

## COMPETITIVENESS IMPROVEMENT STRATEGY FORMULATION ON INDIVIDUAL HOTEL: CASE OF XYZ HOTEL AT CITY OF BOGOR

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**ABSTRACT:** *Proportional to the growth of tourism industry in Indonesia, the city of Bogor has experienced an increase in the number of tourists, where it is followed by the growing number of hotels, including the brand-affiliated hotels. As a result, the independent hotels are at risk to experience a decrease in occupancy rate, including Hotel XYZ. Therefore, it is important for independent hotels to increase their performance thus their priceremains competitive in the market. This study aims to identify the internal and external factors of Hotel XYZ, and to formulate the strategy to increase Hotel XYZ's competitiveness. The methods employed in this study are as follows: VRIO, PESTLE, Five Forces Porter, IFE, EFE, TOWS, and Strategic Architecture. IFE analysis shows that the employees' loyalty and the wide area (land) have the same weighted value of 0.451. The main weakness of Hotel XYZ is the low level of education of the employees, with the weighted value of 0.223. EFE demonstrated that the main opportunity of Hotel XYZ is the technology advancement that has improved the business process to be easier, with the weighted value of 0.465. In the other hand, the main threat of Hotel XYZ is the growth of similar business thus leaving consumer with many options, with weighted value of 0.223. TOWS Matrix produced 10 alternative strategies, which then developed to the Strategic Architecture. The strategic architecture is divided into four periods with each duration of one and a half year.*

**KEYWORDS:** Brand-Affiliated, Competence, Five Forces Porter, Hotel, Individu, Pestle, Strategy

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## INTRODUCTION

Tourism industry are one of the most contributing sectors outside oil and gas to Indonesian economy. Tourism industry to Indonesia GDP reached 500 Trillion Rupiah with average growth of 5.8% per annum. Tourism not only contributing to GDP, but also help increasing forex reserve and providing job vacancy on each area. On 2016, tourism reached fourth place on biggest contribution to forex reserve and had absorb more than twelve million workers, making it the most effective sectors on overcoming poverty (Ministry of Tourism, 2016).

Hospitality sectors are the main pillars on Indonesian Tourism, indirectly contributing over 61.118 billion rupiah or the second biggest contributors after trading industry on 2016. The presence of hotels could boost economy in a region. Hotel will ease tourists and visitors needs of accommodation, enabling them to stay longer and more comfortable, and in the long run will also increase the number of visitors and tourists. This will create a domino effect. Increase in tourism will boost micro, small and medium enterprises such as gift shops, transport services, restaurants, and many more. Thus, growing trade industry in the region and in the end will also increase region's income through tax and retribution.

On 2012, tourism in city of Bogor, West Java, reached 3,59 million people. The number increased by about 10% on 2013, reaching 3.95 million tourists and the number keep growing. On 2016, visitors to Bogor reached 5.78 million people. This increasing number of visitors naturally attract entrepreneur to hospitality industry. According to Statistic Center Bureau and Culture and Tourism Office (2016), number of hotels at Bogor had increased by 38 hotels since 2010. This implied to tripling the numbers of available rooms.

Increase in the amount of hotels became the first indication of fiercer hospitality competition. On one hand, this will greatly affect hotel without brand affiliation, or commonly known as individual hotel. According to Langlois (2013), brand-affiliated hotel are hotel which purchase brand and also hotel management from other company, thus having the support of said brand. Usage of brand-affiliated system give certain benefits to the owner, one of which are higher room occupancy rate than individual hotel (Carvell *et al.* 2016).

Result from research by Carvell *et al.* (2016) are similar to current hotel competition at Bogor. Santika hotel which established at 2009 reached room occupancy rate at 63% and Aston Hotel reached room occupancy rate at 69% by the time they operated. This are in contrast to individual hotel room occupancy rate. ABC hotel, one of individual hotel at Bogor, currently suffering from drastic room occupancy rate reduction due to the competition. ABC Hotel itself are considered the oldest hotel on Bogor and in fact one of the leader at its time. Since 2007 to 2011, ABC hotel room occupancy rate are increased by about 13% per annum. However, from 2013 to 2016, this occupancy rate plummeted by 40%. During those time, a lot of new brand-affiliated hotel established and operated on Bogor, indicating that individual hotel such as ABC have lower competitive power to brand affiliated hotel.

Another similar situation suffered by Cico Resort Hotel at Bogor. Cico Resort are also suffering from occupancy reduction. This occupancy reduction directly impacting financial performance to Cico Resort Bogor, both on revenue stream and corporate cashflow. Nevertheless, both Cico Resort Bogor and ABC hotel are still considered at better condition than other individual hotel. Several hotel had been liquidated. On record, there are one four-star hotel will be liquidated, one three-star hotel had been sold, and one two-star hotel are no longer operating, and several more are on the verge of bankruptcy. Bankruptcy of these hotel could potentially increase unemployment at Bogor. A three-star hotel could employ at least 73 people and two-star hotel could employ at up to 37 people (BPS 2016). Based on this information, at least the closure of hotels above at least increase 183 unemployment and potentially more.

XYZ hotel are another individual hotel at Bogor which will become the object of this research. Within the last few years, XYZ hotel also suffers from occupancy reduction due to competition. Based on arguments by Abdullah and Hamdan (2012), reduction on occupancy will also reduce income and profit to XYZ hotel. If left unchecked, this condition will further wither XYZ hotel financial performance and potentially threaten sustainability of XYZ hotel. Therefore, XYZ hotel require strategies to compete on hospitality competition, especially head-on competition with brand affiliated hotel.

Based on the problem stated above, therefore this research aim to :

1. Analyze factors affecting performance and competitiveness of XYZ Hotel
2. Formulating new strategy to increase XYZ Hotel competitiveness.

## LITERATURE REVIEW

Hotel are ventures providing food, beverages, and rooms to sleep offered to people on travel and able to paid for said services without any specific contract (Randy 2010). Presently, customer of hotel are not limited to people on travel, but also on business trip and on holiday (Ali *et al.* 2013). Hotel products itselfs are categorized as services. Gronroos on Randy (2010) stated that services are series of intangible activities between provider and customer, as a solution to customer needs. Kotler (2002) stated that core product of hotel are “rest and sleep”.

Hospitality on Indonesia mainly rely on tourists visit. Beside of tourists, other stream of income came from Meeting, Incentive, Convention, and Exhibition (MICE), with major contributor for this stream come from government institution.

According to Winslet (1970) on Perrera (2014), hotel have several key operational area, which are:

1. Room division: this area includes front office, reservation, communication, house keeping,
2. Food and Beverage area : this area includes restaurant, table services, quick services, banquet, catering, banquet, club, coffee shop, room service,
3. Culinary/kitchen operation : this area includes food preparation to be served on restaurant, banquet, bakery, bars.
4. Other operational area : this area includes Sales and marketing, accounting, purchasing, finance, engineering and maintenance, security, human resources.

Hotel can be managed by its own brand, or commonly known as traditional hotel or individual hotel. Hotel which are manage-assisted and branded by other are commonly known as brand-affiliated hotel. This usually achieved via franchise of well known brand. Hotel can be classified into several type based on its factor such as size, stars, or guest type.

In Indonesia, hotel classification are regulated under rule Kep-22/U/VI/78, listed at table 1.

**Table 1 Indonesian hotel classification**

Factor	Sub-factor	Explanation
Size	Small hotel	Small hotel with room below 150
	Average hotel	Medium hotel with room between 150 - 299
	Above hotel	Medium hotel with room between 300 -600
	Large hotel	Large Hotel with room over 600
Guest Type	Family hotel	Hotel aimed for guest with family
	Business hotel	Hotel aimed for businessman
	Tourist hotel	Hotel aimed for tourist
	Transit hotel	Hotel aimed for guest in transit
	Cure hotel	Hotel for guest under medication process

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Star Rating	Two Stars
	Three Stars
	Four Stars
	Five Stars

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Source : Zuhdi (2013)

Strategy have a major role on maintaining and growing hospitality business. Brown and Dev (1999) stated that in order to achieve competitive advantage, best fit strategy are required so that hotels could compete and gain higher market share. Porter (2010) said that there are three generic strategies which could applied on competition, which are cost leadership strategy, differentiation strategy, dan focus or market niche strategy. Each and every strategy have been proven significant to increase products and hotel services, especially on high-end market segment, where brand affiliated hotel receive higher sales and net income than individual hotel. (Brown and Dev 1999). Type of strategy from brand affiliated hotel could be seen on table 2.

**Table 2 Chain hotel strategy type Cunil**

Strategy Type	Group Chain hotel	Brand
Cost Leadership Strategy	Cendant Corporation	Super 8 Motels, Travelodge Hotels, Knights Inn dan Days Inn.
	Choice Hotels International	Sleeps Inn, Rodeways Inn dan Econo Lodges
	Marriot International	Fairfield Inn, SpringHill Suites, dan TownePlace Suites
	Hilton Hotel Corporataion	Hampton Inns dan Hampton Inn&Suites
	InterContinental	Express by Holidays
Differentiations Strategy	Marriot International	Ritz-Carlton
	Four Seasons	Four Seasons dan Regent
	Hyatt	Grand Hyatt
	Shangrilla	Shangrilla Hotel and Resort
	Hilton Hotels Corporation	Hilton Hotels
Market Niche Strategy	InterContinental	InterContinental
	Accor	Ibis dan Motel 6
	Hillton Hotels Corporation	Hampton Inn
	InterContinental	
	Sol Melia	Holliday Inn, Staybridge Suites Melia

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Source : Cunil (2006)

According to Carvell *et al.* (2016), occupancy rate and net income from brand affiliated hotel are better than individual hotel. This is because brand affiliated hotel tend to have better strategy on running their hotel, for example, marketing on MICE product. branded affiliated hotel provide tools for their franchisee to operate such as sales and marketing activites, yield/revenus programs, and central reservation system, in which individual hotel generally don't have. (O'neill dan Carlsback 2010).

On Average Daily Rate and Revenue per Available Rooms, individual hotel exceed brand affiliated hotel, although its occupancy rate are still below brand affiliated hotel. Therefore, improvement are required so individual hotel could sustain. Brown and Dev (1999) stated that individual hotel needs to expand new services and aim for new target market, as well as cost saving on providing product and services to customers.

According to Hu *et al.* (2009) on Ali (2013), there are several important factors to gain customer loyalty and reach competitive advantage, which are: □ Hotel physical environment

Physical environment are a servscape, in which all controllable physical object could be utilize to increase or decrease interaction between customers or employees. (Bitner 1992 dalam Jysma 2012). Hotel physical environment are significantly affecting customer loyalty (Arrifin and Norzalita 2012), also play a major role on differentiating and increase hotel image effect to customer behavior (Han and Ryu 2009) dalam Ali (2013).

- Perceived Value

According to Zeithaml (1998) on Aulia, Sukati, and Sulaiman (2016), perceived value are overall evaluation from a products in which consumer perceive the benefit of the product by comparing the cost against the benefit. Hu *et al.* (2009) and Ryu *et al.* (2012) on Ali (2013) stated that perceived value give significant contribution when customer evaluate service quality and reasonable price to loyalty and repeating purchase.

- Image

Image are also one important factors to reach hotel competitive advantage. According to Frederik and Salter (1995) on Binkowska (2005), image could help to increase value received by customers also affecting their loyalty. Heung *et al.* (1996) on Binkowska (2005), also argue that image from a hotel have high rating on customer perception. Based on both statement above, it could be concluded that image are one determining factor on customer's decision making.

## DATA AND METHODOLOGY

This research are using descriptive qualitative with case study approach. Descriptive approach are used to get an accurate and systematic information, condition, and fact regarding the object of study. Object of this research are XYZ hotel at Bogor. Data are collected by observing research object and in-depth interview with hotel experts, CEO, Business Development Director, and HR Director of the XYZ hotel. Secondary data to support this research are collected from Culture and Tourism Office and Statistic Center Bureau.

Steps of data processing in this research are as follow:

1. Descriptive Analysis

The first step are to do literature study, interview with XYZ hotel internal management, and interview with related expert to obtain validated general overview with XYZ hotel

## 2. VRIO Analysis

VRIO analysis are done to explore whether the object have competitive advantage or not. This data will then used to analyze Strengths and Weaknesses of XYZ Hotel. VRIO itself are a tools to analyze and evaluate core competencies of a firm and determine whether the competencies are superior than other firms. Competency itself defined as series of activities from multiple business process on using available firm resources. VRIO have for question and if all of these questions are answered as yes, then the core competencies are superior to others (Wheelen dan Hunger 2012). In this research, plausible factors are used to competitive advantages criterion. Factors are determined through in-depth interview with hotel experts and then transformed into questionnaire.

## 3. PESTLE and Five Forces Porter

PESTLE analysis and Five Forces Porter are done through in-depth interview and questionnaire to hotel experts to determine strength and weakness factors to XYZ Hotel. PESTLE analysis are done to analyze sociocultural environment, technology, economics, cological, and political legal environmental forces, to understand condition of the market environment. This analysis are required since a change on one environment could change the business process. Determining factor of a firm are industry competitiveness, and the final goal of competing strategy are to overcome and changing rules for firm interests (Srdjevic *et al.* 2012). According to Porter, there are five aspect to analyze competition condition, which are supplier's bargaining power, customer's power, threat of substitute product, threat of new entrant, and industry competitors.

## 4. Internal and External Analysis

Internal and External analysis are used to categorize variables which will become Strength, Weakness, Threat, and Opportunities. Internal analysis will be based on factors resulted from VRIO analysis, meanwhile External analysis will be based on factors resulted from PESTLE Analysis and Five Forces Porter Analysis. Steps to construct Internal and External Analysis are as follow:

- a) Determining Strength, Weakness, Threat, and Opportunity Factors
- b) Conducting FGD with XYZ hotel internal management to weigh on internal analysis. Meanwhile, external weighing will be done by conducting in depth interview with hotel experts. Weight on unimportant factors will be given as 0.0 while the most important factors will be given as 1.0. Sum of all factor weights must be 1.00
- c) Giving rating to see object readiness to face Strenght, Weakness, Threat, and Opportunity factors.
- d) Tally the scores of each factors by formula as follow :

$$Xi = Wi \times Ri \text{ Description :}$$

$$Xi = \text{Score}$$

$$Wi = \text{Weight}$$



$R_i$  = Rating

- e) Score from each variables will be summed and then categorized. If the final score are over 3.00 on both IFE and EFE, object will be considered ready to respond to external environment and have good internal capacities.

## 5. TOWS Matrix

TOWS are a matrix used to formulate a strategy from Strength, Weakness, Opportunity, and Threat. (Wheelen and Hunger, 2012). Possible strategy alternatives from TOWS are as follow :

- a) SO Strategy : Formulated so firms could maximize opportunity by utilizing strength
- b) ST Strategy : Formulated so firms could avoid the impact of threat by utilizing strength
- c) WO Strategy : Formulated so firms could gain benefit from opportunity in order to overcome weakness
- d) WT Strategy : Formulated as defensive strategy so firms could minimize and avoid the threat

## 6. Strategic Architecture

Strategic Architecture are a tools to decide which strategy to be used. There are no fixed rules to construct a strategic architecture, however a program or strategic must have relation with other program and strategies. This relation will give influence for the next executed strategy (Nuranisa and Baga 2012).

## RESULT AND DISCUSSION Identifying Internal Factors

Internal factors identification are done by using VRIO Analysis. Based on the interview results, 10 factor were defined and evaluated based on value, rareness, imitability, and organizational. Results shows that there are five factors with value, rareness, imitability, and organizational, which are (1) Broad land, (2) Good working culture, (3) Effective organization, (4) Strategic location, (5) Loyal employee. These five factors will be categorized as strength. Meanwhile, factors with only value will be categorized as weakness, which are: (1) Worn building, (2) Meeting room and sports facility, (3) Rooms number, (4) Employee education level, and (5) Restaurant.

### Identifying External Factors

External factors identification are done by using PESTLE and Porter Five Forces Analysis. PESTLE analysis shows that politic, economy, social, technology, legal law, and environment have impact to hospitality industry. Porter Five Forces analysis concluded that high threat comes from customer's bargaining power, new entrants, and substitute product.

Meanwhile, supplier's bargaining power had low threat. The results are in accordance to Cheng (2013) and Lacap (2014), which found that substitute product will be low unless

domestic tourist are greater than international tourists. Indonesia have greater domestic tourists than international tourists, therefore the threat of substitute product are high.

There are five opportunities and five threat based on two analysis above. Opportunity variables are (1) Population and economic growth, (2) change on tourism from wants to needs, (3) growth on tourism industries, (4) Bogor government regulation to increase tourism, (5) ease to execute business process through technology. Meanwhile, variables categorized as threat are (1) emerging non-hotel product, (2) consumers have a lot of options, (3) increasing company costs, (4) price war on online travel, (5) government regulation on hotel industry.

### Internal Factor Evaluation and Eksternal Factor Evaluation

On this step, all factors above are given weight and rating by interviewee both internal and external. Internally, employee loyalty and broad land became the main strength, since both have weighted score of 0.451. Meanwhile human resources education level become the main weakness with weighted score of 0.098. Internal Factor Evaluation table could be seen on table 3.

**Table 3 Internal Factor Evaluation Hotel XYZ**

Variable	Rating	Weight	Weighted Score
<b>Strength</b>			
Broad land	4	0.113	0.451
Good working culture	4	0.105	0.421
Effective organization	3	0.075	0.226
Strategic location	4	0.105	0.421
Employee loyalty	4	0.113	0.451
Total Strength weighted score			1.970
<b>Weakness</b>			
Worn building	1	0.114	0.114
Meeting room and sports facility	2	0.098	0.197
Number of rooms	2	0.076	0.152
Employee education level	1	0.098	0.098
Restaurant	2	0.098	0.197
Total Weakness weighted score			0.586

Ease on operating and expanding bisnis through technology become the main opportunity to XYZ hotel with weighted score of 0.465. This are in accordance with Penelope (2013) whom stated that technology have great importance on hospitality industries. A lot of consumer options are considered as the main threat for XYZ hotel with weighted score of 0.223. This further proving fiercer competition on hospitality industry. External Factor Evaluation table could be seen on table 4.



**Table 4 External Factor Evaluation Hotel XYZ**

Variable	Rating	Weight	<u>Weighted Score</u>
<b>Opportunity</b>			
Population and economic growth	3	0.101	0.302
Change in tourism from wants to needs	4	0.101	0.403
Growth on tourism industry	4	0.101	0.403
Bogor government policy to increase tourism	3	0.116	0.349
Ease of business operation through technology	4	0.116	0.465
Total Opportunity weighted score			1.922
<b>Threat</b>			
Emerging non hotel product	3	0.078	0.223
Consumer have a lot of options	4	0.101	0.403
Increasing company costs	3	0.101	0.302
Price war on online travel	2	0.093	0.186
Government regulation	3	0.093	0.279
Total Threat weighted score			1.403

**TOWS Matrix (Threats, Opportunities, Weaknesses, and Strengths)**

On this step, strategies are formulated by using matrix. There are four strategy categories, which are strength-opportunity (SO), strength-threat (ST), weakness-opportunity (WO), and weakness-threat (WT). From these four categories, 11 strategies are formulated, which are: (1) Increasing new facility, (2) Using latest technology for business process, (3) increasing marketing, (4) Increasing services quality, (5) increasing product value, (6) Create a discount promotion, (7) Tightening SOP and establishing good government relation, (8) Renovate building, (9) Recruiting new employee and periodic training, (10) Laying off unproductive employee, (11) menu engineering. Based on TOWS Matrix, IFE value of XYZ hotel are 2.556 and EFE value for XYZ hotel are 3.325. According to Sugiarto (2015), results of IFE and EFE shows that XYZ hotel are on growth and build position. The best strategic focus are growing current market, growing new product and exploring new market. TOWS Matrix of XYZ Hotel could be seen on table 5. Table 5 XYZ Hotel TOWS Matrix

<b>TOWS Matrix</b>		
	<b>Strength</b>	<b>Weakness</b>
	1. Broad Land (S1) 1.	Worn building (W1)
	2. Good working culture (S2) 2.	Meeting room and sports facility (W2)
	3. Effective organization (S3)	Number of rooms
	4. Strategic location (S4)	3. (W3) Employee
	5. Employee loyalty (S5)	4. education level (W4)
		5. Restaurant (W5)
<b>Opportunity</b>	<b>(Strength-Opportunity)</b>	<b>(Weakness-Opportunity)</b>
1. Population and economic growth (O1)	• Increasing new facility (S1, S4, O1, O2, O3, O4)	□ Building renovation (W1, W5, O1, O2, O3, O4)
2. Change in tourism from wants to needs (O2)	• Using latest technology on business process (S3, S4, O4, O1, O3, O5)	□ Menu engineering (W5, O1, O2, O3)
3. Increase on tourism (O3)	• Increasing marketing (S4, O1, O2, O3, O4, O5)	□ Recruiting new employee and periodic training (W4, O1, O2, O3, O4, O5)
4. Bogor government policy to increase tourism (O4)	• Increasing services (S2, S3, S5, O1, O2, O3, O4)	
5. Ease of business process through technology (O5)		
<b>Threat</b>	<b>(Strength-Threat)</b>	<b>(Weakness-Threat)</b>
1. Emerging non hotel product (T1)	□ Increasing product value (S1, S4, T1, T2, T4)	□ Laying off unproductive employee
2. Consumer have a lot of options (T2)	□ Giving discount promotion (S4, T1, T2, T3, T5)	
3. Increasing company costs (T3)	□ Tighten SOP and creating good government relation (S2, S3, S5, T5)	
4. Price war on online travel (T4)		
5. Government regulation (T5)		

### Strategic Architecture

On this step, programs to support strategy success are formulated with main goal to increase XYZ hotel competitiveness. Strategy and program implementation are designed in a time frame, where there are for period phase within 18 months. Strategic architecture implementation are planned on mid of 2018 and will be finished by 2020. Strategic architecture plan could be seen on image 1.

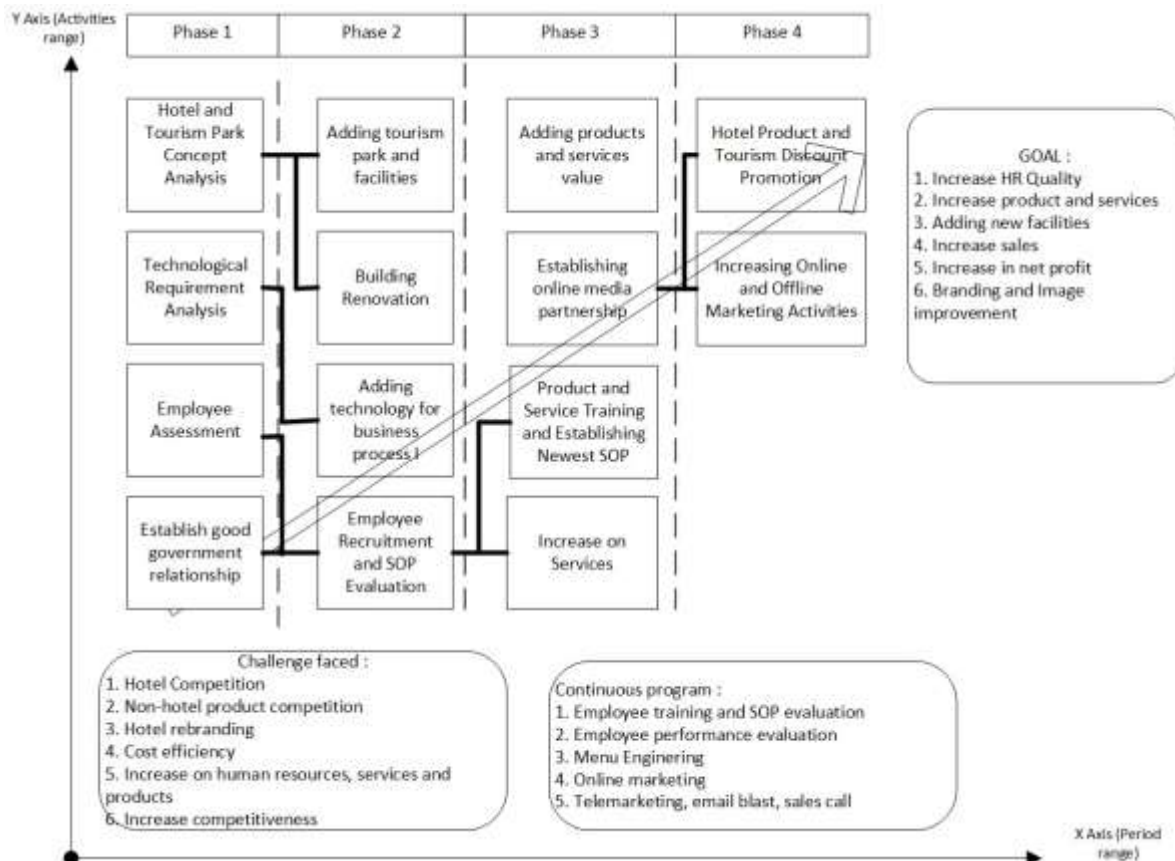


Image 1 XYZ Hotel Strategic Architecture

XYZ Hotel planned to renovate the building as well as increasing facilities such as tourism park. According to Brown and Dev (1999), individual hotel require expansion of services and facilities and aggressively explore new market. Therefore, a good building will be fundamental. On first phase period, the program will be focused on hotel and tourism park concept, technological requirement, employee performance evaluation, and establishing a good government relationship. Hotel concept analysis are required to determin design and theme of XYZ hotel as well as determining target market and which strategy required to achieve.

This analysis will be influencing on the concept of tourism park which will be built along with its facilities. XYZ hotel will aimed family and business as its target market, therefore tourism park concept will revolve around education park with outbound facilities, also establishing a gathering building or location.

Based on SWOT analysis, technology are the main opportunity for XYZ Hotel. Therefore, after determining the theme and concept of the hotel, then XYZ hotel will analyze technological requirement for the concept, both on software and hardware side. Aside from technology, manpower ability are also required. Maria *et al.* (2008) and Gutierrez *et al.* (2015) are both emphasizing on human resources capability as an important factors for hotel competitive advantage. Therefore, reassessment for each employee are also will be done.

After all data from first phase are collected, XYZ hotel will enter the second phase. On this phase, tourism park and building renovation will be started. Both of this activities are planned

to take 12 months to complete. On this phase, recruitment of new employee will also begin. It is expected with appropriate employee competencies, services and range of products from XYZ hotel will increased. Technological improvement will be started on this phase and existing employee will be given periodic training to ensure SOP execution, employee knowledge and service will be increased.

Third phase are focused on service and product value improvement. This phase will assume that tourism park and building renovation will not be completed yet. Value adding on this phase are done by creating bundling dinner on form of buffet, combining the food with room rate, or adding free lunch for guest on *a la carte* form. Employee training on third phase are focused on new product and SOP also improvement on hotel services knowledge. This is to ensure the best services will be delivered to customer to increase customer satisfaction. Arrifin and Aziz (2012) stated that the better services given to the guests, then the higher their satisfaction will be. Maric *et al.* (2016) explained that satisfaction are the main factor to obtain consumer loyalty. Increase in services such as better greeting and free car wash for guest. As a preparation for final phase, partnership with online media will also be conducted.

On the fourth and last phase, it is expected that all building renovation and tourism park will be completed, therefore company could focused on marketing activities both online and offline. Marketing focused on this phase are to spread information regarding the transformation of XYZ hotel as well as the all new facilities. O'Neill and Mattila (2010), showed that branding will give a significant effect to hotel, thus the rebranding focust. According to Nitu and Backuz (2014), online marketing will give a clear advantage to hotel, so the marketing activities will be focused online. On rebranding process, online marketing will be done on social media. Debono (2013) stated that online marketing on social media will give a positive effect for hotel branding.

Beside of all programs on four phased plan above, there are several programs that will be executed continuously. These programs are employee evaluation, periodic trainin, online and offline marketing, and also menu engineering. According to Schwartz (2006), emnu engineering are a tools to increase menu performance which are expected to increase restaurant income and performance. Meideiros and Salay (2013) argued that food quality and food tast are important to restaurant success. Menu with good food quality and taste will be sold more. On the contrary, menut without those factors will be sold less. By doing menu engineering, it means the XYZ hotel will continuously analyze which menu are being sold more and less. Less sold menu will be improved or changed entirely.

## CONCLUSION AND IMPLICATION

Increase on number of hotels create a fiercer competition in Bogor. Combined with the fact that several of those hotels are brand affiliated, individual hotel such as XYZ hotel need to increase competitiveness to sustain. Based on internal analysis, main strengths of XYZ hotel are employee loyalty and broad land with weighted score of 0.451. Meanwhile the main weakness of XYZ hotel are employee education which still below average, with weighted score of 0.098. On external analysis, the main opportunity are ease of business process through technology with weighted score of 0.465. Meanwhile the main threat are customer have a lot of options on choosing hotels with weighted score of 0.403.

TOWS Matrix shows that there are 11 strategy alternative, which are: (1) Increasing new facility, (2) Using latest technology for business process, (3) increasing marketing, (4) Increasing services quality, (5) increasing product value, (6) Create a discount promotion, (7) Tightening SOP and establishing good government relation, (8) Renovate building, (9) Recruiting new employee and periodic training, (10) Laying off unproductive employee, (11) menu engineering

Strategic architecture for XYZ hotel have main goal of increasing competitive level. Programs to execute the strategy are divided into four phase. First phase will focused on collecting data for hotel and tourism park concept, technological requirement, and employee evaluation. Second phase will be focused on executing renovation process, adding new technologies, and human resources recruitment. Third phase will be focusing on product and services value adding while final phase will be focusing on marketing and rebranding of XYZ Hotel. Sustaining program to support the strategic architecture are employee evaluation, SOP evaluation, online and offline marketing, and menu engineering.

## SUGGESTION

Suggestion for XYZ hotel are to consider expert opinion from academic point of view. On this research, all interviewed expert are only practitioners. XYZ hotel required to increase their facilities and expanding organization on its entirety. Usage of consultant are also advise to assist owner and management to better manage XYZ hotel.

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