

Research Article

Cooperative Strategy Proposition for Revenue Increase of a Hotel in Yogyakarta, Indonesia

¹Fajar Wicaksono, ²Harimukti Wandebori

^{1,2}School of Business Management, Bandung Institute of Technology, Bandung, Indonesia.

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Abstract: Yogyakarta is a region in Indonesia that is highly rated for its culture and tourism; however, its popularity has made the hospitality industry highly competitive, with increasing saturation, intense rivalry, and shifting customer preferences. This paper will focus on one of the hotels in the City of Yogyakarta that has been around for quite some time. The issue lies in the hotel's strategically located location and catering to one of the biggest tourist market segments, yet it earns less than the city-wide average hotel revenue. Various tools to gain a deeper understanding of the internal and external situation would all be analysed to formulate a strategy for the hotel, using SWOT analysis, TOWS Matrix, and Strategy Diamond Framework. The purpose of this research is to find out the market the hotel caters to, the hotel's strengths and weaknesses based on internal analysis, the opportunities and threats according to the external analysis, and what kind of strategies are possible for the hotel. The research also seeks to find if developing a sustaining cooperative strategy between the hotel and external parties is possible. The findings of this research are that it has identified what the hotel's target market is what are their strengths, weaknesses, opportunities, and threats; there are also multiple actionable strategies that the hotel could execute, one of which is a proposed cooperative strategy that is possible due to a supportive ecosystem.

Keywords: Alliance, Business strategy, Hospitality, Hotel, Marketing, Yogyakarta.

I. INTRODUCTION

Indonesia has multiple sources of income for its economy, including mining, manufacturing, and international trading. Tourism is another equally important sector for Indonesia, contributing 5.1% to the GDP. In terms of tourism, Indonesia has many offerings, such as culture, culinary arts, and hospitality. In July 2024, 1.31 million foreign tourists were coming to Indonesia, and nearly 80 million domestic tourists went to other areas in Indonesia (World Travel & Tourism Council, 2024; Statistics Indonesia, 2024; Statistics Indonesia, 2024). Indonesia itself has multiple locations that are well-known tourist destinations, such as Bali, where its culture and beaches are famous tourist attractions, while Bandung attracts urban tourism, where people come to see parks, museums, and historical buildings. In regards to cultural tourism, where the main attraction is culture, the reason is often cited due to the unique experience it can offer, where practitioners, local communities, and businesses have taken a turn to utilize it as a source of economic income. One example of its development in Indonesia is within the Special Region of Yogyakarta.

Yogyakarta, also known as Jogja, is a special administrative region surrounded by the province of Middle Java, located on the southern coast. Its culture is popular due to it being dubbed the “Cradle of Civilization on Java”, thanks to the City of Jogja and other cities and towns in the province, such as Magelang, Solo, and Kotagede. There are also UNESCO heritage sites, the Temple of Prambanan and Borobudur, and the integration of culture into the daily lives of the locals within the province. The number of tourists that come to the city and the province is a few million, while the number of accommodations—especially within the city—almost reached 600 as of 2024 (Statistics Indonesia, 2024). For this research, one of those accommodations will become the main topic of this paper. The hotel is a 4-star hotel strategically located near a prime tourist destination within the city. It has been operating for a few years, although it underwent significant changes some time ago. The hotel combines local cultural nuances with a touch of modernity embedded into its design. While the hotel has been able to gain returns from its operations, compared with the average revenue of all hotels in the city, it earns less, even though it caters to the largest market segment within the tourism market for Yogyakarta. Even compared with their direct competitors, the hotel earns the lowest revenue at a certain period of time in 2024 when compared to their competitors. Through this research, the researcher would like to analyse the possibility of a cooperative strategy as well as any other strengths/advantages that they have that could be leveraged and utilized to earn additional revenue should room booking revenue be limited, as well as what kind of weaknesses, threats, and opportunities faced by the hotel through various tools. By analysing the potential strategies the hotel could implement, this research aims to discover its market segment(s), strengths and weaknesses, and opportunities and threats.



II. LITERATURE REVIEW

A) STP

The STP model, which stands for Segmenting-Targeting-Positioning, is a tool used to understand what kind of markets are there for the firm to establish their presence with their product/service offering, what kind of market should they aim for, and how should they position themselves to be different. The analytical process itself starts with Segmenting, where a firm chooses which market group/category they should cater to; after this is the targeting, where the firm chooses the market segment and commences marketing strategies for it; once that is done, they move to the positioning where they differentiate themselves from competitors in order to be unique and remembered by the market (Camilleri, 2018). In regards to targeting, when choosing which market segment to cater to, firms must remember a few aspects to inspect before fully diving in: distinctness, measurability, accessibility, and profitability.

B) Business-level Strategy

A business-level strategy will be a firm's selected strategy for its competition against other firms within the industry and market. According to Wandebori (2019), it is something that must be executed with full commitment as it is one of the most important strategies compared to corporate-level or functional-level since it involves the firm's resources and capabilities to be utilized, leveraged, and developed as a competitive advantage (Wandebori, 2019). As stated by Hitt et al. in their book, a business-level strategy has five different options: differentiation, cost leadership, focus cost leadership, focus differentiation, and integrated cost leadership-differentiation (Hitt, Ireland, & Hoskisson, 2011). Cost leadership is when the firm chooses to save costs while maintaining acceptable levels of product/service offering; differentiation is by offering exceptional products/services that will be perceived as highly valuable and unique to customers, emphasizing loyalty, while focused strategies—both cost leadership and differentiation—is by targeting a more specific market segment instead of the broader one while maintaining the same respective strategy methods, and then integrated is by combining the best of both options.

C) Strategic Management

Strategy comes from the Greek word 'strategos', meaning 'General', the military ranking in English; however, in today's society, the word has developed for a broader use (Fuentes, et al., 2020). In this case, it is used by businesses to win the competition with other players and achieve higher profit and revenue. Strategy, as stated by Rothaermel (2018), is made up of three important elements: understanding the competition and challenges, having a guiding policy, and setting a set of coherent actions; it becomes a way for firms to manage their strategy by converting it into the AFI Framework, or analysis, formulation, and implementation (Rothaermel, 2018).

D) Strategic Alliance

According to Elmuti and Kathawala (2001), a strategic alliance is an agreement made by two entities or more so that they can do business together while also being themselves, compared to a merger acquisition where the acquired or merged firm becomes one with another (Elmuti & Kathawala, 2001). Hitt et al. state that there are three different types of strategic alliances. A joint venture, where the collaborated firms pool their resources to create a new independent company that they still own, differs from an equity-based strategic alliance, where the involved parties create a firm under the management of the involved firms. Lastly, the nonequity-based alliance is where businesses execute a contractual relationship to gain a new competitive advantage while not letting it be too binding (Hitt, Ireland, & Hoskisson, 2011).

E) Internal Analysis

The internal analysis is to understand how the company fares, what resources and capabilities it has, and what its strengths and weaknesses, and in order to analyse it, this research will utilize two methods, a resource analysis and value chain analysis, which would then be categorized into a competitive advantage or not through a VRIO analysis. The resource analysis is based on the Hitt et al. model. It comprises tangible and intangible resources, with the former going further with financial, physical, organizational, and technological, and the latter having many resources, innovation resources, and reputational resources (Hitt, Ireland, & Hoskisson, 2011). The Value Chain Analysis, meanwhile, will be the one deduced by Porter, more aptly known as Porter's Value Chain, which, just like resources, has two groups with their categories, the first being primary activities consisting of inbound logistics, operations, outbound logistics, marketing and sales, and service/after-sales services, meanwhile within the other group known as supporting activities, there are procurement, technology development, human resource management, and firm infrastructure (Hitt, Ireland, & Hoskisson, 2011). Once the analysis using both tools is finished, they will be moved to the VRIO analysis, where they will decide whether certain capabilities and/or resources give competitive disadvantage, competitive parity, temporary competitive advantage, or sustainable competitive advantage.

F) External Analysis

Compared to the internal analysis, the external analysis is more outward, or viewing what outside of the firm is like, to know any potential opportunities or threats. Same as before, this analysis will feature multiple tools. All will follow the analytical structure according to Hitt et al., the first being the general environment, which is similar to the PESTLE albeit with some

differences, where the segments are demographic, economic, politic/legal, sociocultural, technological, global, and physical environment, and in this case, the general environment will be about the Province of Yogyakarta as well as the municipalities within. Diving deeper, we move to an analysis of Yogyakarta's hospitality and hotel industry using Porter's Five Forces, which sees threats and opportunities from existing firm rivalry, threat of new entrants, supplier bargaining power, buyer bargaining power, and substitute product availability. Finally, the narrowest analysis would be the hotel's competition using competitor analysis by looking at other competitors' objectives, current strategy, assumptions, and capabilities.

G) Strategy Formulation

For the final step, we have strategy formulation, where different kinds of tools will be used to determine what strategies would work with what they have. We start with a SWOT analysis by categorizing what has been gathered through the internal and external analysis as to whether something is a strength, weakness, opportunity, or threat; this is important as it is needed for the next step, the TOWS matrix. The TOWS matrix is the follow-up to the SWOT matrix, where the SWOT was simply to describe what the hotel has and faces. However, using logical thinking, the TOWS matrix decides on a strategy based on the internal and external evaluations. There are four types of strategy—although each type can have more than one strategy—within the TOWS matrix: a Strength-Opportunity strategy, a Strength-Threat strategy, a Weakness-Opportunity strategy, and a Weakness-Threat strategy. Although strategies can be decided from the TOWS matrix, in order to know how to properly execute them, we will utilize a strategy diamond framework, coined by Hambrick and Frederickson by knowing what are the firm's arenas, vehicles, differentiators, staging, and economic logic (Hambrick & Fredrickson, 2001).

H) Data Collection

Data will be gathered through direct primary and secondary data to collect the necessary data for this paper's research questions. The methods will be interviews, a survey, and a literature review of released readings, such as written statements, news articles, and company public documents. Interviews will be set up as semi-structured to maintain rigidity and to know what questions to ask the informants while also maintaining flexibility to delve into responses to more relevant information (Karatsareas, 2022). The survey will be broken down into three segments; the first part asks about the general information of survey participants—where they live, their occupation, monthly salary, etc.—that is then followed with questions regarding their holiday preferences when visiting the province, respondents would then get asked about the hotel if they have stayed, heard of the hotel, or not, and according to their selection would be asked about the hotel or not.

III. RESULTS AND DISCUSSION

A) Market Analysis

a. Segmenting

The market analysis will be conducted following the STP model, or segmenting, targeting, and positioning, with data collected mainly from the survey released by the author. Segmenting will be divided into geographic, demographic, psychographic, and behavioral categories. We first start with the segmenting section and geographically, 42% are tourists that hail from Jakarta, with the other areas surrounding the Capital Region of Jakarta following suit; only 22% come from outside of the Greater Jakarta Area, thus meaning the majority are those that come from the Greater Jakarta Area, as can be seen below.

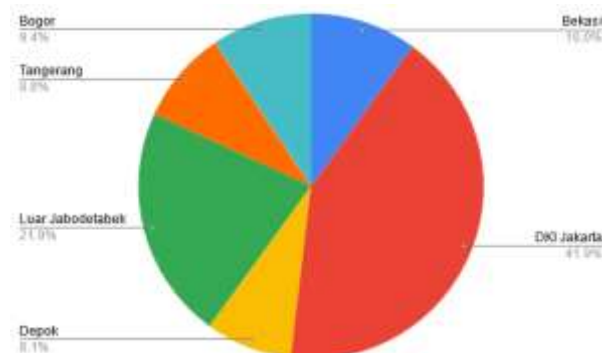


Fig. 1 Geographical Distribution of Yogyakarta Tourist Residence

Demographically, the majority of respondents are 36-45 years old, followed by 26-35 years old at 23.8%, meaning that a good chunk of them are married. This conclusion is supported by the next question, where many respondents stated that they are married, with an astonishing nearly 70% of them claiming so. In regards to monthly salary, many participants responded that they have a monthly salary of more than 10 million Indonesian Rupiah, which means that if they were to go to Yogyakarta, then they would have a larger expendable income. However, the income distribution gets slightly smaller, as

shown in Figure 2 below. More than half of them answered that their occupation is in the office, which could be a state-owned enterprise or a private company.

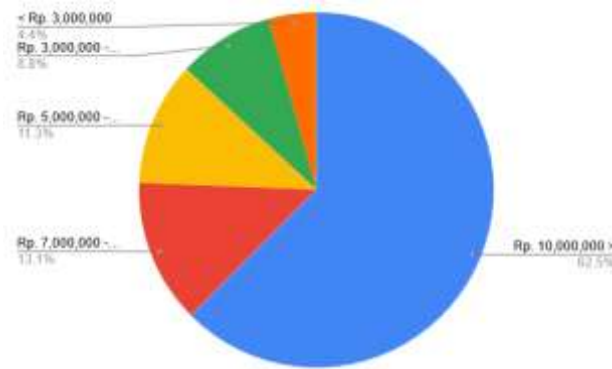


Fig. 2 Distribution of Tourist Income

When asked about their psychographics or characteristics, respondents were first asked what kind of offering from the hotel they would be interested in. Three items were listed, and the following are the results:

Table 1 Market Interest on Hypothetical Hotel Offering

	Likert Scale				
	1	2	3	4	5
offer of guided tours	18 (11,3%)	27 (16,9%)	47 (29,4%)	52 (32,5%)	16 (10%)
offer of souvenirs	20 (12,5%)	42 (26,3%)	50 (31,3%)	37 (23,1%)	11 (6,9%)
offer of cultural classes/events	15 (9,4%)	22 (13,8%)	37 (23,1%)	64 (40%)	22 (13,8%)

We can see that many of the respondents are more interested in going on guided tours or even cultural classes/events, thus showing a market preference for the hotel to adopt these ideas. When respondents were asked what are the top three aspects they usually seek from a hotel, the top three reasons are: competitive price at 45%, easier access to the center at 38,8%, and a spacious and comfortable room at 36.9%. Participants were then asked what kind of hotel they usually seek, and many responded—as can be seen below—by stating that they prefer a chain hotel at 61,9%. This could threaten our hotel as this would mean market preferences are more towards brands they already know about regarding their reliability and not local hotels that could be offering the same experience at a more competitive price.

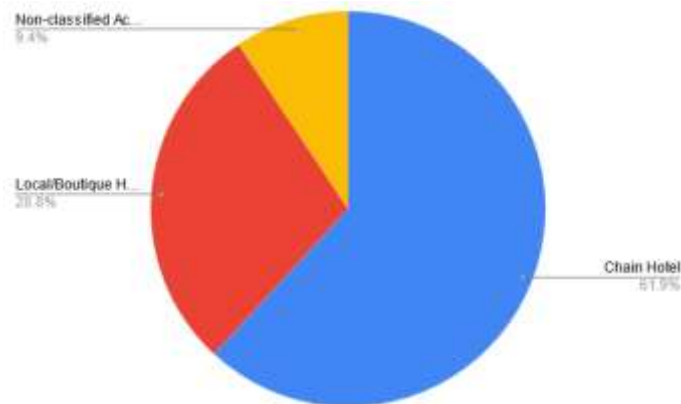


Fig. 3 Market Preference on Type of Hotel

However, not all is bleak for the hotel as there is still an opportunity for them to break through within the market. In another question released within the survey, people were asked what kind of classified hotel they usually prefer, from one star to five stars, and the following is the result.

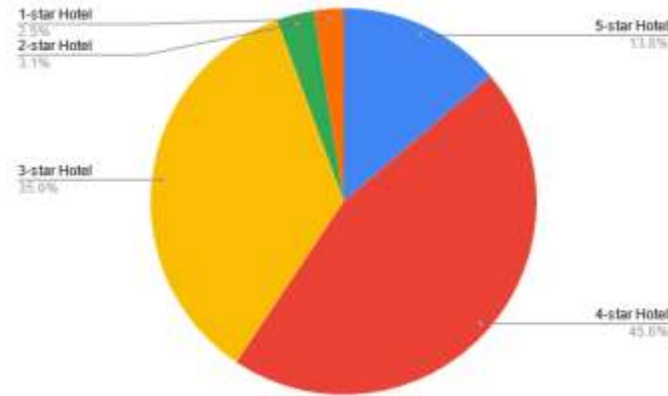


Fig. 4 Market Preference on Starred Hotel

The hotel selected for this research is a 4-star hotel, while market preference is largely on that hotel classification; thus, the hotel needs to push through the larger hotel brands and stand out as something that is more different or reliable and could give a different experience.

Lastly, on behavioral, it was found that respondents do not go that often to Yogyakarta, with around 54% stating that they rarely go there or only go there at most once a year. However, some respondents answered that they frequently go to Yogyakarta. Respondents were also asked about their preferred mode of transportation of getting to Yogyakarta, between airplane, train, and wheeled vehicles such as a personal vehicle or bus, and it was slightly balanced with more preferring to go by air through Yogyakarta International Airport or the Adisutjipto Airport. The chart below shows the often-stated answers about their purpose for visiting the answers.

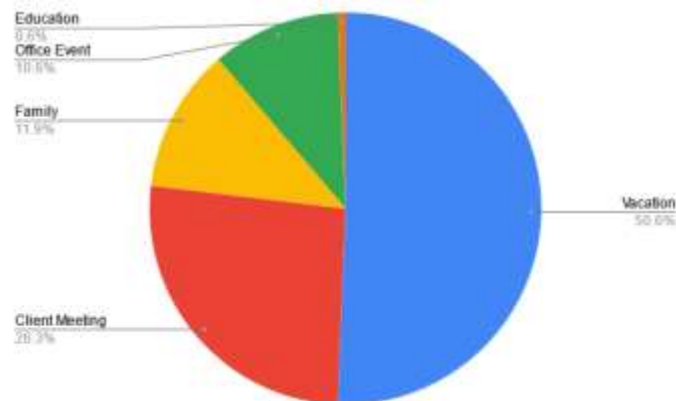


Fig. 5 Holiday Purpose of Respondents

Meanwhile, to gather further information, it was found that during their holiday, the main purpose would be to enjoy Yogyakarta's delicacies where almost half of them stated culinary holiday, followed by nature and then culture, which makes them the three main reasons of people visiting Yogyakarta during the holidays. In regards to how much is usually spent, a good proportion of them spend more than 5 million Rupiah as their budget, meaning that they are not limiting themselves from spending; however, as seen below, there are also groups of individuals that budget themselves, even to being the most stringent by spending only IDR 800,000 until IDR 1,200,000. It was also found that many prefer to stay in Yogyakarta for 3 days at most, with more than 50% choosing it and 70% choosing to go with their family.

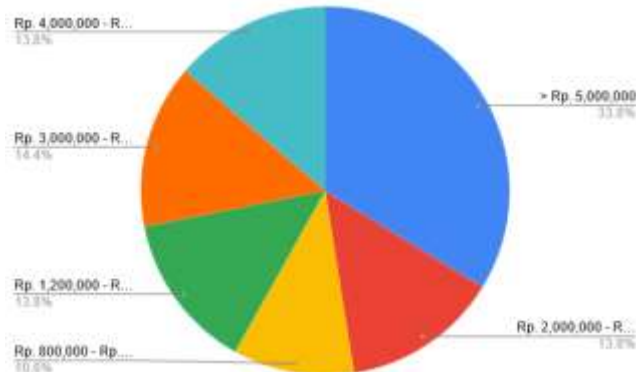


Fig. 6 Budget for Yogyakarta Holiday According to Respondents

b. Targeting

We now move on to the targeting of market segments, and according to various interviews with the hotel, their main target market is large, that being two groups: business and government guests that come to do a meeting and family leisure guests that come to spend their time together on holiday. In regards to where they come from, leisure travelers come from various big cities, such as Jakarta and Surabaya, while government and corporate travelers mostly hail from Middle Java and once in a while from Bali; businesses mainly hail from all parts of Java Island though some come from other islands as well. Their main demographic is those 26-45 years old, and they opt to serve adults, especially those with children. In the end, they mainly cater to large city families looking for a place where they and their kids can be served to the best of the Javanese culture, those looking for a place that feels like home and a safe space for children. Meanwhile, corporate and government travelers also have their reasoning, mainly due to closeness and familiarity with the salespeople that pitched the hotel to them. In the end, the hotel executes a differentiated targeting where the two groups have different ways of being promoted about their hotel.

c. Positioning

Finally, when it comes to the positioning of the hotel, compared to other hotels in the immediate area, we will take a look at it according to Kotler's Positioning Strategy. Kotler mentioned that for a positioning strategy, there are five options: more for more, more for the same, more for less, the same for less, and less for much less (Kotler, Armstrong, Harris, & He, 2020). Based on the findings of the market analysis and other aspects, we can conclude that the hotel executes a **"more for the same"** positioning, which, according to the hotel, offers a competitive price but excellent service and delicacies. Their location and spacious plot also give them an advantage, which will be delved into later. However, adding to their proximity to one of Yogyakarta's main tourist destinations has made them more advantageous.

d. Customer Analysis

Before we move to the next stage of internal analysis, it is imperative to know, after an understanding of the market, about the customers that have experienced the hotel. However, according to the same survey released by the author, when people were asked whether they had heard of the hotel, a majority of them had never heard of it, with only around 30% having heard of the hotel and only 7% within that group having stayed there. This could become a cause of concern for the hotel as to why such a strategically placed hotel has never been heard of or seen whenever they look at online travel agents. Nevertheless, guests who have stayed there have all stated that the rooms were comfortable, the facilities were great for children to explore and learn, and the closeness to a prime destination area was a nice aspect; meanwhile, guests who have heard yet have not stayed were interested more about the hotel in regards to factors such as their security, comfort, proximity to other locations, and price relative to other hotels as their key factors to consider the hotel for their future outing. Therefore, if the hotel could improve its reliability in these factors, it could also attract more guests.

B) Internal Analysis

Starting with the hotel's resource analysis, we start with the firm's tangible resources, with the following table outlining each aspect of both tangible and intangible resources.

Table 2 Description of each of The Hotel's Tangible Resource

Tangible Resource	Analysis
Financial Resources	The hotel has stated that they are financially doing well, and the hotel has covered current operational costs even during low seasons without needing a bank loan. Revenue of their 2023 record was an increase of 10%, and according to an interview, their 2023 target revenue pull was met. Revenue also came from other sources of income, such as open

	membership for hotel facilities and events; therefore, they have capable financial resources that could help them sustain themselves into the future.
Physical Resources	In regards to location, it is located strategically within the prime tourist area of the City of Yogyakarta; being a 4-star hotel means it will have multiple facilities and room types, from deluxe to suite, and hotel facilities such as a swimming pool, fitness center, meeting rooms, and many more, it also offers convenience where guests can go through the hotel's secondary entrance in order to get to the city center even more directly, the hotel also owns one of the largest parking spaces in the city, which benefits them in cutting additional costs of outside parking or potentially decreasing guest comfort.
Organizational Resources	The organizational structure is akin to silos where from the bottom to managers, it is one chain of command, which offers both an advantage as well as a disadvantage. However, they also try to mitigate it by having weekly meetings of all departments for better coordination and preparation for the coming week. Their organizational structure emphasises guest comfort, so service functions such as room division, kitchen, food and beverage are relatively more comprehensive than back-office functions, such as finance and human resources.
Technological Resources	The hotel utilizes technology for its operations as well as for hotel management; however, it is not an early adopter when it comes to technology; it chooses to take advantage of it but does not prioritize it. This comes from their utilization of a property management system (PMS), the availability of smart rooms in their rooms, Wi-Fi across the hotel, and online booking through online travel agents (OTAs).

We can see that there are certain resources that they could leverage as an advantage as well those that might be a disadvantage, such as their physical location, which is a key matter when it comes to the hospitality industry as they are close to not only one of the main tourist destinations but also one of the main ports of entrance to Yogyakarta. Their financial resource could also indicate a strength since they do not need to make loans from the bank, and their operations have been self-sustaining; therefore, they have been able to operate without any liabilities. This could be a strength or a weakness regarding their organisational resource. The fact that they have a somewhat siloed-like structure and emphasis on guest service could indicate a pursuit of cost-efficiency; however, this could also become an issue of a lack of communication, although the hotel has attempted to mitigate its potential effect, which will be described later on. Lastly, their technological resource is not directly a weakness; their competitors are those with much better resources. With technology becoming more integrated for hotel management and services, it may become imperative to keep up. Moving on, we will now take a look at the firm's intangible resources, that is composed of reputational resources, human resources, and innovation resources, as shown in the following table:

Table 3 Description of each of The Hotel's Intangible Resource

Intangible Resource	Analysis
Reputational Resources	Generally speaking, according to guest reviews on online platforms such as Google Reviews, Tripadvisor, or Trip.com, all have shown favorable responses from previous guests, giving it four—if not five stars—with many highlighting aspects such as guest service and friendliness, with their breakfast also being highlighted as good. The hotel also does guest reviews where people are asked about what makes them enjoy their stay or what could be further improved that can be seen directly from their social media, with the hotel also stating that as much as 98% of their guests have all enjoyed their stay.
Human Resources	When it comes to finding the right people, the HR team not only tries to find someone who is kind as expected from the service industry, but even more as they are in Yogyakarta so that it is expected to be on the same hospitality of the local culture. The hotel also offers mandatory training that is held once a month for all staff members in order to maintain their level of service as well as learn new skills and certifications. Training can come from an in-house expert or a trainer/mentor to teach the employees.
Innovation Resources	While the hotel does not specifically have any explicit form of innovation and ideation for service efficiency, they do so, albeit in a more subtle way. As mentioned, the hotel offers improvement programs where staff can learn new skills and earn certifications. Besides that, whenever a staff member leaves for better opportunities at another hotel, the HR team tries to understand what they lack to be covered. The hotel is also open to new ideas, especially from new employees who come from outside and might suggest new things to them.

This is where the hotel is more excellent in its resources than its tangible ones. We can see how, in order for them to achieve their degree of service, they went beyond the standard hospitality service level and went with the hospitality of the local culture, adding that they strive to continuously try to maintain it as they are aware that these capabilities need to be kept at an all-time high. Their attempt to learn and cover any gaps in their service shows us how important it is for them to maintain service

excellence and their degree of hospitality. This has helped them be commendable in the eyes of guests and even helped them maintain repeat customers every time people went on holiday to Yogyakarta.

Now that we understand what their resources are like, we shall move to the value chain to know what value creation is like for the hotel and achieve their level of service. As mentioned previously, the value chain is divided into two activities—primary and supporting—and the table below will first showcase the primary activities of the hotel:

Table 4 Primary Activities of the Hotel

Primary Activities	Analysis
Inbound Logistics	Certain functions, such as the kitchen team, will receive their ordered ingredients and materials that they will need to create the items in their menu; this is done in collaboration with the procurement team of the hotel. This is the same with other functions, such as room division, where they will inspect whether room-related amenities—such as hygiene kits, pillows, and beverages—are all available or need restocking. The room division team will also prepare rooms for incoming guests and make sure the facilities within the room are all working. The hotel could also be asked to arrange a pick-up of the guests. Once they have finished checking in, a bellboy could assist in carrying their luggage into their room.
Operations	Regarding the operations at the forefront regarding checking in and checking out, it is 14.00 at the earliest and 12.00 at the latest, respectively. The hotel guests can start heading to the restaurant for breakfast at six, while closure is at 10.00. While guests are enjoying breakfast or starting their day, the housekeeping team will come into each room and floor to clean the room or later if they prefer not to be disturbed. Several other operations within the hotel, though run 24/7, such as hotel security and front office/receptionist, and especially for the latter, to ensure guests can have their assistance fulfilled even if it is late at night.
Outbound Logistics	In this case, outbound logistics could be regarded as the opposite of inbound logistics, where guests check out at the time. Once they check out, guests are often asked to fill out a review to know their experience staying in the hotel, the restaurant, the staff, and other aspects. Once finished, they can ask the hotel if it is possible to call transportation to drive them to their preferred destination or towards the train station/airport.
Marketing & Sales	For marketing purposes, the hotel has three social media accounts, Facebook, TikTok, and Instagram, with more activities within the second and third. These platforms promote the hotel regarding their service, offerings/packages, events, and collaboration posts with influencers. Regarding sales, they have not only a direct booking website but also Online Travel Agencies (OTAs) where the hotel is listed there, they also do offline sales where their team would pitch about the hotel to businesses or marketing events. However, according to an interview with the hotel, they have so far been able to conclude satisfying results from their offline sales; meanwhile, their online sales attempt has been deemed as needing further improvement or is inconclusive.
Service	To maintain the loyalty of previous guests and partners to the hotel, the hotel has a system in place where they will keep records of their guests, and based on how many times they have stayed, they can receive more benefits. Previous guests would also be contacted regarding a discount or an offer that would entice them, and if they do stay, they can expect an even more personalized service from the hotel. Meanwhile, business partners, whenever their business is celebrating their anniversary, the hotel would send a gift, such as a bouquet sign; they would also be invited to events specially made for them as a token of gratitude by the hotel.

Moving on to the supporting activities of the value chain, the findings are as follows:

Table 5 Supporting Activities of the Hotel

Primary Activities	Analysis
Firm Infrastructure	The organizational structure, as mentioned previously within the organizational resource, emphasizes service-related activities. Therefore, room Division, Kitchen, and Food and Beverages all cover various roles; for example within the room division, they would include housekeeping, room attendant, and the receptionist team. Meanwhile, operational/business-related departments all have relatively efficient structures, such as their human resources, where below them is the training team, followed by the legal & general affairs, and then the admin team, or how the marketing team where under the manager is the sales and marketing team and underneath it there is sales banquet, graphic design, PR, digital marketing, etc.

Human Resource Management	As mentioned, the HR team gives mandatory training for all employees to refresh their memory and learn new skills. Trainers can come from either inside by a senior expert or outside by a staff training/consulting firm, where each has advantages and perspectives to ensure a wider understanding by all staff members. The HR team also offers different teambuilding activities a couple of times a month to help tighten the bond between workers through various activities that could help break the 'silos' of the hotel. The HR team also rewards employees who got their name referred in a review, where they will be rewarded nicely if they can do it a certain number of times.
Technology Development	The hotel has developed its technology, such as using a property management system that integrates with all hotel functions, smart TVs for guests, Wi-Fi everywhere and in the rooms, and a direct booking website that offers cheaper prices than OTAs. Aside from the previously mentioned social media platforms, they also have a Business WhatsApp account for guests to connect with the hotel, especially those who have inquiries or would like to make a special booking.
Procurement	The hotel procures various products from its suppliers, including towels, bed linens, pillows, soap and shampoos, flip flops, hygiene kits, and many more. Not only that, but for other departments, such as fruits, meats, vegetables, and condiments for the kitchen team. After each Head of Department reported their inventory stock, the procurement team would receive information and execute purchasing as each function requested. The hotel also has a system in place to ensure smooth communication with suppliers, where near the end of every year, they will all gather and discuss any qualms or issues that have been experienced over the year to ensure the odds of it happening next year are lower, either from the hotel or suppliers.

Now that the internal analysis has been completed, it is time to analyze which aspects they have that could potentially be a competitive advantage using the VRIO analysis. VRIO stands for valuable, rare, inimitable, and organized; therefore, the more fulfilling the VRIO category a resource is, the more it becomes a sustainable competitive advantage. The following table lists down what has been deemed as the hotel's resources and capabilities that could bring an advantage:

Table 6 VRIO Analysis of the Hotel's Selected Resource & Capabilities

Resource & Capability	Valuable	Rare	Inimitable	Organization	Verdict
Location	YES	YES	YES	YES	Sustainable Competitive Advantage
Organization Structure	YES	NO	NO	YES	Competitive Parity
Technology	YES	NO	NO	YES	Competitive Parity
Reputation & Loyalty	YES	YES	NO	YES	Temporary Competitive Advantage
Discounts, Promos & Packages	YES	NO	NO	YES	Competitive parity
Marketing	YES	NO	NO	NO	Competitive Parity
Restaurant	YES	YES	YES	YES	Sustainable Competitive Advantage
External Party Relation	YES	YES	NO	YES	Temporary Competitive Advantage
Human Resource & Service	YES	YES	YES	YES	Sustainable Competitive Advantage

C) External Analysis

a. General Environment:

- **Political and Legal:** In regards to politics, the local government of the province, as well as several municipalities, have expressed their intention to maintain and improve the region's tourism and businesses, as well as collaborate with players. One Municipality held a forum where small businesses could network with larger firms, another local government established the cooperation between small household businesses to sell their produce at national retail stores across the area. Local governments have also worked with the hospitality and tourism industry, especially with key groups, to entice travelers to come and see what the region offers through tourism packages. Meanwhile, on the legal side, there are regulations to control the development of hotels to ensure a balance between economic growth through tourism and respecting the local people and communities. One such regulation is the building permit, as stated in Mayoral Regulation No. 66 2021. It is permitted only for building and expanding four-star hotels, five-star hotels, and other accommodation services. Taxation on hotels amounts to 10% that is placed on guests under the Select Goods and Services Tax or *Pajak Barang dan Jasa Tertentu* as well as the Land and Building Tax or *Pajak Bumi dan Bangunan* which, according to the law, can be from 20% to 100 of the Tax Object Sales Value. There is also the first-

time land tax under the *Bea Perolehan Hak atas Tanah dan Bangunan* by as much as 5% or lower if it is inherited and not from a transaction.

- **Sociocultural:** The people of Yogyakarta highly value their traditional culture, and its values are embedded into their daily lives, which, according to Gunawan (2020), can be seen from various aspects, such as governance/leadership, customs and values, and space usage (Sridiyatmiko, 2020). Various communities across Yogyakarta have also been supportive of each other, or in this case, with businesses, whether big, medium, or small, where they can be impacted in ways such as word of mouth.
- **Technology:** Although the City of Yogyakarta aims to be a smart city with the implementation and integration of various systems, the current condition still requires further development from all involved stakeholders. The local government released an application that is supposedly an information center for tourists where they can see what kinds of hotels are there. Yet, the list is not complete, with some notable hotels missing. Other tourist spots, such as Vredenburg Fort, *Taman Pintar*, and several tourist villages in Yogyakarta, are still missing a few components that enable smart tourism (Wiyatiningsih, 2016; Saputra & Roychansyah, 2022). However, some hotels are already implementing some of the latest technologies for the hospitality industry in Yogyakarta, such as using Google Nest or an integrated system. This means that although public technology development is still lacking, some private competitors have done so themselves to gain a competitive advantage.
- **Global:** Yogyakarta is known for its culture; as mentioned before, being dubbed “the cradle of civilization in Java” has made culture and history one of its main highlights. Cultural tourism globally is on the rise, with valuation forecasted to grow annually; however, an issue lies in how it correlates to Yogyakarta. Tourists in Yogyakarta are not just domestic tourists, with the occasional foreigners coming into Yogyakarta from various countries, yet the influx of foreigners is minuscule compared to domestic tourists, where according to data from Statistics Indonesia, in 2023, it is less than 1% out of the total number of tourists in Yogyakarta (Statistics Indonesia, 2024). Therefore, this brings danger to any hotel if they cater to foreign markets as the number is marginal, and they will have to rely on domestic tourists, if not mainly.
- **Physical Environment:** The Region of Yogyakarta has been attempting to take part in a sustainability movement, one of which is by adding more and more charging spots for battery-based electric vehicles as well as the procurement of electric busses and pedicabs for the city area (Humas Pemda DIY, 2024). The local government also forces people, especially businesses, to operate sustainably by adhering to Governor Regulation No. 21 2014 as well as no. 84 2023, the government also encourages sustainable tourism that reduces waste. Awards and certifications, such as EDGE certification, help propel a business to be more reliable for guests.
- **Demographic:** The age demographic of Yogyakarta tourists, according to Yuniati’s (2018) findings, is dominated by those who are in the age group of 26-40 years old, with more than 40% of them being in that age group (Yuniati, 2018). Meanwhile, according to a survey released by the researcher, when respondents were asked about their age, the result shows similar data to Yuniati’s findings, where 24.1% of them are 26-35 years old, and 35.4% of them are 36-45, therefore, the age group of 26-45 is around 59.5% and admitting that they have children (Researcher, 2024). Thus, most tourists are with their families either for a leisure trip or on a business trip. Still, from Yuniati’s (2018) findings, many hail from four different provinces: Special Capital Region of Jakarta, West Java, Middle Java, and East Java, with the highest coming from Middle Java, yet the region with the biggest expendable income comes from Jakarta (Yuniati, 2018; Syaiful, 2023). Thus, the hotel has options and can be flexible to cater to different kinds of tourists.
- **Economic:** The local GDP of Yogyakarta is supported by many industries, one of which being the hospitality and tourism industry, where, according to official reports in 2023, has given 18.4 trillion rupiah or 10,18% of the whole economy (BPS-Statistics D.I. Yogyakarta Province, 2024). When discussing the inflation rate of Yogyakarta Province, up until November 2024, it was sitting at 1,14% year-on-year, where it gradually decreased from the start of the year, as can be seen from figure 1 (Badan Pusat Statistik Provinsi DI Yogyakarta, 2024). Thus, the local economy is stabilizing, which can benefit business owners and tourists.

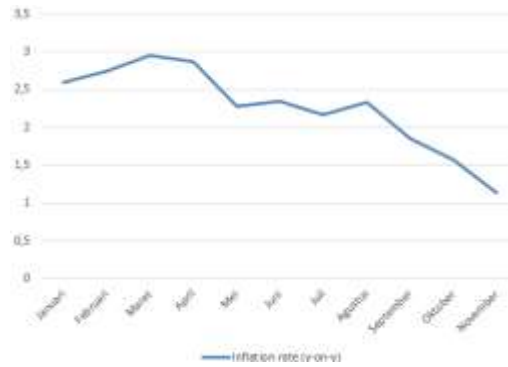


Fig. 7 Year-on-year Monthly Inflation rate of Yogyakarta Province

b. Industry Environment:

Using Porter's Five Forces, we can take a look at what the industry is like from an analytical perspective, starting with

1. Competition Rivalry: High

- **Number of Competitors:** in 2023, it is reported that within the city, there are 109 classified hotels, ranging from one star to five stars; meanwhile, the number of non-classified hotels—guesthouses, villas, hostel—is at 477 (BPS-Statistics Indonesia Yogyakarta Municipality, 2024). With the potential to get even higher annually, as well as the larger number of accommodation services outside the city yet still within the region's boundaries.
- **Industry Growth:** as mentioned before, it is one of the main contributors to the local economy; however, it also has one of the highest growth rates at 8,72% (BPS-Statistics D.I. Yogyakarta Province, 2024).
- **Fixed/Storage Costs:** Hotels generally have rather high fixed and storage costs due to costs such as maintenance, furniture, facilities, building, and staff while also keeping stock of multiple different items, such as cleaning utensils, guest amenities, ingredients, and many more. Taxes are also one thing to consider as they have to pay multiple taxes such as Land and Building Tax and Select Goods and Services Tax.
- **Switching Costs:** guests can freely switch from one hotel to another, even if they have membership/loyalty at one hotel since there are no consequences for guests if they choose a different hotel.
- **Strategic Stake:** The province could be regarded as a geographic stake for the hospitality and tourism industry due to its potential tourism, especially with the presence of UNESCO heritage sites. If a hotel chain establishes its presence within the region, it could help elevate its brand of being close to cultural hotspots.
- **Exit Barriers:** one of the main barriers for a hotel is its fixed assets, especially the building as a whole. One hotel in Yogyakarta had to trudge through sub-optimal earnings for four years before finally being able to declare bankruptcy. For hotel chains, the damage it can bring to the brand name could be significant if they lose in Yogyakarta, therefore opting to stay operational even if the hotel only earns losses.

2. Bargaining Power of Supplier: Low

- **Company Concentration:** Multiple groups of suppliers exist within the city and region as a whole, with many having their group of buyers/hotels. Thus, the power of suppliers is spread out to multiple firms in multiple groups.
- **Substitute Products' Availability:** Suppliers may sell products that are different from another; an example is liquid soap and shampoo, where one vendor may sell the small disposable plastic variant, another may sell the larger refillable bottles that are latched onto a bracket at the wall. Another substitute would be the flip flops, where the product itself may be the thin variant or one that gives extra comfort by having more padding. Thus, substitution is something that is offered within the hotel market.
- **Industry Firm's Significance:** Within the hospitality industry, some may be suppliers exclusively for hotels, where they sell products such as hygiene kits, liquid soap, and bed linens; however, some suppliers supply the larger hospitality industry as a whole, therefore supplying not just hotels, but also restaurants, cafes, theme parks, clubs, bars, and many more.
- **Suppliers' Criticality to Buyer's Success:** Although a good product or high-quality ingredient could help in creating a more memorable stay, in the end, it all boils down to whether the hotel chefs can utilize it well, whether the service of the team was remarkable, whether the room presentation left guests amazed or not. In short, the hotel's success comes from giving the best to guests.
- **Switching Costs from Supplier:** Generally, hotels have multiple suppliers at hand. If their regular supplier fails to deliver on time or there are any issues, they could mitigate the risk by going for their backup supplier and ordering from them.

- **Threat of Forward Integration:** Suppliers would have difficulty executing a forward integration as an accommodation service, as they would have to face the astronomical fixed cost and a response from their buyer.

3. Bargaining Power of Buyer: High

- **Low Switching Cost:** As mentioned before, guests do not face any consequences if they choose a different hotel whenever they come to Yogyakarta. Loyalty rewards are non-binding, and guests can freely pick and choose due to the convenience of choosing a hotel through online travel agencies.
- **Undifferentiated Products:** Accommodation services, although they can offer different facilities, unique experiences, and proximity to certain locations, they all offer the same product and service, that being a room and breakfast as one of the key points of a hotel.
- **Sales of the Product Purchased Account for a Significant Portion of the Seller's Revenue:** Same as before, the core offering of a hotel is a room for guests to rest the night in and breakfast they can wake up to, and these make up their main sources of income, whereas other sources such as events and facilities are only ancillary.
- **Buyers purchase large portions of the industry's total output:** many hotels would have to prepare rooms if a group tour, a business meeting, or an event causes many of their rooms to sell out quickly due to their reservations. This would cause a cut in the room availability prepared for the organizers, where even a floor or two would be kept for them.

4. Threat of Substitutes: High

As mentioned previously, in the City of Yogyakarta, there are almost 500 non-classified accommodations where they would offer the same product yet at a much cheaper cost or being perceived as having more value than classified hotels. This threatens regular hotels as they could compete while maintaining lower costs and a cheaper room price than hotels. Even outside the city, spread across the province, it is reported to be ten times the number of hotels available, and non-classified hotels can come in many forms: rented villas, Airbnb, guesthouses, hostels, and many more.

5. Threat of New Entrants: Medium

- **Economies of Scale:** The economies of scale work differently for the hospitality industry, especially the hotel business. Instead of reducing the cost of production, it is to shorten the waiting time for guests and the brand reach; therefore, it is more about product acquirement, swift employees, and marketing capabilities. If a hotel has the resources to expand on those factors, it can quickly achieve economies of scale.
- **Product Differentiation:** New hotels can only differentiate themselves in terms of their facilities and experiences since they attempt to sell products that are similar to existing hotels, such as bed and breakfasts. However, hotels with a brand identity known to the market can have an easier time penetrating the market.
- **Capital Requirements:** Prospective competitors must prepare huge funds as an initial investment into the competition. The required capital to build a hotel cannot be cheap. According to the investment agency of Yogyakarta, for a four-star hotel to build their accommodation in Yogyakarta as of writing is estimated to cost almost two million U.S. Dollars or nearing 32 billion Rupiah, with a monthly operational cost of 128 million Rupiah, even for a non-classified hotel it still requires an initial investment of 2,75 billion while operational costs are at 13.75 million per month. These costs take into account various elements, such as land, building, administration, interior, and staff.
- **Switching Costs:** Tourists generally do not see the necessity of staying at a new hotel if it does not make it more convenient to fulfil their purpose, such as distance to tourist spots/meeting areas. However, as before, guests are not bound to their hotel, and if the newer hotel brings them more convenience, value, or comfort, they can freely choose to stay there.
- **Access to Distribution Channels:** Although hotel suppliers and distributors could be grouped into multiple collectives, there is no barrier for a new hotel to contact them to gain their wares. Suppliers in Yogyakarta often have their list of references to know what kind of supplier they are.
- **Cost Disadvantages Independent of Scale:** Having the hotel located within the city center will be difficult as space is limited; therefore, newer hotels tend to look elsewhere, meaning they would have to leverage other destinations besides the hotel.
- **Government Policy:** The Government's limitation is only to allow the establishment and expansion of non-classified, four-star, and five-star hotels, as stated in Mayoral Regulation No. 66 2021. This means newer hotels need to be one of those three categories, prepare the required capital, build according to the government's criteria, and they can penetrate the market.

c. Competition Environment

To understand what the competition is like for the hotel, this research will use a competitor analysis laid out by Wandebori (2019). It focuses on the strategic group, or those within the industry, as having a high degree of similarity, therefore becoming direct competitors. The hotel has four different direct competitors that are laid out as follows, according to their objectives, current strategy, assumptions of the industry, and capabilities:

Table 7 Competitor Analysis of The Hotel's Direct Competitors

	Competitor 1	Competitor 2	Competitor 3	Competitor 4
Objectives	To give guests the experience of being at home away from home, combining modernity with a homey atmosphere	The hotel is for those who love to work and play hard or seek an escape from the hustle and bustle of life by being a chic and trendy hotel.	Offering hotels that operate using international standards while also upholding the cultural heritage and traditions of the Indonesian people as well as local wisdom	Giving world-class and personalized level of service that is combined with the brand value of Indonesian Home
Current Strategy	Personalized services towards guests, technology integration for both guest experience and hotel management	Utilization of technology for smart and convenient living, warm hospitality, opt for sustainable methods for sustainable returns.	Giving service that is based on Indonesian values and local wisdom while also being open to innovation and technology that could help in creating more efficient and memorable experiences	Emphasizing the best and most hospitable service given to guests from the heart, utilizing Indonesian/local culture and history as the main value
Assumptions	The hospitality industry will become more technologically advanced, and innovation will shape it.	In the future, the hotel and tourism industry will all abide by government rules that emphasize conscience about the impact on the environment.	The industry will develop to become more competitive, and hotels will find ways to implement innovation in order to gain an advantage.	Guests will become more environmentally conscious, while technology and innovation will become important for the hotel industry as it becomes more prevalent.
Capabilities	A strong network of hotels with other brands spread across multiple countries, exclusive applications to manage the hotel and reservations, and a more accessible location in Yogyakarta.	For young travelers who are lively, excelling in sustainability methods, and part of a larger consolidated hospitality group,	Established ties with the local community by offering personalized guided tours and a local produce store only 20 meters from the center.	Strong presence in multiple provinces from east to west of Indonesia with further plans for nationwide expansion.

D) Strategy Formulation

Now that the external and internal situation has been understood, we will formulate strategies that the hotel could utilize. Before we delve further, we will first categorize all that has been found from the analysis using a SWOT analysis, where each element will be factored, whether it is a strength, weakness, opportunity, or threat. As mentioned, strengths and weaknesses come from internal analysis, while opportunities and threats come from external analysis. Market analysis could give input to both internal and external factors. The categorization into SWOT goes as follows:

Table 8 SWOT Analysis of The Hotel's Internal and External Condition

Strength	Weakness
1. Strategic location	1. Inefficient marketing
2. Excellent guest service	2. Average technology resources
3. Highly-rated restaurant	3. Simplified back-office structure
4. Knowledge-based innovation for improvement	4. Zero guest awareness of a loyalty program

5. Efficient organization structure	
6. Good external stakeholder communication	
Opportunity	Threat
1. Ever-growing demand for tourism	1. Subminimal foreign tourist segment
2. Government local support for hospitality, sustainability, and collaboration	2. Highly competitive, saturated industry
3. Market interest in culture-guided tourism	3. A high number of alternative cheaper accommodations
4. Stable local economy	4. Strong networked direct competitors
	5. Increasing number of competitors annually

Using what has been categorized as our SWOT, we move to the next step of looking for potential strategies using the TOWS Matrix. The TOWS Matrix, as mentioned before, is divided into four categories of a strategy: the SO strategy, where strength is utilized to maximize opportunities; the WO strategy, to leverage opportunities to counter weaknesses; the ST strategy, to leverage strength to face threats, and WT strategy by improving weaknesses to face incoming threats. In this research, the Author has made the following solutions as an actionable suggestion for the hotel.

Table 9 TOWS Matrix Utilization for the Hotel's Strategy Formulation

	Strength: 1. Strategic location 2. Excellent guest service 3. Highly-rated restaurant 4. Knowledge-based innovation for improvement 5. Efficient organization structure 6. Good external stakeholder communication	Weakness: 1. Inefficient marketing 2. Average technology resources 3. Simplified back-office structure 4. Zero guest awareness of a loyalty program
Opportunity: 1. Ever-growing demand for tourism 2. Government local support for hospitality, sustainability, and collaboration 3. Market interest in culture-guided tourism 4. Stable local economy	1. (SO1) S1, S2, S3, O1, O4 2. (SO2) S5, S6, O2, O3	1. (WO1) W2, W3, O1 2. (WO2) W1, W4, O4
Threat 1. Subminimal foreign tourist segment 2. Highly competitive, saturated industry 3. A high number of alternative cheaper accommodations 4. Strong networked direct competitors 5. Increasing number of competitors annually	1. (ST1) S2, S3, T2, T5 2. (ST2) S1, S6, T4 3. (ST3) S4, S5, T3	1. (WT1) W1, W3, T2, T5 2. (WT2) W2, T4 3. (WT3) W2, W4, T2, T5

As we can see, each strategy model has multiple options that are proposed; the following is an explanation of said propositions:

A) SO Strategy

- SO1:** further market penetration with their uniqueness that helps them gain the advantage.
- SO2:** Leverage their external communications capability to develop more with local communities and the government to develop cultural tourism and tours.

B) WO Strategy

1. **WO1:** By developing the technology and back-office of the hotel, they will be prepared to face more and more tourists by making the serving time leaner, hiring more and more highly skilled and mannered staff, and propelling brand awareness by leveraging the hotel's strengths.
2. **WO2:** When the local economy is regarded as stable, this ensures businesses—including the hotel—spend their money and invest, or in this case, create their loyalty program to be released to the public.

C) ST Strategy

1. **ST1:** Leveraging what the hotel has that is uniquely theirs and its strength could help compete against current and future hotels in Yogyakarta.
2. **ST2:** Having a strategic location and the capacity to communicate well with various people helps compete with their direct competitors, who are all strong networked hotels.
3. **ST3:** Having the capacity to innovate while having an efficient organizational structure helps compete with cheap accommodations that are equally simple and economical.

D) WT Strategy

1. **WT1:** Developing the business side of the hotel, especially its marketing, as it is one of the most important aspects for a hotel in order to get its brand known; this would help in the future in the event the current competition becomes even more fierce adding that there are newer hotels.
2. **WT2:** Developing the technology could help all hotel group members, especially when facing the hotel's direct competitors.
3. **WT3:** Understanding the required and necessary IT knowledge about systems could help develop a loyalty program and the hotel's system in general, as this would help the hotel maintain its market share.

We can now see the potential strategies the hotel could decide upon based on our TOWS Matrix. However, some listed strategies would only be selected as the proposed strategies or combined. This is for the main proposal for the hotel that could be turned into an actionable move. Based on the findings from the internal and external analyses, the market analyses, and the listed strategies that they could move upon, the author would like to propose a business-level strategy of **Differentiation** for the hotel. The reason is that the hotel business is already highly saturated due to similarities of product offerings between one hotel and another; as mentioned before, this has caused many guests—or the market in this case—to often only look at how this can bring value to them. This is also supported by the notion that, as the hotel has mentioned, many guests are quite loyal to the hotel, causing them to repeat guests every time they come to Yogyakarta; this means the hotel has something perceived as valuable to guests. Yet, in order to properly execute a “differentiation” strategy, one must know how to implement it; that is why, to understand this, the author would like to use Hambrick and Fredrickson's (2001) Strategy Diamond Framework, which can be seen from the figure below:

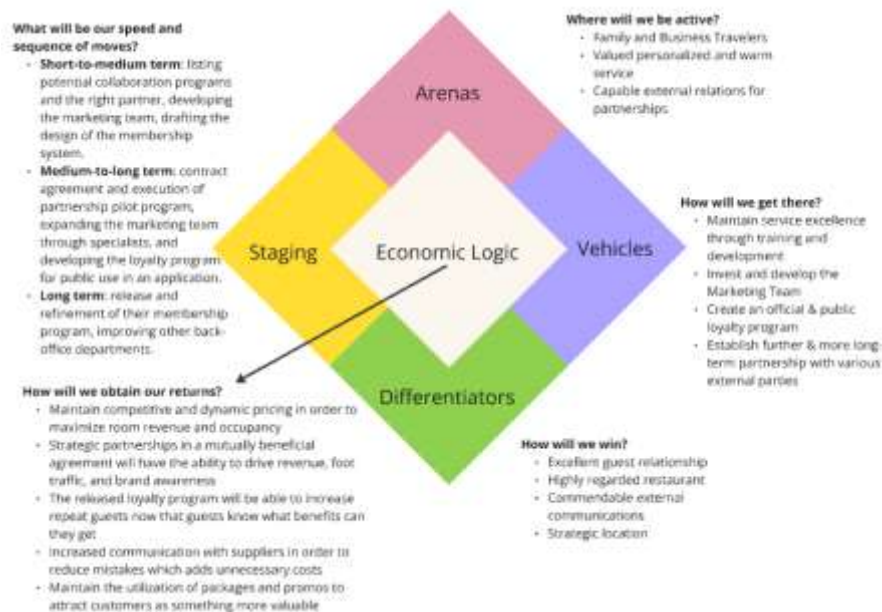


Fig. 8 Strategy Diamond Framework for The Hotel's Proposed Differentiation Strategy

Regarding the strategy diamond, this will have an impact and demand changes on certain activities located within the value chain that we have previously looked at. This proposal is primarily the hotel's procurement, technology development, and human resources management in terms of supporting activities; meanwhile, the primary activities would be marketing sales, which are the ones that will experience changes. From the created strategy diamond model, here are the solutions proposed to the hotel based on the framework converted into four different strategies that the hotel could consider implementing or adjusting:

1. **Develop the Marketing Team:** The marketing team could improve further since they rely on offline sales for concrete results. As mentioned before, the tree in itself is quite cost-efficient. This proposition also emphasises investment into marketing, as this would help attract guests and raise brand awareness. Developing it is not only done by understanding digital marketing, PR, and e-commerce but also by adding specialists for those positions in order to exclude them from other sales marketing responsibilities.
2. **Create the Loyalty Program:** Although they already have customer relationship management, they could benefit more from having a public loyalty program. This helps educate the market about what benefits they could get should they choose to stay at the hotel and what previous guests could benefit from. This, in turn, would help further increase the number of repeat customers so that they have a larger group of loyal guests who could fill rooms without relying on first-time guests or those who are more loyal towards other brands, reducing the competition intensity.
3. **Establish a Sustaining External Partnership as an Additional Revenue Stream:** The hotel has the capacity to be in good relations with external stakeholders, whether local communities, governments, corporate partners, guests, and even suppliers. The hotel could certainly leverage this and utilize it as a joint project where involved parties could mutually benefit it; this would help in getting the hotel's name further known to the public, further diversifies the hotel's revenue stream and fulfills one of its missions that is to establish a partnership with the local people.
4. **Maintain and improve its service advantage:** The hotel has maintained training and development that would give it its service advantage. The hotel could further take it and create specialized training, for example, as this would give special skills or highly advanced lessons that would give employees the challenge and satisfaction of learning it and increase the hotel's gap regarding the employees as an advantage.

IV. CONCLUSION

This research was aimed at understanding how can a hotel that has a favorable location somehow earn below-average revenue when they cater to one of the biggest markets of tourists and has a favorable review from previous guests; that is why multiple research questions have been set out by the author in order to get to know more about the issue. Regarding whom they cater to, they cater largely to family and leisure guests and business and government guests, each with their preferences. However, both are middle-aged people who already have families. Various strengths and weaknesses have been identified, especially using the VRIO analysis. Meanwhile, the external analysis has helped to understand what potential opportunities and threats await the hotel, such as the high growth of tourism that also brings many tourists and new competitors. Regarding what kind of strategies can be proposed to the hotel, the author has formulated the following strategies, including the possibility of a cooperative strategy.

1. The development of the marketing team to increase marketing capability to further invest in their digital presence could help reach a wider audience that offline sales might be sufficiently lacking due to time and distance.
2. Creating a loyalty program that is not only kept to the hotel and only a surprise to guests could help reassure guests—both first-time and repeat guests—that their efforts to stay loyal are well-known to the hotel. They want to assure guests that they will be rewarded nicely with their excellent service and additional benefits.
3. Establish a long-term and sustaining cooperative strategy that would help positively impact the economy, further diversify their revenue stream, and add another advantage against the competition.
4. The hotel could still hold the upper hand with its highly regarded service by maintaining its service advantage. The hotel has done excellently by maintaining it; however, if the resources allow, it could be diversified to have, e.g. cross-functional training and specialized individual training, to give employees more preparation and become more skilled.

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