

# The Influence of Collaboration and Competitive Strategies on the Image of the Star Hotel in West Java

1<sup>st</sup> T Sondari  
*Fakultas Ekonomi dan Bisnis*  
*Universitas Langlangbuana*  
 Indonesia  
 tanty.sondari@gmail.com

2<sup>nd</sup> Widjajani  
*Fakultas Teknik*  
*Universitas Langlangbuana*  
 Indonesia

3<sup>rd</sup> E Dwipriyoko  
*Fakultas Teknik*  
*Universitas Langlangbuana*  
 Indonesia

**Abstract**—The growth of the hotel industry is in line with the growth of the tourism sector. Based on the number of guests at star hotels, DKI Jakarta, West Java and Bali are still the strongest magnets for investors. Meanwhile, the hotel growth especially in certain areas with a high level of tourist visits, resulting in increasingly fierce of hotel business competition. The hotel was built to meet tourist accommodation needs. However, the aggressiveness of hoteliers seems to be out of sync with data on hotel occupancy rates in Indonesia. Overall, the number of tourists from both foreign and domestic tourists experienced a significant increase. The right business strategy is needed for hospitality companies in West Java in dealing with the phenomena and competition that exists in order to improve the image of the hotel so that it will attract more tourists. Based on the background, the purpose of this research is draw a conceptual framework to test the hypothesis that collaboration strategy and competitive strategy affect the image of star hotels in West Java. The research is conducted by a literature review. Based on the literature review, it is concluded that collaboration strategy and competitive strategy affect hotel image.

**Keywords**—*Collaboration, Competitive, Image, Star Hotels*

## I. INTRODUCTION

According to Decree Menparpostel No.KM 37 / PW.340 / MPPT-86 concerning business regulations and hotel management states that a hotel is a type of accommodation that uses part or all of a building to provide lodging, food and beverage services and other supporting services to the public that are managed commercially. The United Nations World Tourism Organization (UNWTO) states that the number of people traveling is increasing over time. Therefore, the need for skilled workers to carry out operational activities in terms of tourism services, transportation, to accommodation will always be needed to support the industry, even UNWTO also stated that the hospitality industry will later become one of the largest industries in the world, where professionals who have understood hospitality can work in the strategic sector.

Based on the number of guests at star hotels, DKI Jakarta, West Java and Bali are still the strongest magnets for investors. Java and Bali have always been the main destination for tourists for leisure or business. West Java is known as a province that has a lot of cultural and tourism wealth and diverse types, and some of them have high quality and attractiveness. The tourism sector has great potential to be developed and can even be a mainstay tourist destination, so that it can attract tourists to visit. Meanwhile, the hotel mushrooming, especially in certain areas with high levels of tourist visits, resulting in increasingly fierce hotel business competition. At first, the hotel was built to meet tourist accommodation needs. However, the aggressiveness of hoteliers does not seem to be in sync with data on hotel occupancy rates in West Java. This can cause a decrease in the image of the hotel according to tourists.

Hotel image is believed to play an important role on a customer's decision to use a hotel [1]. The performance of hotel image can be utilized by hotel operators to enhance their marketing strategies [2]. Image has several elements, which includes symbols, physical space, events, and media [3]. Corporate image will lead to positive attitudes among stakeholders and customers, in particular, which in turn leads to the achievement of sustainable competitive advantage and a definite level of company performance [4].

Image is important for hotels to increase occupancy rates. The competitive strategy and collaboration strategy carried out by 1,2 and 3 star hotels must be well implemented. The right strategy is needed for hospitality companies in West Java in dealing with phenomena and existing competition, because strategy is an energy that fosters competitive power. Previous research shows the role of competitive and collaboration strategies in supporting the image of the company.

“Most studies consider business performance to be a multidimensional construct. Four dimensions (namely, business growth, profitability, image and customer loyalty, and product service innovativeness) were

hypothesized to validate a measure for business performance in the South African context” [5]. Based on that statement, then image can be examined as dimension of business performance. Meanwhile, the research found a significant influence of business strategy on business performance [6]. Business strategy is how organizations position their business more competitive than other similar industries [7]. Business strategies include competitive strategies and collaborative strategies [8].

Based on the background above, the variables that will be examined in this study are consisting of:

- Collaborative strategy
- Competitive strategy
- Hotel image

The research question can be described as: does collaboration strategy and competitive strategy affect hotel image.

## II. LITERATURE REVIEW

Business strategies include competitive strategies and collaborative strategies [8]. Generic strategy is the core idea of how a company can compete as well as possible in a market [9]. Many companies prefer five competitive strategies to build and maintain a company's strategic position against competitors, consisting of: cost leadership, differentiation, focused cost leadership, focused differentiation, and integrated cost leadership / differentiation [10]. Cooperative strategies to achieve competitive advantage in the industry conducted by working with other companies. There are two types of cooperative strategies namely collusion and strategic alliance [8]. Collaboration is an effort to cooperate with stakeholders, where strategic alliances are used by many competing companies around the world. Collaboration include vertical relationships consisting of relationships with suppliers and customers, and horizontal partnership which consisting of lateral and internal partnerships [11].

### A. Relationship between collaboration strategy and hotel image

There is a significant influence of business strategy on business performance [6]. Customers emphasized the effect of image as a business partner [12]. Better

collaboration has implications for overall performance in the company [13]. Strategic alliances represent new organizational formation that seeks to achieve organizational objectives better through collaboration than through competition [14]. By adopting a global approach to performance, it is found that hotel performance is influenced by the intensity of collaboration [15]. The AccorHotels Corporation has expanded into the Polish market through a strategic partnership with the Polish Orbis Hotel Group, from which it acquired 51.55% of the shares [16].

### B. Relationship between competitive strategy and hotel image

In a low competitive environment, a cost leadership strategy leads to better performance. Whereas the differentiation strategy leads to better performance compared to competitors, in a high competitive environment. And in a low environmental dynamic, differentiation strategy is more useful in improving financial performance [17]. Strengthening differentiation strategies, the use of information technology, and the implementation of customer relationship management activities can improve performance [18]. Strategies can improve occupancy levels, and may increase sales and the added value generated by the establishment [19]. In companies with a cost leadership strategy, there is a positive relationship between leverage; cost leadership strategies and payout dividends with performance [20]. Besides, the research was conducted in all 4 and 5-star hotels in Bali Province using questionnaires given to 154 respondents with 125 samples show that the relationship of competitive strategies to sustainable performance had a positive and significant effect, the strategic alliance relationship to sustainable performance had a positive and significant influence as well as the strategic alliance relationship by mediating competitive strategies towards sustainable performance had a positive and significant effect, in a research [21].

Based on the previous research, the following paradigms are arranged:

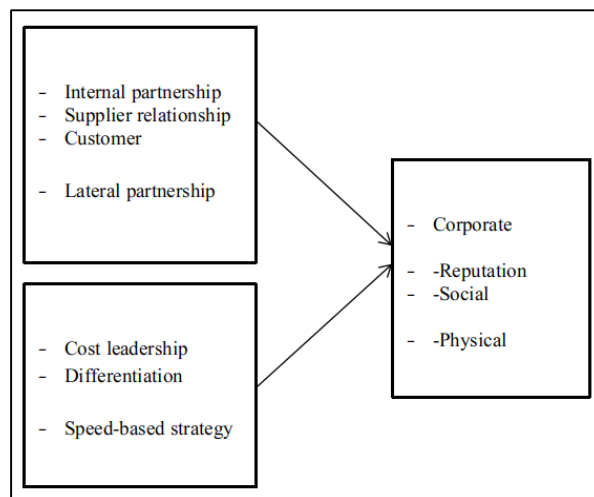


Fig. 1. Relationship among variables

### III. CONCLUSION

Based on the above paradigm, it can be concluded based on a literature review that collaboration strategy influences hotel image. The previous research show that there was a significant influence of business strategy on business performance. Customers emphasized the effect of image as a business partner. Better collaboration has implications for overall performance in the company. Strategic alliances represent new organizational formation that seeks to achieve organizational objectives better through collaboration than through competition. By adopting a global approach to performance, it is found that hotel performance is influenced by the intensity of collaboration. Besides, The AccorHotels Corporation has expanded into the Polish market through a strategic partnership with the Polish Orbis Hotel Group, from which it acquired 51.55% of the shares. Based on that, collaboration strategy affects performance, which one of dimension of performance is image [5]. So, collaboration strategy affects the image of hotel.

Competitive strategy influences hotel image. The previous research show that in a low competitive environment, a cost leadership strategy leads to better performance. Whereas the differentiation strategy leads to better performance compared to competitors, in a high competitive environment. And in a low environmental dynamic, differentiation strategy is more useful in improving financial performance. The strengthening differentiation strategies, the use of information technology, and the implementation of customer relationship management activities can improve performance. In the hotel industry, strategies can improve occupancy levels, and may increase sales and the added value generated by the establishment. In companies with a cost leadership strategy, there is a positive relationship between leverage; cost leadership strategies and payout dividends with performance. Besides, there is a relationship between competitive strategies and sustainable performance, between strategic alliance and sustainable performance. So that, competitive strategies conducted by cost leadership, differentiation, and speed based strategy will drive hotel performance, which which one of dimension of performance is image [5]. So, competitive strategy affects the image of hotel.

### REFERENCES

- [1] Seyedhossein N, Rasimah C, Harihadin B, Mohd Y, Corporate/Hotel Image, Customer Satisfaction, and Customer Loyalty: A Literature Review (1983-2013). *International Journal of Research Management*. 6(6), p 42-56 2016
- [2] Nur Adilah A. And Samshul-Amry A-L The effects of Hotel Image, Brand Image and Employee Performance on Customer Satisfaction of Muslim Youths towards Muslim-Friendly Hotels. Conference: International Conference on Halal Tourism, Products and Services "Supporting the Achievement of Sustainable Development Goals" IHCTPS 2018 At: Sengigi, Lombok, Indonesia 2018
- [3] Philip K & Kevin Lane K . Marketing Management. global edition. Pearson. 2016
- [4] Sahu, S. Pratihari, Suvendu Kr. Strategic CSR, Corporate Identity, Branding and Marketing: Review & Comments. *Review of Integrative Business and Economic Research*, 4(3), p 121-140. 2015
- [5] Joubert R JO, Pellissier R, Garg AK Measuring business performance: A case study. College of Economic and Management Sciences, University of South Africa. 2004
- [6] Goll I, Johnson NB, Rasheed AA Top management team demographic characteristics, business strategy, and firm performance in the US airline industry: The role of managerial discretion. *Management Decision*, 46 (2), 201-222. 2008
- [7] Hubbard G and Beamish P *Strategic Management - Thinking, Analysis, Action*, Pearson Australia, 4<sup>th</sup> Edition. 2011
- [8] Wheelen, TL, Hunger, JD, Hoffman, AN, Bamford, CE Strategic Management And Business Policy: Globalization, Innovation, and Sustaibility. 14<sup>th</sup> Edition. Global Edition, Pearson. 2015
- [9] Pearce JA II and Richard RB Jr. *Strategic Management: Planning for Domestic & Global Competition*. International Edition. New York : McGraw Hill . 2015
- [10] Hitt MA, Ireland RD, Hoskisson RE *Strategic Management : Competitiveness & Globalization: Concepts and Cases*. Eleventh Edition, Stamford : Cengage Learning. 2015
- [11] Cravens DW and Nigel FP *Strategic Marketing*. 10<sup>th</sup> Edition. New York: McGraw-Hill. 2013
- [12] Nenonen N, Hamalainen P, Heikkila J, Reiman T, Tappura S Corporate managers' perceptions of safety and its value: An interview study of five internationally operating finnish companies. *Policy and Practice in Health and Safety*. 1(13), p 3-15. 2015
- [13] Clement OO, Clement IK and Joseph OB Performance Assessment of Partnership Estate Surveying and Valuation Firms in Lagos State, Nigeria. *Mediterranean Journal of Social Science*. 4(13), p 489-497. 2013
- [14] Emanuela T and David K Strategic alliances and models of collaboration. *Management Decision*. 43(1), p 123-148. 2005
- [15] Gherissi Labben T and Mungall A The Influence of the Intensity of Collaboration and Type of Management on the Performance of Swiss Hotels. Chen, J. (Ed.) *Advances in Hospitality and Leisure (Advances in Hospitality and Leisure vol. 3*, Emerald Group Publishing Limited, Bingley, p 151-172. 2007
- [16] Edya G Competitive strategies of selected International Hotels Groups on the Polish Market. *Journal of Tourism & Hospitality*. 7(5) p 1-7. 2008
- [17] Nandakumar MK, Ghobadian A, O'Regan N Business-level strategy and performance: The moderating effects of environment and structure. *Management Decision*. 48(6) p 907-939 2010
- [18] Chung, Y. C., Hsu, Y. W., Tsai, S. C., Huang, H. L., & Tsai, C. H. The Correlation Between Business Strategy, Information Technology, Organisational Culture, Implementation Of CRM, And Business Performance In A High-Tech Industry. *South African Journal of Industrial Engineering* 23(2), 1-15. 2012
- [19] Jose Luis S-O, Alejandro G-P, Macarena M-L The environment and competitive strategies in hotels in Andalusia. *Environmental engineering anf management journal*. 10(12) p 1835-1843. 2011
- [20] Valipour H, Birjandi, H, Honarbakhsh, S The Effects of Cost Leadership Strategy and Product Differentiation Strategy on the Performance of Firms. *Journal of Asian Business Strategy* 2(1), p 14. 2012
- [21] Desak NSW, Eko GS, Erwin S, Yeney WWP Are Competitive strategies and strategic alliances role in improving sustainability performance? *JEMT* 9(7). 2018
- [22] Dwipriyoko,E., Bon,ATB , & Sukono, F. Enterprise Architecture Planning as New Generation Cooperatives Research Methods. In *Journal of Physics: Conference Series* (Vol. 1179, No. 1, p. 012094). IOP Publishing. 2019
- [23] Dwipriyoko,E., Widjayani Partial Business Process Re-engineering in New Generation Cooperatives Enterprise Architecture Implementation. In *Journal of Physics: Conference Series* (Vol. 1477, ). IOP Publishing. 2020
- [24] Widjayani, Nurjaman,R. The Framework of Strategic Agility in Small and Medium Enterprise. In *Journal of Physics: Conference Series* (Vol. 1477, ). IOP Publishing. 2020
- [25] Gumilar,AC., Afrian,NFS., Pramirsih,EE., Widjadjani, The Effect of Mathematics Learning With Improve Method to the

Mathematical Representation Ability of Junior High School Students. In *Journal of Physics: Conference Series* (Vol. 1477, ). IOP Publishing. 2020

- [26] Sutarman,E., Widjajani, Dwipriyoko,E. Effect of Additive Chemicals on Soil Characteristics. In *Journal of Physics: Conference Series* (Vol. 1477, ). IOP Publishing. 2020
- [27] Ridha,MR., Pramiarsih,EE., Widjajani, The Use Of Geogebra Software In Learning Geometry Transformation To Improve Students' Mathematical Understanding Ability In *Journal of Physics: Conference Series* (Vol. 1477, ). IOP Publishing. 2020