

The Strategy of Increasing Occupancy Rate at Neo Candi Hotel Using IE Matrix and SWOT Matrix

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Abstract. The development in business and tourism has been growing rapidly in various areas due to the high mobility rate of people in Indonesia. The circumstances increase the needs of accommodation and positively affecting the market for hotel in various areas, including Semarang. Neo Candi Hotel is one of several hotels which has target market of people with high mobility. Along with huge opportunity in good market area, many new hotels appear and will become threat for Neo Candi Hotel as competitor. The other threats are government policy which cause in reducing number of meeting in hotel. So, the objective of this research paper is to formulate strategy to improve occupancy. The method used in thus strategic management research are defining position of hotel among competitor with competitive profile matrix, internal factor evaluation matrix, external factor valuation matrix and then formulate the strategy using SWOT Matrix and Internal External Matrix. Beginning with identifying hotel condition, facility and type of customer are defining. The research continue with comparison among hotel competitor using critical success factor as variable is resulting second place for Neo Candi Hotel. After that, internal analyzing phase begin with internal factor evaluation for define internal strength and internal weakness and following by external factor evaluation that define external opportunity and external threats. Then, internal external matrix states to hold and maintain using market penetration and product development strategy. Based on those result and using SWOT Matrix, the formulation strategy to increase occupancy is focus in social media marketing, saving energy campaign, vallet parking service, and electronic marketing.

Keywords: Strategic Management, Competitive Profile Matrix, SWOT Matrix, Internal External Matrix.

1. INTRODUCTION

Neo Candi Hotel Semarang is a 3-star hotel that established in 2013. Since the beginning, its management has been held by a hotel management called Archipelago International. The high mobility rate of people make an attractive market for 3-star hotel. Many new hotels had been established in last 3 years and grow as a competitor for Neo Candi Hotel. Furthermore, new government published policy that reducing usage of hotel facilities in

held government meeting for saving. This policy is being a threat for occupancy rate because government is one of several main markets for budget hotel industry.

Because of those things, Neo Candi Hotel need to response some of changes in the target market using well strategic planning which is adaptable with current hotel's condition. Strategic planning can become right solution for several uncontrolled changes and increase occupancy in Neo Candi Hotel.

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2. LITERATURE STUDY

Literature study is conducted to create a basis of this research. Through this literature study, strategic management and the method will be studied.

According to David (2011), Strategic Management can be defined as the art and science of formulating, implementing and evaluating some decisions to achieve organization's objectives. Strategy formulation is the beginning step in strategic management for defining strategy to pursue but also considering current condition. Strategy formulation includes developing vision and mission, identifying an organization's external opportunities and threats, determining internal strength and weakness, establish long-term objectives, generate alternate strategy and choosing the right strategy for organization.

Competitive profile matrix used to can identify competitors main company. In addition it can also be used to show strength and weakness of competitors with objective of knowing its strategic position. In this research, weights used of critical success with a total value of weights 1 (one). The provision of rating or value on competitive profile matrix shows the strength and weakness where 4 is major strength, 3 is minor strength, 2 is minor weakness and 1 is major weakness (David, 2011).

According to David (2011) was the matrix is an instrument used to evaluate strength and weakness of which is owned by the company internally. The following five steps in preparing the matrix are:

1. Set the internal factor from the company in the form of strength and weakness of.
2. Give weight to any factor by the total number of one. A weight that given of the value of small to great value have the sense of no importance to important.
3. Give the rank from one to four has meaning of 1 as major weakness, 2 as minor weakness, 3 as minor strength, and 4 as major strength. The value of 1 and 2 given to the weakness value and the value of 3 and 4 given to strength value.
4. Multiply each factor rating to get weighted score.
5. Sum each factor weighted score to get total weighted score.

According to David (2011), external factor evaluation the matrix is a tool used to evaluate economic social culture demographic, environment political the government legal technology, and information. The following five steps in preparing external factor evaluation matrix are:

1. Set early external factors from the company in the form of opportunities and threats.
2. Give weight to any factor by the total number of one. A weight that given of the value of small to great value have the sense of no importance to

important.

3. Rating to give each factor having been previously decided with the value of one to four to identify how big response company with factors. Rating has meaning as follows the value 1 as response given bad, the value of 2 as a response that flattened, the value of 3 as response above flattened, and the value of 4 as response that good.
4. Multiply each factor rating to get weighted score.
5. Sum each factor weighted score to get total weighted score.

Internal External Matrix is a help by putting the company in a diagram to determine or generate is the total value of internal factor evaluation as the x-axis and a total external factor evaluation as the y-axis. (David, 2011) SWOT provides picture in broad for strength, weakness, opportunity and threat contained in the company and its environment (Whalley, 2010).

According to David (2011), SWOT matrix is a important method in determining the strategy with four type now based on the type of strategy that is a strategy S-O option (Strength-Opportunity), the strategy W-O option (Weakness-Opportunity), the strategy S-T options (Strength-Threat), and the strategy W-T option (Weakness-Threat). Following steps of SWOT matrix are:

1. Define the opportunities that will affect the company.
2. Define the threat that will affect the company.
3. Define the strength of company.
4. Define the weakness of company.
5. Match strength that can capture opportunity as S-O option.
6. Match weakness that can be overcome with a opportunity W-O option.
7. Match strength that can reduce or avoid the threat as S-T option.
8. Define strategy that can be overcome weakness and threat as S-W option.

3. RESEARCH METHODOLOGY

The first step conducted in this research is a preliminary research at Neo Candi Hotel by doing a survey and a brief introduction to its condition, jobs, and organizational structure and process of sales marketing. After doing the preliminary research, problems identification is tried to be done. The problems found is about the company lose their main target because of new government policy. Government policy states saving in government bureaucracy for meeting or held event in hotel. After the problem can be identified and formulated, then done a literature review. A literature review can be done using scientific books and literature relating to the problem

is the company management strategy. The purpose of study he did get the theory of literature is theory pertaining to a problem as well as a method of solving problems that right on target. Data processing begins with making the competitive profile matrix, internal data next and external evaluation factor used to making the internal evaluation factor external the matrix. Data processing the data conducted by processing strength, weakness, opportunity, training and threat to the matrix with connect four types of preferred strategy is strength-opportunity options, strength-threat options, weakness-opportunity options, and weakness-threat options. An analysis of data is the next stage was done after data processing. Data analysis done in a discussion on data have been collected during the visit. After it also analyzed the data processed theory based on theories obtained in a case study. Data analysis also done to the results from analysis of the internal external the matrix, training the matrix, and the implementation strategy. The discussion in the analysis will also compatible with the purpose of research to the results.

4. RESULTS

After data collection, this research continues with identifying customer profile, hotel competitor, formulate strategy using internal external matrix and SWOT matrix. Hotel competitors got that Neo Candi Hotel having 4 direct competitors namely Dafam Hotel, Whiz Hotel, Amaris Hotel, and Home Hotel determined according to hotel in Semarang with a class of the same star. Research has been done before by dr. Delta melia about critical success factor, performance management and measurement in hospitality context produce an attribute of critical success factor is management, location, quality of infrastructure, quality of product and service and staff.

Table 1: Rank of Hotel Competitor

Rank	Hotel	Competitive Profile Matrix
1	Hotel Neo Candi	4,25
2	Hotel Dafam	3,1
3	Home Hotel	2,925
4	Hotel Amaris	2,575
5	Hotel Whiz	2,575

Competitive Profile Matrix obtain from each value of critical success factor such as average room rate, quantity of room, occupancy rate, location, supporting facility, room facility, type of room, established year, website review, and large of room. All of variables given value according by hotel competitor condition. The result of comparison

competitive profile a competitor directly with the matrix in rank from the hotel competitors. The hotel the following table is a competitor directly hotel neo temple are.

The next stage was to formulations strategy following the data obtained. Formulation of strategies use the need of evaluation of the internal and the external evaluation of the contained in chapter 4. The method used in the merging of IE matrix is weighted the total score. Based on the results of the assessment and internal external then obtained a total score of weighted to internal evaluation of 2,74 and the external evaluation of 2,87 of the company that put the tables in the "IE matrix. The following internal external matrix figure is:

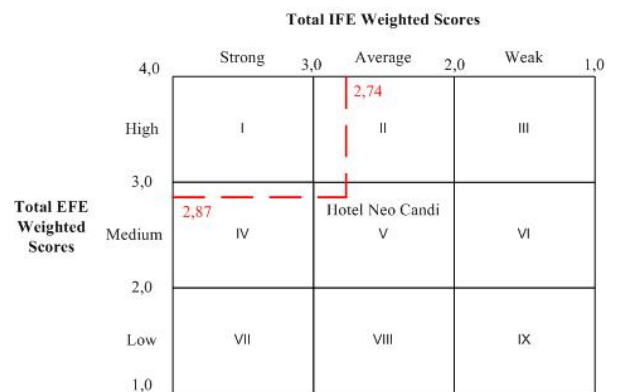


Figure 1: Internal External Matrix

Based on an assessment of the internal factor evaluation thus obtained is in the position of the average and external factor evaluation is at the position of the medium. This makes the company is in a position to develop the company's products and penetrate the market. Therefore, the second option strategy is a consideration in the formulation of strategies in the SWOT Matrix.

The next step is the formulation of the strategy by using the SWOT Matrix. SWOT Matrix can produce four kinds of strategy i.e. ST Strategy, SO strategy, WO strategy, and WT strategy. In considering the results obtained from IE matrix that has been done before. The results IE Matrix is a company supposed to do product development strategy and market penetration. The following is a list of strength, overrun weakness, opportunity, and treat the Neo Hotel Temple.

A. Strength

1. Non-Smoking Hotel (S1)
2. Having supporting facility such as Mini Plaza
3. International operational management system
4. Two expansion for hotel industry in 2015 and 2017
5. Has small organizational structure

6. Easy funding system from the bank
7. New hotel facility and building in Semarang
8. Has integrated system

B. Weakness

1. Narrow parking area
2. No research development division
3. Changing hotel manager
4. No special promotional program for selected customer
5. Not located in midtown
6. Has long range supplier

C. Opportunity

1. More archipelago international hotel in Semarang
2. High mobility people
3. More customer select 3-star hotel
4. ASEAN free trade area
5. Many regional meeting held in Semarang
6. High revenue per capita

D. Threat

1. More hotel competitor
2. New government policy for reducing meeting in hotel
3. Increase of regional minimum wage
4. Promotional price for 4-star and 5-star hotel
5. High inflation rate
6. Increase of electricity and fuel

After conducting covered with regard to the strength and the weakness of internally and also performed research on the influence of environment outside threats and opportunities for hotel, it is drafting a strategy that can be done by the Neo Candi Hotel. Drafting the strategy involves the hotels condition and performance. It can do this strategy has been formulated. Here is a list of training matrix from the Neo Candi Hotel.

A. Strength-Opportunity Option

Social Media Marketing is the option for strength-opportunity. The use of social media is very positive impact for the sale of the company and also established close relations with customers. The advantages in applying the system of promotion using social media is a growing number of sales, the spread of information pertaining to the actual Temple of neo hotel widely, reduced the cost of promotion, and the rising popularity of the hotel among the public.

The purpose of Neo Candi Hotel in doing marketing using social media is as a tool of communication from the company to the interested with the hotel and give you an idea of the people at large. In achieving the objectives that the neo hotel Temple should be using social media in the form of Facebook, Twitter, and Instagram. The third is used by social media because of the many internet users are no longer the focus of promotion is done on the internet but rather drawn to social media that have a very wide number

of users.

B. Strength-Threat Option

Environmental Care Campaign is the option for strength-threat option. Energy saving in Neo Candi Hotel he did not allow the unit installed. This is caused by a temple because of Neo Candi Hotel is new hotel for a half years that make the hardware to save energy will make the hotel must invest capital back. Saving energy campaign that held in Neo Candi Hotel are saving electricity using campaign poster, saving water by poster for towel replacement and linen replacement.

C. Weakness-Opportunity Option

Valet Parking is the option for weakness opportunity strategy. In adding the valet parking facilities to hotel then surely needed some addition employees, supporting facilities, and the system valet parking. Valet parking system used is to use the card form Valet parking hosted by valet parking officer. Programming objective by hotel management for service valet this parking is a program free of charge.

Parking system valet using form is used by because there is no payment transaction that done having with facilities valet parking. The use of parking valet by using this form is devoted to can identify the number of cars of hotel guests who been at the hotel and overcome the limited number of parking spaces hotel.

D. Weakness-Threat Option

Electronic Marketing is the option for weakness-threat strategy. Electronic marketing is marketing system that can be done to establish a direct relationship with prospective customers without a great cost. One example of the application of electronic marketing is using e-mail from company that is directly connected with customers and prospective customers. Advantage of the use of e-mail is in the marketing business transactions can be done electronically by low cost, can add products to market quickly, the sales activity can easily trace what happened, and can create dialogue between companies with consumers.

4. CONCLUSIONS

Based on the result of the formulating strategy, Using CPM place Neo Candi Hotel in the first place among hotel competitor. Internal External Matrix generate strategy for hotel which focus in market penetration and product development and using SWOT matrix generate hotel has to do social media marketing, electronic marketing, valet parking service and environmental care campaign.

For the next research, Neo Candi Hotel need to

identifying strategy using SPACE Matrix which need confidential data, Implementation of social media marketing and electronic marketing need to review according to response of customer, and then need to considering financial aspect from the strategy formulation.

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