahid Montana's customers.

Lastly, we expect that this study will help Sahid Montana hotel to improve their service quality to their customers by setting goals for their performance. One of the reasons for low performance ofSahidMontana hotel is that they are not providing good quality service like their competitors in hotel business. Besides Marketing and advertisements, Quality Improvement will also help Sahid Montana Hotel to attract more customers.

We expect that the combination result of these proposed solutions will help Sahid Montana hotel to regain its lead and success in the hotel business.

3.2 Study methodology research

Following methodology has been adapted to help the marketing strategies for Sahid Montana hotel:

- Interview through online message to CEO Sahid Montana hotel to obtain much useful information about the hotel's current issues.
- Observe the current online marketing in Sahid Montana hotel by searching their social media, websites, etc.

3.3 Current situation in Sahid Montana hotel

Due to rapid development of international brands hotel that come to Indonesia, Sahid Montana hotel have to compete with those international brands hotel in Indonesia which offer the same price, Thus now Sahid Montana hotel should have a new strategy to uplift and find a ways to create customer awareness towards them.

Based on the information that we have gained, the current issues in Sahid Montana hotel is mentioned below:

1. Sahid Montana hotel still rely on offline marketing, their online marketing is very low. Therefore they need a help in improving online marketing.
2. Low ratings on travel sites, they expect a higher rate.

3. Low reach on Social media, especially on Facebook, they want to increase amount of likes and visitors on their Facebook page.

4. RECOMMENDED SOLUTIONS

4.1 Internet/Online Advertising

Online advertising is a marketing strategy that involves the use of the Internet as a medium to obtain website traffic and target and deliver marketing messages to the right customers. Online advertising is geared toward defining markets through unique and useful applications. A major advantage of online advertising is the quick promotion of product information without geographical boundary limits with very cheap costs. The following figure was taken from Borrell Database website which shows the cost of online/Internet advertising in comparison toTraditional Advertising Medias.
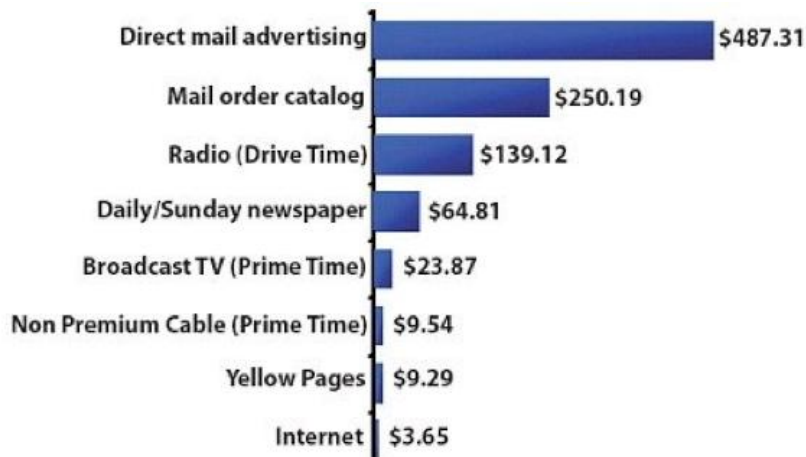
Figure 1: Cost comparison between internet/online and Traditional Advertising

As we can see from the above picture, internet advertising is the cheapest form of advertisement from the lists. This is because it can reach a large amount of customers with single launch. It can also help to offer promotions to many websites and blogs.

As we stated earlier, Sahidmontana hotel has a lot of problems to improve in their marketing. the solutions for those problems can be generated by understanding the problems and applying solutions for the stated problems. Below, we listed our recommendations that could help Sahid Montana hotel to enhance its ratings and compete with other hotels

4.1. Enhancing service Quality and Customer relations in order to increase ratings

Lastly, we recommend that Sahid Montana Hotel Should improve their service quality and their relation with their customers. One of the major challenges faced by Sahid is the establishment of new hotels in Indonesia which led to oversupply of rooms resulting a strong economic competition for small and medium hotels. Many international chain hotel, such Accor hotel group, Aston hotel group, Swissbell hotel, Horizon hotel entered many categories hotel in Indonesia. As a result, the Sahid Montana hotel must compete to these international brands. Sahid Montana hotel can have two choices to tackle this problem. Either they can lower their prices and reduce the service quality or they keep their higher price and provide a quality service which justifies the price. We believe that the second option is better for SahidMontana motel. Satisfied Customers are willing to pay a higher price for the service they receive. But, giving a lower service quality with lower price may push customers to seek a better service from competitors.

Sahid should also ask feedback from their customers regarding their services. They should understand their weaknesses and strengths so that they keep satisfying their customers well. And to do that, Sahid should give strong emphasis to their customer relations management. Today, customer Relations is becoming very important in any business area. Therefore, we believe that strengthening this Customer Relations will help Sahid Montana to enhance service improvement.

Due to improving the quality service, we found that Sahid Montana hotel has joined other online travel agencies to easily attract their customers. However, based on the information given from CEO Sahid, Sahid Montana hotel has decreased their ratings in travel sites. Management's hotel can start to create customer suggestion in order to improve hotel's rating by knowing customer needs such as provide the suggestion box in Sahid Montana Hotel's website. Thereby, through suggestion box given Sahid Montana Hotel can improve their quality of service to offer customer needs best that might be will enhance Sahid Montana Hotel's ratings.

In Today's business environment, creating a good relationship communication with customer is essentials thing to improve the business where by giving the best service and treat customer with uttermost respect. To be superior to the competitors, Sahid Montana Hotel should treat the guest well because of customers are the valuable assets that every business had.

Solely to improve Sahid Montana Hotel's rating should not limit its service such as offer online services that will create good relationship with its customers through online

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platform. By enhancing quality service of Sahid Montana Hotel through online booking, customer care as well offer online rent car through online service in order to attract the customer. The high quality picture provided in travel sites also should impress the target market. Thus, we have the idea for Sahid Montana hotel to offer best deal, and take this as an opportunity to compete from other hotels which has the same prices so that customers are more aware of the existence of this hotel. Furthermore, they can also compare prices between hotels and easily booking the cheaper hotel.

4.2. Website improvement and create articles on blog

Next, is the official website of the hotel also plays a major role in online marketing. Often, before booking for their hotel, people would Google and look up on the hotels that they are interested in. Enhancing or making their website more user-friendly is the key in this recommendation to increase the ratings of Sahid Montana hotel. The company can make their website to look nicer and attractive. They can also include a section where past guests can write reviews based on their experience at the hotel. Based on our analysis, we found that Sahid has an attractive website which they show their image in traditional themes and shows the review from past visitors about the hotel. However, they should also make their website more accessible and easy to use. For example, customers can use one-click step to make bookings and reservations simpler. The website should also include many photos of the hotels, as visual aids are more attractive. The website can also serve as a marketplace for the hotel to sell their merchandise. This can further help to increase the company's revenue. The other strategy is to create some articles on blog to support Sahid Montana ratings. Sahid Montana hotel can pay some of the popular bloggers to write a review about Sahid Montana hotel, this way is to attract customers who go online that need information about Sahid, therefore, Sahid can find opinion leaders to help the hotel ratings.

4.3. Social Media Improvement

The next recommendation is by improving social media as a marketing tool. Social Media plays a big and important role in marketing nowadays. Twitter, Facebook and YouTube are some examples of social media platforms that are visited by millions of users each day.

Figure 2: Some of famously known Social Medias

People log on to their social media to share their experience, feedbacks, thoughts, and also explore the web. After we try to find the information about Sahid Montana hotel, we found that they are using some of the social media to promote the hotel, because these social networking sites can be useful to companies wanting to expand their marketing strategies. Since the main problem in Sahid Montana hotel is they have a low reach especially on Facebook, Sahid Montana should actively sharing photos, links, and provide promotional discounts to attract both their valuable current and future guests cause by using social networking sites like Facebook, SahidMontana can let customers know of their existence.

For the promotion improvement, we think that they can also use 'hashtags' in Instagram, so other customers can see what is going on or what other customers think of the hotel. The hotel marketers may also use video advertising on YouTube so that users can watch their advertisement while waiting for the videos to load on YouTube. This way, more people are exposed to the existence and on-going promotions of the Sahid Montana hotel.

4.4. Google Ad-words

Lastly, we can also recommend Sahid Montana Hotel to use services such as Google Ad-words. Google Ad-words is another method of online advertising in which Sahid Montana Hotel would need to pay a certain amount of fee to be advertised on Google page. This works when potential customers search for certain keywords on Google, which then would list out the results. The keyword should be relevant to make customers who go online easier to find Sahid Montana hotel. Among these results, Sahid Montana Hotel will also be listed as one of the top results.

This would be extremely helpful in ensuring people that are looking for a hotel there is aware of the existence of Sahid Montana Hotel. This would also help to separate Sahid Montana Hotel from the other hotels that are also available in that city. Ultimately, more

people would click on the link to their website, exploring the hotel and also its prices and promotions.

5. CHALLENGES, RISKS, BENCHMARKING

5.1 Challenges

Sahid Montana Hotel may face different challenge while implementing the change that we proposed above. Some of them are Organizational Culture, Communication challenges, Time and Financial Constraint and Lack of consensus.

5.1.2 Organizational Culture

In some cases, employees resist change. They become comfortable with the way the business is run. They know the expectations and their role within the company. When a major change disrupts their familiarity, some employees become upset. They don't want to relearn their jobs or change the way they do things. Supporting your employees and providing training for any new responsibilities can help ease the transition.

5.1.3 Communication challenges

Failing to communicate with all employees invites rumors and fear into the workplace. Employees should know what's going on in the company to be part of the change. The feeling of uncertainty when management doesn't communicate disrupts work and makes employees feel as if they aren't a part of the decision. Therefore, Sahid Montana employees should be updated regularly about the plans and progress toward the change implementation. Sahid Montana should also involve all employees as much as possible through meetings or brainstorming sessions to help during the planning phase.

5.1.4 Time and Financial challenges

Much of the online Marketing and Advertisement activities that we proposed require spending long time in internet. Therefore, Sahid might need to hire an extra employee for this matter or add the task to the existing marketing and advertising department. Activities such as taking feedback from the customers, updating the websites, posting through Social Medias and increasing the service quality need a longer and extended time.

Financially, SahidMontana also needs to spend extra money to implement those changes. Adding extra employees will result in additional expense for their salaries. Some of the websites and pages might also require payment to display Sahid Montana hotel among the other hotels. Therefore, Sahid Montana Hotel might face challenges to overcome these issues.

5.1.5 Lack of consensus

Failing to get everyone on board with the corporate changes may be a barrier during the process. The decision to implement changes should come from the top level of Sahid Montana Hotel to lower level. All management level staff needs to be on board and able to deal with the changes that may face dissension within the staff. Everyone might not be on board right from the beginning. Showing Sahid Montana managers how the changes will affect the company and the steps for implementing the changes. Therefore, Sahid Montana should try to convince and inform the changes to all of its employees.

5.2 Risks

Risks are inevitable when planning to invest on projects and investments. One of the main risks is related to the outcome of the project. There is a fundamental principle in business which says that the benefits that come from the change should exceed the cost spend for those changes. In the other words, the revenues from the changes should justify the costs that spend to implement them. It might also be called return on investment. Some organizations end up losing a large amount of money and time by not predicting the risks associated with their projects. The challenges that we mentioned earlier might also be a source of risk for sahid Montana Hotel if they are not handled properly. Organizational Culture, Communication challenges, Time and Financial Constraint and Lack of consensus should all be managed very carefully in order to achieve success. Therefore, evaluating the risks is one of the key activities before implementing changes.

Most of the changes that we proposed for Sahid Montana Hotel involve online marketing and advertisement. Most of these advertisements showed a very big return ratio compared to other traditional advertisement ways. Many researches and studies have been conducted to find out the effectiveness of online advertisement over the traditional ways of advertisements. The following figure was taken from the research conducted by Neilson Institute.
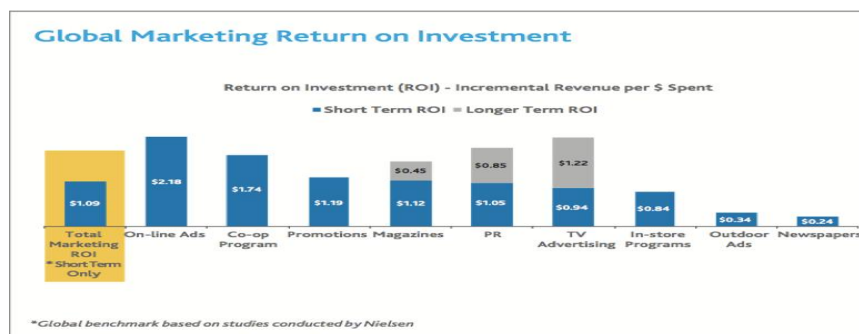
Figure 3: showing Return on investment of different advertising Medias

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5.3 Benchmarking

For the sake of improvement, we want to compare **Sahid Montana hotel** with **Prescott hotel**, which is located in Kuala Lumpur and also 3 star hotels. We can say that they have a different model from Sahid, where Sahid has a taste of Indonesian traditional culture decoration and Prescott is a bit modern. From there, Sahid Montana hotel can take this as an opportunity to attract the customers who loves Indonesian culture or foreigner who loves traditional decoration. This can be an advantage for Sahid to show their brand image to the target market.

As we know that Prescott Hotels located in vibrant city of Kuala Lumpur, yet Sahid Montana Hotel's location in Malang city which is not in the city centre of Indonesia. It means that it will bring benefit to the Prescott hotel to attract target market who wants to stay in the affordable hotel but in the strategic location or in the centre of country which is in Kuala Lumpur Malaysia.

Sahidmontana hotel offers breakfast included for all types of rooms but in the prescott hotel there are two types of room that does not offer breakfast. Based on the travel agencies given, Sahidmontana hotel is cheaper rather than Prescott where saSidmontana hotel offers price not more than for RM 150 besides prescott hotel offers room price start from RM400-RM700.

The facilities that Prescott Hotel provided is better than Sahid such Sahid provide 70 rooms and Prescott 139 rooms. Thus, Sahid can learn from Prescott within serve their guest since both of the hotel is 3 stars hotel that provide affordable price. For instance, sahid does not offer wifi service in room whereas prescott provide wifi network in room and public service. It is because, nowadays mostly guest look at the facilities of provided wifi available in room especially for foreigner because it is one of the important services in the hotel.

Today's business, adopt social media to enhance business becomes essentials to do. For instance, Sahid Montana Hotel has adopted a few social media such as Instagram, Facebook, and twitter besides Prescott Hotel Kualalumpur only has facebook.

According to the reviews between these two hotels, Prescott Hotel has a good reviews rather than Sahid Montana Hotel where mostly review from guest in Sahid told that Sahid need some renewal in terms of the services. Thus, by comparing between these 2 hotels

it will possibly help to improve the ratings of Sahid Montana Hotel by learning from Prescott Hotel where they are same 3 stars hotels.

6. CONCLUSION

Sahid Montana hotel has to compete with the rapid establishment of international brands hotel in Indonesia, it is because they come to Indonesia by offering the same price which causes a high competition among the hotels in Indonesia. Hence, Sahid Montana hotel need assistance in order to overcome the high competition. Based on the data that we collect before, Sahid Montana hotel need an improvement on the online marketing side.

This overall report is introducing and evaluating the marketing strategies that might help Sahid Montana hotel to achieve the greater results. We proposed the recommended solutions for Sahid Montana hotel such as Enhancing service Quality and Customer relations, Improvement on the website, blogs, and Social Medias. The last is to use Google Ad-words.

Besides that, we have explained some of the challenges and risks that might be additional findings for Sahid Montana hotel. By the end of this project, we expect that this project report can be the benefit for the hotel.

7. APPENDIX

Prescott Hotel

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Best seller — limited supply!

Deluxe With Breakfast
Limited Time Offer. Rate includes 40% discount!
Breakfast Included
Need an extra bed?
Room info

MYR 1,065
411
Special conditions

| 1 |

Book
Our last room!

Deluxe With Breakfast
Breakfast Included
Need an extra bed?
Room info

MYR 1,851
715
Special conditions

| 0 |

Book
Our last room!

Superior Room
Limited Time Offer. Rate includes 20% discount!
Room info

MYR 1,065
411
Non-refundable!

| 0 |

Book
Our last room!

Superior Room
Room info

MYR 1,388
536
Special conditions

| 0 |

Book
Our last room!

Superior Room With Breakfast
Limited Time Offer. Rate includes 40% discount!
Breakfast Included
Room info

MYR 1,065
411
Special conditions

| 0 |

Book
Our last room!

Superior Room With Breakfast
Breakfast Included
Room info

MYR 1,851
715
Special conditions

| 0 |

Book
Our last room!

Features of Prescott Hotel Kuala Lumpur – Medan Tuanku

Hotel Facilities

✔ 24-hour front desk	✔ 24-hour security	✔ airport transfer
✔ babysitting	✔ business center	✔ coffee shop
✔ concierge	✔ daily housekeeping	✔ dry cleaning
✔ elevator	✔ family room	✔ fax machine
✔ laundry service	✔ luggage storage	✔ meeting facilities
✔ newspapers	✔ photocopying	✔ printer
✔ restaurant	✔ room service	✔ safety deposit boxes
✔ shops	✔ smoking area	✔ taxi service
✔ tours	✔ wheelchair accessible	

Internet

✔ free Wi-Fi in all rooms	✔ Wi-Fi in public areas

Parking

✔ car park

Languages Spoken

✔ Chinese (Cantonese)	✔ Chinese (Mandarin)	✔ English
✔ Indonesian	✔ Malay	✔ Tamil

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Filter by traveler type	
All reviews	(4463)
Business travelers	(798)
Couples	(1403)
Solo travelers	(842)
Families with young children	(578)
Families with older children	(430)
Groups	(412)

Very good

7.4

based on
4463 reviews

Value for Money		7.9
Location		8.1
Staff Performance		7.4
Hotel Condition/Cleanliness		7.4
Room Comfort/Standard		7.5
Food/Dining		6.4

All reviews (4463)   Sort by: Newest

Azan Y.
Families with young children
Malaysia, Mon 22 Feb 2016

good
○ location, price, condition
Good...but is hard to find the parking as the hotel has a limited car park and have to double park...

8.3

Report this review

Norman N.
Business travelers
Malaysia, Sun 21 Feb 2016

nice
○ nice

8

Report this review

MOHAMAD A.
Business travelers
Malaysia, Mon 22 Feb 2016

good..clean ..room..
○ center of town....clean..
Fun and enjoyable

7.3

Report this review

---

marlina M.
Couples
Singapore, Mon 15 Feb 2016

Good location with basement parking
○ Location , free parking

5.7

Report this review

Nurliza I.
Couples
Singapore, Thu 11 Feb 2016

Nice view and busy shopping area.
○ Near shopping area
Nearby shopping malls but hotel carparks is limited. First come first basis. Breakfast provided with simple dish but delicious.

7

Sahid Montana Hotel

Sahid Montana Dua Hotel ★★★
Jl. Candi Panggung No. 2, Malang Center, Malang, Indonesia 65142

Show map
○ Save as a favorite

Jump to: Available rooms   Facilities   Policies   Useful info   See all reviews
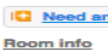
Good 6.5
Based on **115 reviews**

"I can not say anything good about this..."

WIll, Australia
May 14, 2015

Neighborhood : Malang Center   **Number of rooms :** 70

281

Room types	Max	Price per night	#	
Best seller — limited supply!				
Superior — *Breakfast Included* — Room info	👥 ❓	MYR ~~148~~ 109 — Special conditions	1 ⬍	**Book** — Our last 2 rooms
Superior — *Breakfast Included* — Room info	👥 ❓	MYR ~~148~~ 114 — Special conditions	C ⬍	**Book** — Our last 2 rooms
Deluxe Garden — *Breakfast Included* — Need an extra bed? ❓ — Room info	👥⁺ ❓	MYR ~~148~~ 121 — Special conditions	C ⬍	**Book** — Our last room!
Deluxe Garden — *Breakfast Included* — Need an extra bed? ❓ — Room info	👥⁺ ❓	MYR ~~148~~ 126 — Special conditions	C ⬍	**Book** — Our last room!
Business — *Breakfast Included* — Need an extra bed? ❓ — Room info	👥⁺ ❓	MYR ~~148~~ 121 — Special conditions	C ⬍	**Book** — Our last 2 rooms
Business — *Breakfast Included* — Need an extra bed? ❓ — Room info	👥⁺ ❓	MYR ~~148~~ 126 — Special conditions	C ⬍	**Book** — Our last 2 rooms

Features of Sahid Montana Dua Hotel

Hotel Facilities		
✔ 24-hour front desk	✔ 24-hour room service
✔ bicycle rental	✔ car hire
✔ coffee shop	✔ express check-in/check-out
✔ family room	✔ laundry service
✔ meeting facilities	✔ newspapers
✔ restaurant	✔ room service
✔ smoking area	

Sports and Recreation
- ✔ garden
- ✔ massage
- ✔ outdoor pool
- ✔ pool (kids)

Internet
- ✔ Wi-Fi in public areas

Parking
- ✔ car park

Languages Spoken
- ✔ English
- ✔ Indonesian

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Agoda traveler reviews

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Strategy for Sahid Montana Hotel to Survive the Current Hotel Market.

Nadiah Syahirahbinti Jamaludin

Eva Saud Sheshah

PriyatarshiniKarunanithi

Noor Aimanbinti Mohammad Ridzwan

Anisa Andeani Prasetyo

Muhamad AmerFaez Bin Kamarul Zaman

1.0 Introduction

Sahid Group's hotelier business is one of Indonesia's largest independent hotel chain, currently located in each of the nation's 33 provinces, providing at least 4,512 rooms and suites, and meeting rooms in various capacity in their spectacular views of scenic cultural wealth locations. Sahid Hotels include Grand Sahid Hotel Jaya in Jakarta, SahidKusuma Prince Solo in Central Java, SahidSenggigi Beach Villas in Lombok, Sahid Bandar Lampung Hotel in Sumatera, Sahid Montana Hotel in Malang located in East Java and 21 more hotels across Indonesia in budget, 3, 4, and 5 stars sizes.

Being an established hotel group in Indonesia since the business starts in 1953, Sahid Hotels are well-known amongst locals and thus their revenue are mostly from the domestic visitors. Despite that, Sahid Hotels has less of an international network for them to do as well globally. With the increasing presence over the years of many established international hotel chains, such Accor Hotels Group, Aston Hotels Group, Swissbell Hotels, and Horizon Hotels in the Indonesia's hotel industry, as well as today's massively trendingonline short-term rental company,Airbnb that offers inexpensive peer to peer hospitality services around the globe, have become Sahid Hotels' threats to their revenue growth thus they have to step up their game and compete in the high competition they are facing.

In this project, we list out the ideas and strategy that we have developed for the Sahid Hotels to survive in the current hotel market in Indonesia. From our analysis and discussion, we came to the conclusion that theSahid Hotels need improvement in their marketing especially inonline marketing as the Internet plays a big part in today's globalization era.

1.1   **Limitation**

We focused on the data we found with the lack of information and contacts. Information were mostly obtained from the Internet.

2.0   **Analysis**

2.1   SWOT Analysis

The Strengths and Weaknessses part of the SWOT Analysis below is developed based on the reviews received by most of the SahidHotels posted on tripadvisor.com and booking.com, both are reliable travel websites, and this may not necessarily represent all of Sahid Hotels, and also our observation on their engagement in online marketing.

Table 1: SWOT Analysis

Internal Factors	
STRENGTHS	**WEAKNESSES**
- Friendly, polite, and helpful hotel staffs. - Reasonable price for the quality offered. - Strategic location; easy access of public transportation and close to the town center with the main attractions. - Great hotel environment with nice scenery.	- Weak social media engagement - Received bad reviews on travel websites. - Poor hotel maintenance; dusty room, facilities such as water heater and air conditioner does not work well, worn out carpet, old furniture, etc. - Some of their hotels keep an old fashioned interior design.
External Factors	
OPPORTUNITIES	**THREATS**
- Indonesia has plenty of beautiful tourist sites. - Today's technology that makes it easier for online marketing.	- International hotel competitors. - Competitor Airbnb offers inexpensive hospitality services.

2.2 Benchmarking

Basically, we need to identify what we mean by "Benchmarking" for Sahid Hotels in matter to our report or study. Benchmarking is a process of measuring the cost, time, level of services, product quality, locations and what the hotel does compare to the competitors in few segments at different time. It can be looking at people, processes, operations, and the policies they obligate within the hotel. The objective of Sahid Hotels benchmarking is to evaluate its current positon in relation to the best practice, and to identify areas, services and means of improvements in order to do things better, faster and cheaper.

This report sketches few lessons learned for managing hotel successfully while taking into account unique attributes of each hotel economy and culture. The report highlighted practiced for operational performance; customer service strategy; and marketing strategy. This benchmarking conducted performance benchmark gathered information from two international hotels chains (ibis & Aston-international that were successfully operated in Indonesia.

Sahid Hotels must recognize the following points gotten from other hotels success history which should be considered for further grow of revenues and business expanding: (LD refer to Local Deferenciate and IE refer to International Expand)

1) Increasing hotel front line operations performance which has greatest impact on customer service excellence such as training their staff for attentiveness and courteousness in guest interactions, and effectively managing complaints.(LD)

2) Improve several areas that are indirectly related, but no less important. Incentives and recognition programs, for example, help sustain staff energy and morale so that customer service levels are maintained over the long-term. (IE & LI)

3) Well-planned, yield-management systems that help managers maximize profit in high and low seasons, anticipate swings in business and plan for staff and resources accordingly, so that the customer experience remains consistent.

4) Get the right personnel by improving the Recruiting Strategy and maintain the Performance of current ones. Thus, employees who have "the right service attitude" are the great factor of success. (LD)

5) Define and target the right locations. (IE & LD)

6) Give high consideration to the customer care and satisfaction are critical success factors. (IE & LD)

7) Insure quality of the hotel infrastructure and its products is perceived to be a critical success factor. For example, the hotel furniture comfort or food freshness or housekeeping standard which ensures customers are relaxed and feel at home while in the hotel are key success of the competitors success. (IE & LD)

8) Offer corporate/business clients special rates. In the other hand, provide overseas visitors and independent and leisure vacationers' group package tours. (IE)

9) Build close relationships with key customers should be mutually rewarding for both the customer and the company (Relationship Marketing). (IE)

10) Use different channels to find new customers or more importantly to help customers find the hotel and make the booking or purchasing as easy as possible and use intermediaries to communicate with clients (Direct or Indirect communications) such as Internet, Media, Word of mouth, etc. (IE)

3.0 Assumptions And Requirements

3.1 Assumptions

Assumption of the project is one of the factor in the planning process which is regarded as true, real or certain often without any evidence or demonstration. It is expected to events or conditions that will occur during the project life cycle. Risks are associated with assumptions in many cases. So the assumptions for this project is listed as below:-

1) Assigning tasks to skilled employees.

We are expecting for SahidHotels to assign the tasks to the employees according to their skills. For an example, the costing part will be handled by staffs with high accounts and finance background.

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2) Allocate tasks according to the employee's availability.

Since there are employees having some personal problems and unable to commit fully, we have decided to give some extra time to finish their task. Moreover, for the employees from different department, it is a must to give them some time to respond and reply to the messages as their working area is different.

3) Deliver the tasks to employees based on their performance.

SahidHotels should have an expert and professional task performers. So in this case, they should ask the good performing staffs to get the job done. This is applied to the jobs that need to be done by certain limited timeor most probably urgent tasks. By doing this, they can save more time and costs.

3.2 Requirements

Below are the requirements for Sahid Montana to accomplish these ideas:-

- Employees with high performance.
- High skilled employees.
- Staffs that can contribute more effort.
- Creatively thinking staffs and able to apply it on tasks.
- Staffs that can work more hours on the jobs needed attentions.
- Actively working employees that willing to travel.

4.0 Methods

The SahidHotels preferred to adapted the "First competitive advantage businesses", where the business is able to offer the same quality service as its other hotel competitors but at a lower price. "Cost leadership" is one of the first competitive advantage business categories, where it offers services at a lower cost by utilization resources in a more efficient manner than competitors.

In addition, we recommend that SahidHotels apply the Differentiation method as a second strategy that businesses may use to set themselves apart from competitors. By this strategy, business differentiates itself typically by looking for one or more marketable attributes that they have, that can set them apart from their competitors through the SWOT Analysis. Then target the on spot foreigner potential customers that finds those attributes important and market to them. The

process can also work in the other direction with businesses conducting research to determine which things consumers find most important and then developing good marketing strategy for those attributes.

SahidHotels should search for an opportunity to win an international business corporate contract. Thus, SahidHotels will be able to go toward global growth needed to maximize the strategy of globalization or establish business with overseas clients. By offering corporate rates, membership rate, conduct their overseas events in Indonesia, etc.

It is also precisely essential to highlight the Expand to the Internet, Deliver online and social networking method as of the most important methods to grow. Perhaps this is overstating the case, but an effective online or electronic communication is becoming an integral part of business today. The online business and advertisements offers the business a cost-effective way of diversifying. Options include offering online marketing to increase the reach to customers in other geographical areas, or taking your existing business and delivering it online, making it available to customers around the world, 24/7.

Finally, we consider Diversify is an excellent growth strategy method, as it allows you to have multiple streams of income that can often fill seasonal voids and, of course, increase sales and profit margins. By offering ideas for diversifying your service line such as:

i.   Send offers to accommodate international guests for scheduled international events occur in Indonesia.
ii. Host International events
iii. Expand the Business of hotels to Coffee shops and Restaurants that is integrated with international standards in order to grow your customers specially foreigners.
iv. Improve the recreation facilities of the hotels such as the gym, swimming pools, children grounds, etc., and set a membership strategy.

5.0 Deliverables

In this project, we will be suggesting the implementation of online marketing tools for SahidHotels. In order to do that, we will first write down deliverables scopes, which are divided into two: In Scope and Out Scope.

Below are the lists of suggestions for In Scope deliverables:

i. Subscribing for Facebook and Instagram boosters (online advertisements) will be implemented during the first phase as it is easier to control within management.

ii. The progress will be monitored during the first month implementation and the results will be recorded and reported to CEO.

iii. Staffs in marketing department will be given trainings on how to control online marketing tools.

iv. New recruitment that is specialized in online and digital marketing will be hired temporarily to assist marketing department in handling online marketing tools during the early phase.

v. Cost that occurs during the project implementation will be monitored so it will not go beyond as budgeted.

vi. Second phase will be to approach Airbnb Company and making themselves listed in their applications.

vii. Assign a Content Manager for making post and handling the website and social media.

Below are the list for the project's Out Scope:

i. There might be a delay in timing when implementing the first phase of proposed strategy.

ii. The training outcomes for staffs in marketing department might not be as targeted, due to different perception of recipients- some might react and understand it in a go, while some might still have to do baby steps.

iii. Only marketing department will be responsible for monitoring and running this project, hence if they are outnumbered, the outcomes may not be as expected or the process might not be smooth.

6.0 Costs

Table 2: Estimated Costs

STRATEGY	APPROXIMATE COST (IN IDR/ INDONESIAN RUPIAH)
Facilitate the buy process to the customers integrating systems in the website and in the apps.	3.500.000 IDR

Create content of interest in the website for the customers.	2.000.00 IDR
Create loyalty program. For example, membership card.	7.000.000 IDR
Sync up the app or the user in the website with Facebook and foursquare apps rewarding the check-ins and the likes.	0
Adopt services to different types of customers.	5.000.000 IDR
Increase the quality of the attention in the social media. For example, Twitter and Facebook.	5.000.000 IDR
Design and create new visual content of the hotel in YouTube, Instagram, Facebook, and the website.	8.000.000 IDR
Hotel renovation	195.000.000 IDR
TOTAL	**225.500.000 IDR**

First and foremost, we can't obtain much information on the Indonesia's market price regarding materials for membership cards and so on. The costs listed in Table 2 above is only an estimation based on the usual market prices would be. The real costs can be obtained by Sahid Hotels with the local companies.

To facilitate the buy process to the customers integrating system in the website and in the apps is not that expensive nowadays. Today, there are many company that provide this kind of system and you can customize it by your own creativity. For example, wix.com provide their paid customers with a widget that can handle e-commerce and many other crucial business transaction system with really reasonable price.

To create a content of interest in the website also not that difficult to do. You may need a good creativity, ideas, and talent to create such a wonderful content so how about you hire someone that can handle the design part and transform it to the web design. There are so many freelancer and even creative students that doing this as part time. The cost is also not that expensive.

You can provide customers with loyalty member card by outsourcing. You can get your customized member card from variety of printing company. Nowadays, there are so many

printing company that have the technology and equipment to provide the membership card. The cost is a little bit expensive.

Sync up the app or the user in the website with Facebook and foursquare apps rewarding the check-ins and the likes can be done so easily and cost effectively. You just have to enter your hotel address in foursquare apps and all the customers can check in their location on their social media through the apps. You can get free marketing just like that.

Increase the quality of the attention in the social media like Twitter and Facebook is quite difficult to achieve but you can. You can hire a really good photographer and videographer to create an amazing image for your hotel and upload it to the social media. You also can promote your post through reasonable Facebook advertisement package.

SahidHotels also should put in an investment to give their hotelsan interior improvement and their facilities maintenance. They need to spend on renewing the old furniture, carpets, curtains, and others. Good facilities and a fresh look can change the customer's perception on SahidHotel.

7.0 Challenges, Risk Evaluation and Guarantee
7.1 Challenges and Risk Evaluation

To know what are the challenges and risks in this project, we will use risk planning. Risk Planning is used to identify potential problems that could cause trouble for this project, analyze how likely they are to occur, take action to prevent the risks we can avoid, and minimize the ones that we can't.

A risk is any uncertain event or condition that might affect the project. Not all risks are negative. Some events or conditions can help the project. When this happens, it is called as an opportunity; but it's still handled just like a risk.

Below are the challenges and risk for SahidHotels:
1) Undefined Goals
SahidHotels needs to have a set of clear goals for this project because when goals are not clearly identified, the whole project and team can suffer and also the project will have a little chance of succeeding.

2) Scope Changes
In a project it's normal if clients and supervisors ask for changes to a project. To keep to project scope true to its original objectives, SahidHotels need to evaluate each changes

request and decide whether or not they want to implement each request and communicating it with all of the stakeholders.

3) Inadequate Skills for the Project

To make sure current Sahid Hotels employees have the requires skills that the project needs, a project training can help them in determining the needed competencies, assess the available workers and recommend training, outsourcing or hiring additional staff.

4) Lack of Accountability

It is important for SahidHotels to direct their employees toward a common goal for this project. Lack of accountability can bring a project to a complete halt.

5) Ambiguous Contingency Plans

It's important for SahidHotels to know what direction to take in pre-defined "what-if" scenarios. If contingencies are not identified, the entire project can become mired in an unexpected set of problems. Asking others to identify potential problem areas can lead to a smooth and successful project.

6) Poor Communication

SahidHotels project managers need to provide direction at every step of the project, so each team leader knows what's expected. Effective communication to everyone involved in the project is crucial to its successful completion.

7) Impossible Deadlines

SahidHotelsneeds to know that repeatedly asking a team for the impossible can quickly result in declining morale and productivity. The odds of successfully completing a project under unreasonable deadlines are generally not feasible expectations.

8) Resource Deprivation

In order for a project to be run efficiently and effectively, SahidHotels must provide sufficient resources. Project management training shows how to define needs and obtain approval up front, and helps project managers assign and prioritize resources throughout the duration of a project.

9) Lack of Stakeholder Engagement

A disinterested team member, client, CEO or vendor can destroy a project. The management team in SahidHotels need to communicates openly and encourages feedback at every step to create greater engagement among participants.

7.2 Guarantee

Our team guarantee that the strategies that we developed will be a valuable contribution to Sahid Hotels. We guarantee that our strategies will help SahidHotels increase their competitiveness in hotel industry and boost their power to compete with their competitors to overcome the high competition as a result of international chain hotels enter the market of Sahid Hotels and to develop the global strategy for them that make the best business sense and are the most likely to deliver maximum return on investment.

8.0 Conclusion

8.1 Conclusion ofSahid Hotels Project

Our team believe that if Sahid Hotels implement all the strategy listed before, Sahid Hotels can compete with other competitors healthily. Since AirBnb apps had been launched, we found that peoples starting to prefer using Airbnb as their medium to find hotels and rooms. So, being active in social media and media arts can be a crucial catalyst for Sahid Hotels to compete with others and Sahid Hotelswill be up to par with the other international hotels with same marketing strategy and techniques.We strongly believe that once the strategy had been implemented, the sales will be much better than before.

8.2 Conclusion of Nusantara Project

Nusantara project has allowed us to experience working with people from another country and region. This project also taught us that working together is possible even not from the same place. This project also taught us that communication between group members is crucial and very important. We also learned that it is difficult to meet some due dates because of time zone difference. Apart from that, we found that this project is very interesting yet challenging. We also believe that nusantara project can develop more in the future and we also believe that Nusantara Project has a potential to be of the best platform to generate ideas, helping community, global project, fund raising, and many more.

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