

HOTEL MARKETING STRATEGIES IN DIGITAL ERA

The Secret Of Improving Hotel Marketing Performance in the Tourism Industry

by

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FOREWORD

Praise Gratitude, we always pray to the presence of the One and Only God for the abundance of His grace and guidance so that we can finish making this book.

Tourism is a sector that has an important position for economic growth and community empowerment. One type of travel that can boost tourism growth is by optimizing the development of budget travel trends. Budget travel is a form of tourism that places the budget as an important consideration, especially by choosing accommodation and transportation at affordable prices. Most of the millennials fall into the budget traveler category.

This group of young people also has its own character; namely, they prefer to travel based on digital technology when ordering budget hotels and transportation tickets.

To answer the needs of the digital era, to meet the needs of tourism players, it is necessary to optimize marketing by tourism managers, especially hotels with a digital strategy; therefore, we present a book entitled *Hotel Marketing Strategy in Digital, The Secret Era of Improving Hotel Occupation with the Internet*. This book is presented in the form of theory and practice written directly by academics and practitioners.

This book is intended to become one of the reference books for academics and practitioners in the field of hospitality and researchers and planning in the field of tourism and hospitality that can be used as strategic materials in marketing development in the digital era. The material for this book is based on the author's experience as a lecturer and practitioner in economics and hospitality.

In writing this book, we would like to thank all those who have helped in the process of making this book. In this book's writing, maybe it is still not perfect; we accept criticism, suggestions, and constructive messages for the better in the next book edition.

Bina Nusantara University (BINUS)

Malang-Indonesia, December 2020

Author, Murniati, SE., M.Si

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CHAPTER 1

MARKETING MIX THEORY AND PRACTICE

In achieving success, marketing activities support the company's success. Marketing strategy is a plan to select and analyze target markets, develop and maintain a marketing mix that meets consumer needs (Kismono, 2011). An effective marketing program combines all marketing mix elements into an integrated program designed to achieve company goals. Making decisions about products, prices, promotions, distribution channels, or locations must create a cohesive marketing program in the target market.

Service marketing is said to be a form of product, which means any action or action offered from one party to another and is intangible. The marketing program consists of several decisions about the marketing tool mix, which is called the marketing mix or better known as the marketing mix. According to (Kotler, 2003), The marketing mix is: "The marketing mix is a set of marketing tools that a company uses to pursue its marketing objectives in target markets."

The marketing mix is also a policy used by companies to market their products and make a profit. The marketing mix is a set of marketing tools (marketing mix) used by companies to achieve their target markets' marketing goals. This marketing tool was known as the "4Ps" and was developed into the "7Ps," which were used very precisely for service marketing. According to (Kotler, 2008). There are seven keys to the marketing mix in the service sector, namely:

- 1) Product
- 2) Price
- 3) Place
- 4) Promotion
- 5) People

6) Physical Evidence

7) Process

1.1 Product

According to Philip Kotler the definition of a product is:

“A product is a thing that can be offered to a market to satisfy a want or need”.

A product is anything that can be offered to the market to satisfy a consumer's desire or need. The product offered in the hotel sector is lodging services. However, what is needed to win the competition is to differentiate lodging services from competitors who are oriented towards adding value to customer fulfillment. This is related to the application of consumer behavior theory in improving product quality.



Figure 1.1 Example of Hotel Products
Source: SR Homestay Malang Documents

Hotel service improvements must take into account the level of consumer needs based on the targeted hotel segment. The application of consumer behavior theory will be discussed in another chapter in this book. There are 3 things that need to be considered in improving hotel accommodation services

1. Comfort facilities (amenities)
2. Additional services that guests need are tailored to market segments

3. Fulfillment of human needs (application of Maslow's Theory)

The Gandrung City Hostel segment is backpackers or travelers with low budgets. They need supporting facilities in lodging such as kitchens and access to information, ordering tickets for their next trip.



Figure 1.2 Example of Additional Kitchen and Computer Facilities for Guests
Source: SR Homestay Malang and Gandrung City Hostel

Backpackers need computer facilities and the internet to access information, plan trips, and book lodging and transportation for onward trips. So that computer facilities are an added value for the guests.

1.2 Price

According to (Kotler Philip 2013), Understanding Price (price) The amount of money charged for a good or service or the amount of money that consumers exchange for the benefits of owning or using the product or service. According to Philip Kotler, the definition of the price is: " Price is the amount of money charged for a product or service." Price is an amount of money with an exchange rate for obtaining profit from owning or using a product or service. Price is a flexible marketing mix in which a price

will be stable within a certain period of time, but in an instant, the price can increase or decrease, which is contained in the income from the sale.

Pricing is based on the marketing strategy adopted, cost structure, revenue streams, and consumers' willingness to pay. Pricing must be adjusted to the selected consumer segment according to the marketing strategy taken, the cost structure in providing hotel services, and the revenue flow in hotel services. According to the existing segment and level of competition, determining prices can use market analysis provided by online travel agents, for example, market analysis from Expedia. Market analysis using online travel agent facilities is discussed in another chapter in this book.

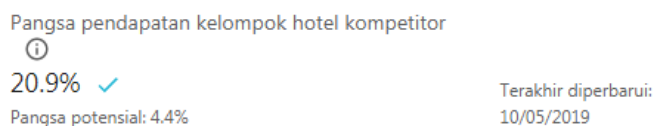


Figure 1.3 An example of competition analysis in the area around a hotel
Source: Expedia's analysis of Gandrung City Hostel Market share

1.3 Place

The place of the hotel business determines the decision in choosing a hotel to stay in. Of course, the hotel's location is critical to consider in determining the marketing strategy and pricing and other facilities needed to monitor service offerings to potential customers. According to (Kotler Philip 2013), the definition of a place (place) is: "Various companies strive to make products accessible and available to target customers." The place is the various activities undertaken by a company to make its products easily accessible and available to target consumers. Distribution has a vital role in helping companies to ensure their products. This is because distribution aims to provide the goods and services that consumers need and want at the right time and place.

Examples of lodging places in Malang are SR Homestay Malang, which is strategically located in the middle of Malang city and in Banyuwangi, namely

Gandrung City Hostel and Cheap Inn, located in the middle of Banyuwangi city with the advantages of having its own cafe, wifi and very close to transportation facilities. Public bus terminals and train stations are very suitable as a stopover for climbing Mount Ijen.

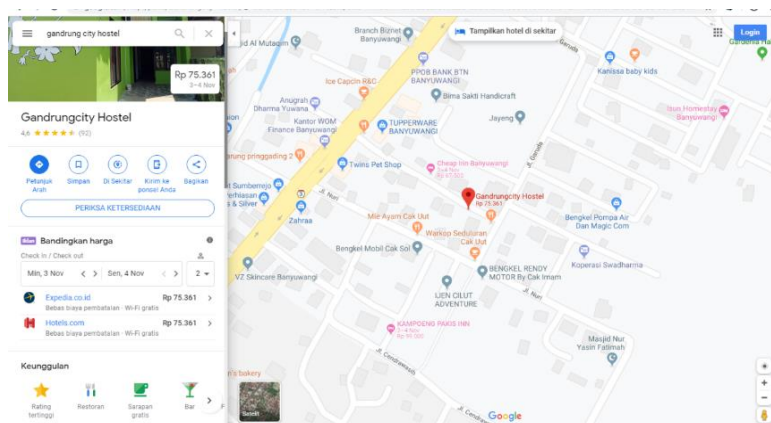


Figure 1.4 Location of Gandrung City Hostel and Cheap Inn on Google Maps
Source: Google Maps

The location of Gandrung City Hostel and Cheap Inn is not located on the side of the main road. Still, it offers a lower price with quite complete facilities for climbers and travelers who stop in Banyuwangi. Furthermore, to support the bargaining power of a location that is quite close to popular destinations and public transportation facilities, Gandrung City Hostel strengthens its offering with restaurant facilities with 100% organic food ingredients from their own rice fields and herbal drinks for climbers, which are certainly strong enough to attract local and foreign tourists. Staying at Gandrung City Hostel, coupled with transportation services in cars and motorbikes, makes it easier for tourists to travel in Banyuwangi. Location is an important consideration in determining the hotel marketing strategy.

1.4 Promotion

Promotion is a tool for marketing communication (Yeshin, 2006). According to (Kotler Philip 2013), the definition of Promotion is "Promotion includes all the activities of the company undertakes to communicate and promote its product the target

market." Promotion is all activities carried out by the company to communicate and promote its products to target markets. The purpose of promotion is to establish communication with potential customers and customers who have purchased hotel services. Communication means or promotional channels are certainly needed in establishing communication. In this digital era, hotels can take advantage of Internet facilities to reach potential customers and customers worldwide. The power of offer in the promotion logic plays a vital role, but it must still take into account the hotel cost structure because hotels need profits to grow and develop (Cummins & Mullin, 2010). The use of the internet in hotel promotion is discussed in another chapter in this book.

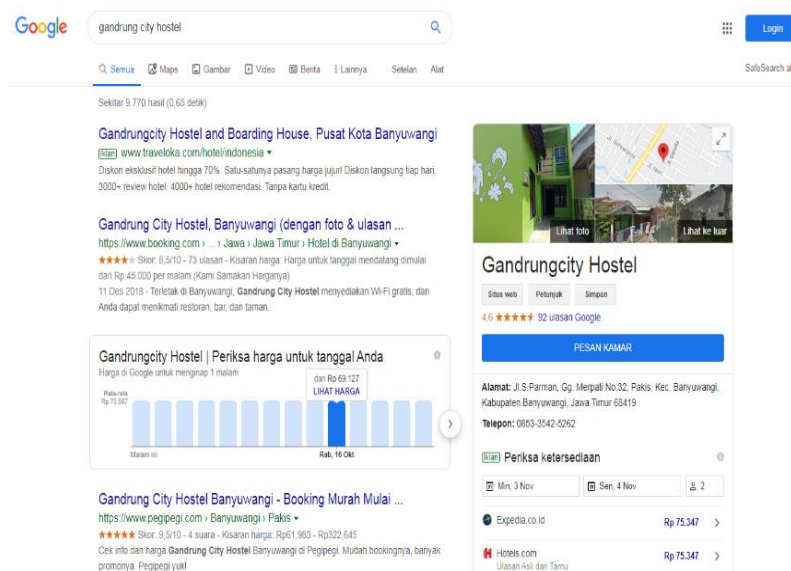


Figure 1.5 Examples of Internet Use in Promotion

Source: Google Search

1.5 People

Staff or a group of people involved in hotel service provision have a considerable influence in building hotel service consumers' image and satisfaction. It is not only about staff or employee appearance but also invincibility by segment. According to Philip Kotler, the definition of Person (Person) is the process of selecting, training, and

motivating employees, which can later be used to differentiate between companies in meeting customer satisfaction.

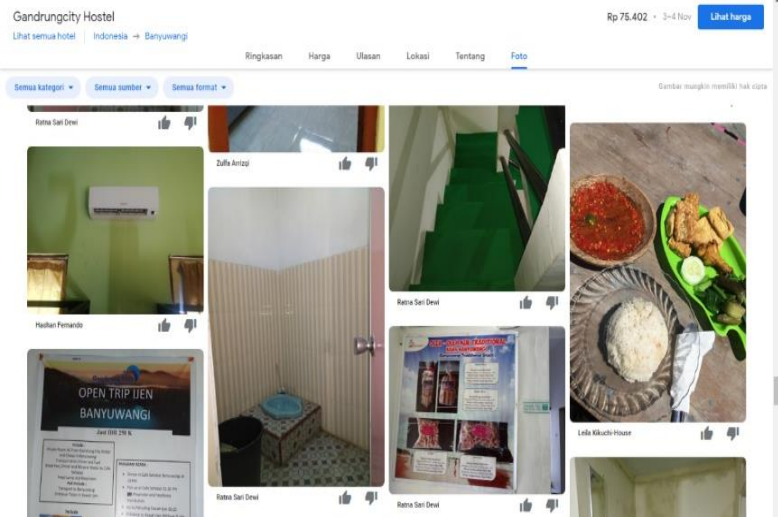


Figure 1.6 Photos of guests of Gandrung City Hostel from various countries
Source: google search

In the backpacker segment, Gandrung City Hostel prefers a relaxed appearance with everyday clothes to enhance a family's impression and a sense of home for guests to feel at home and treat as their own family.

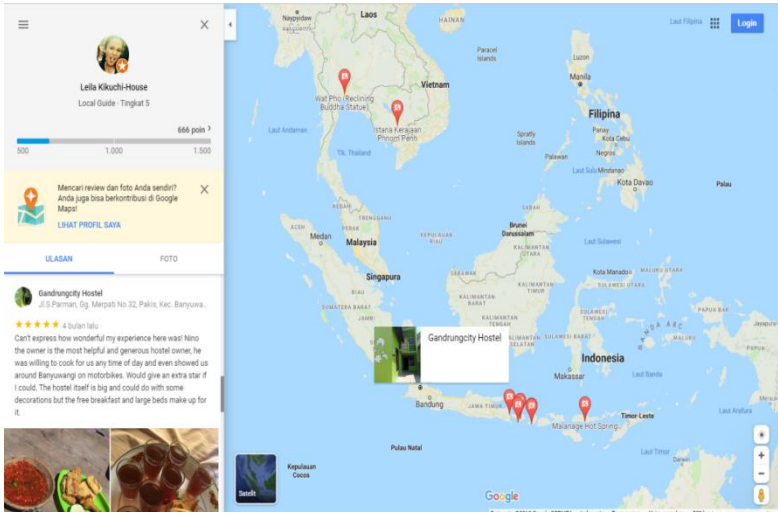


Figure 1.7 Examples of international guest reviews from the hostel manager's interactions with guests
Source: google search

“Can’t express how wonderful my experience here was! Nino the owner is the most helpful and generous hostel owner, he was willing to cook for us any time of day and

even showed us around Banyuwangi on motorbikes. Would give an extra star if I could. The hostel itself is big and could do with some decorations but the free breakfast and large beds make up for it.”
(Leila Kikuchi, United Kingdom)

1.6 Physical Evidence

Services or services are not tangible, which can be seen with the eye but are surrounded by tangible elements such as building forms and other physical appearances. Physical evidence According to (Kotler Philip 2013), physical evidence is held by service providers aimed at consumers as a consumer added value proposal. Physical evidence is a tangible form that is offered to customers or prospective customers.

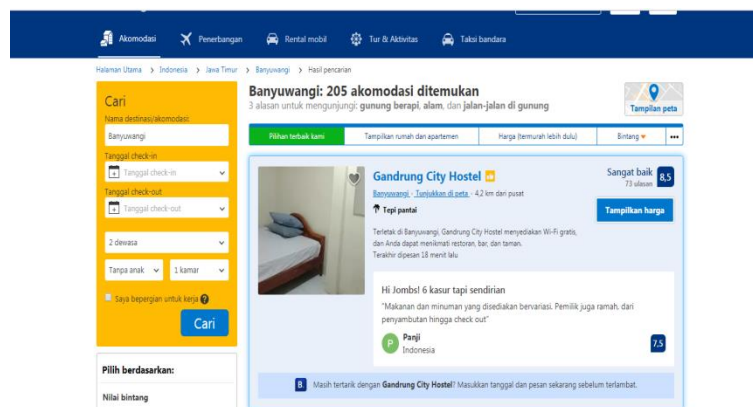


Figure 1.8 Gandrung City Hostel is a backpacker hotel most recommended on booking.com
Source: booking.com

Physical evidence surrounds a product in the form of a service (Verma, 2012 & Nargundkar, 2010). Physical evidence of hotels is the form of buildings and hotel websites and hotel photos on online travel agent websites, which have a significant influence on the decision-making of potential customers to choose a hotel to stay.

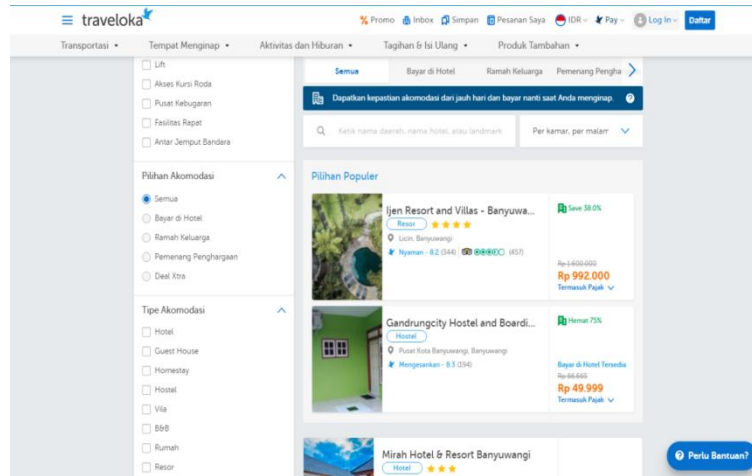


Figure 1.9 Gandrung City Hostel is the most popular hotel on traveloka.com
 Source: traveloka.com

1.7 Process

The process in the marketing mix is a business activity process (Fifield & Richter, 2012). Business processes determine the influence of repeat orders or re-orders from consumers who have purchased hotel services. Of course, it is essential in digital marketing because good internal processes affect customer satisfaction, as reflected in consumer reviews. Process, namely all actual procedures, mechanisms, and activity flows by which services are delivered, serves service operations. A process is a form of activity carried out to market goods or services to potential customers.

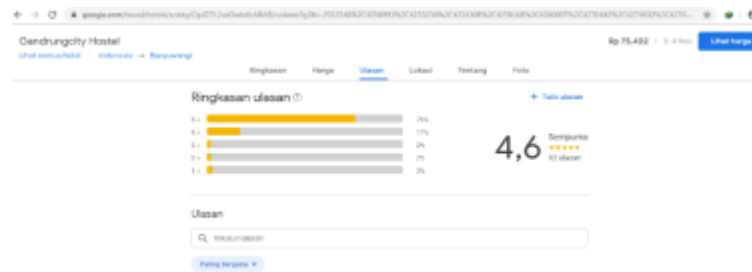


Figure 1.10 Reviews of Gandrung City Hostel on google
 Source: google search

CHAPTER 2

SEGMENTING, TARGETING, AND POSITIONING

Marketing (marketing) is a process of social, cultural, political, economic, and managerial activities (Rangkuti Fredy 2014), while according to (Sunny TH Goh, Khoo 2005) Another definition explains that marketing is a social process where individuals and groups get what they get. They need and want through the process of creating, offering, and exchanging products and services freely with others. Good marketing focuses on customer satisfaction, where customer satisfaction will lead to loyalty to consumers; this makes long-term benefits for the company or business.

In developing marketing, a strategy is needed where the strategy is an effort to market a product, be it goods or services, using a planned pattern and a certain way to increase sales. According to (Assauri. Sofjan 2013), a Marketing strategy is basically a comprehensive, integrated, and unified plan in marketing that guides activities to be carried out to achieve a company's marketing objectives. In other words, a marketing strategy is a series of goals or objectives, policies, and rules that give direction to the company's marketing efforts from time to time, at each level and its references and allocations, especially as a company's response to the environment and conditions of constant competition.

The process that must be passed in determining the marketing strategy is segmenting, targeting, and positioning (STP). Segmenting, targeting, and positioning are the basic keys in formulating a hotel marketing strategy. This book exemplifies Gandrung City Hostel's marketing strategy with a fairly high occupation at its level, so it needs to be supported by the provision of Gandrung City Hostel rooms by Cheap Inn Banyuwangi.

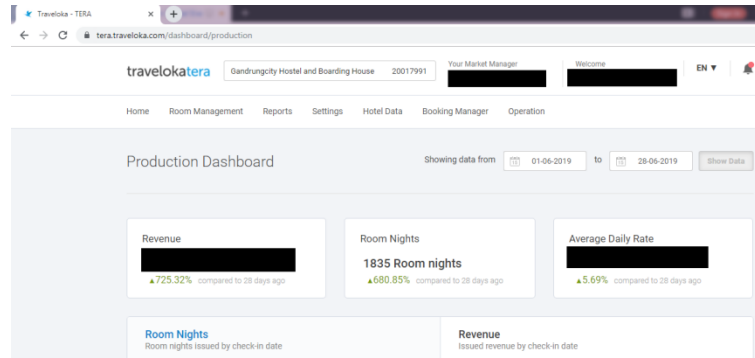


Figure 2. 1. The occupation of Gandrung City Hostel is more than 1500 rooms a month
Source: traveloka.com

Gandrung City Hostel, in marketing its rooms, uses the concept of segmenting, targeting, and positioning using google trend tools and focusing on marketing using online travel agents and search engine optimizers with the keyword "Cheap Hotel Banyuwangi." This keyword describes the Gandrung City Hostel segment, which is travelers worldwide who travel to Banyuwangi, targeting low budget travelers or tourists so that they position themselves as low budget hotels in Banyuwangi.

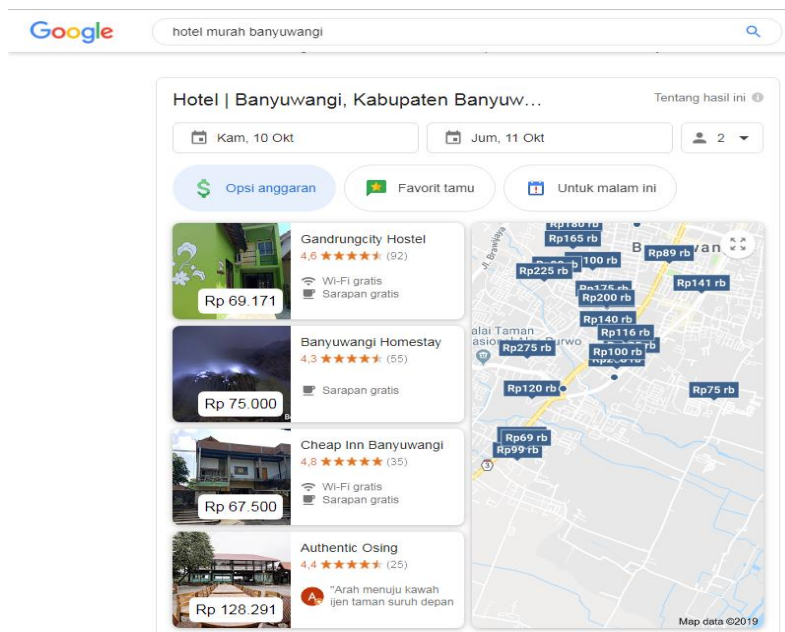


Figure 2. 2. Position of Gandrung City Hostel on google with the keyword "Cheap Hotel Banyuwangi."
Source: google.com

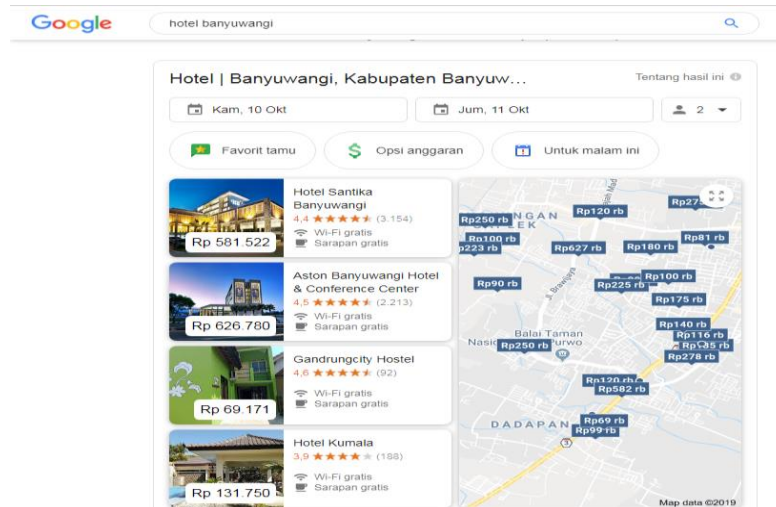


Figure 2. 3. Position of Gandrung City Hostel on google with the keyword "Banyuwangi Hotel"
Source: google.com

Search for Gandrung City Hostel using the keyword "Cheap Hotel Banyuwangi" occupies the top position. With the keyword "Hotel Banyuwangi," the position of Gandrung City Hostel ranks third, right below star hotels. In addition to obtaining a strategic position in the search engine, Gandrung City Hostel uses SEO techniques discussed elsewhere in this book.

2.1. Segmenting

Segmenting is the first step in determining a marketing strategy. According to (Tjiptono 2014), the definition of market segmentation is the process of grouping a heterogeneous whole market into groups or segments that have similar needs, desires, and behaviors towards specific marketing programs. Meanwhile, according to (Mudrajad Kuncoro and Suhardjono 2012), the notion of market segmentation is the activity of identifying classes in society that have different needs for bank services. So that with this segmentation, a heterogeneous market can be divided into several homogeneous market segments.

According to (Lupiyoadi 2001), market segmentation divides the market into groups of buyers who are differentiated according to their needs, characteristics, or behavior that may require different products. Market segmentation can also be defined as the process of identifying and analyzing buyers in a product market, analyzing the differences between buyers in the market. The variables used in segmenting the market are:

1. Geographical Segmentation To divide the market into geographic units such as country, region, state, city, or housing complex.
2. Demographic Segmentation, dividing the market into groups based on variables such as age, gender, family size, family life cycle, income, occupation, education, religion, race, and nationality
3. Psychographic Segmentation, dividing buyers into different groups based on characteristics of social class, lifestyle, or personality.
4. Behavioral Segmentation, Classifying buyers based on their knowledge, attitude, use, or reaction to a product.

Segmentation is the process of dividing a market into sections, or segments, which can be defined or explained, accessible or accessible, actionable, profitable, and has growth potential (Stewart, et al., 2017, Witt & Baird. 2018). In dividing the market or segmenting the market, it is necessary to pay attention to the following points:

- a. Definable (can be described or described).
- b. Accessible (accessible).
- c. Actionable (actionable)
- d. Profitable (can provide benefits)
- e. Have a growth potential (potential to grow and develop)

2.1.1. Definable

Definable means the number of people who can be identified and targeted with reasonable effort, cost, and time to find out how many groups of people in a segment or market share are potential to buy (potential customers). For example, the number of tourists who come to Banyuwangi can be found by searching on a search engine.

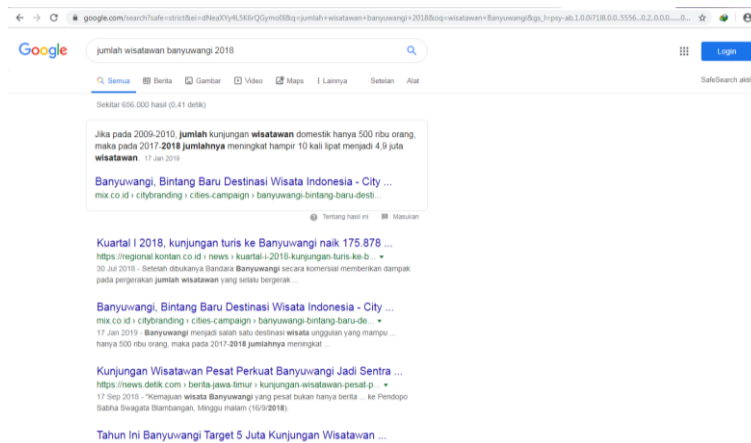


Figure 2. 4. Google search results for the number of Banyuwangi tourists
Source: Google.com

From the search engine results, more than four million people are visiting Banyuwangi both domestically and internationally. This explains or identifies more than four million people are willing to stay at inns in Banyuwangi. However, more than four million groups of people have different tastes and budgets. And to meet all the demands of this group of prospective customers, it requires a property investment budget that is not small and requires various property arrangements. So it is necessary to adjust the carrying capacity of the property with a group of smaller and uniform people or have the same taste or demand, which is the target of promotion or the target of communicating to obtain a request called targeting.

2.1.2. Accessible

A market segment must be accessible in terms of geography and economy. Prospective consumers must be affordable in hotel promotion channels to allow

accessibility of hotel services, for example, the use of online international travel agents to reach potential customers abroad, the use of meta search to optimize searches on the google map to reach potential customers in the hotel area. Gandrung City Hostel in reaching potential customers worldwide in collaboration with 200 online travel agents so that potential customers can make hotel reservations while still in their country. For potential customers who are already in Banyuwangi, Gandrung City Hostel optimizes searches on the google map to find Gandrung City Hostel through a search engine.

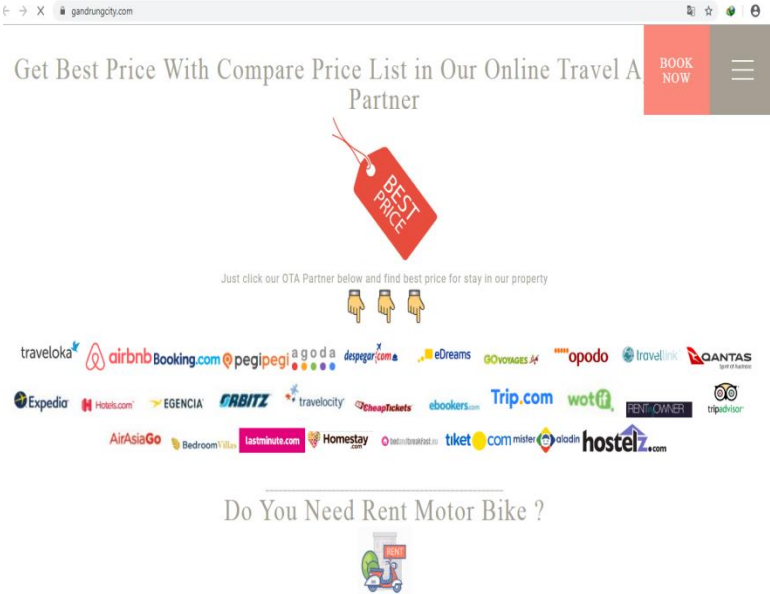


Figure 2. 5. Gandrung City Hostel in collaboration with various online travel agents
Source: gandrungcity.com

Gandrung City Hostel collaborates with various online travel agents at home and abroad to reach potential customers. The service market segment of Hotel Gandrung City Hostel can be reached using an online travel agent.

In the digital era, the use of search engines is very familiar in society. Not even a few new tourists are looking for hotels to stay in on the same day and are already in the destination city. This can be seen from the reservation reports at Gandrung City Hostel in the last six months. 94% of guests who stayed at Gandrung City Hostel booked the

same day to stay. However, some guests booked a few days in advance from their scheduled lodging at Gandrung City Hostel.

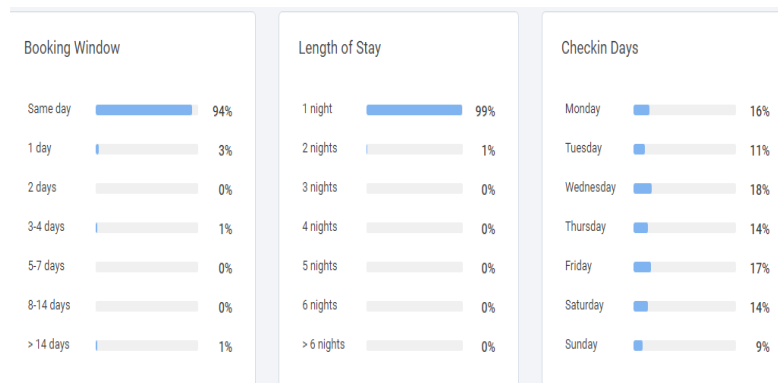


Figure 2. 6. Report on the Reservation of Gandrung City Hostel on Traveloka
Source: Tera Traveloka

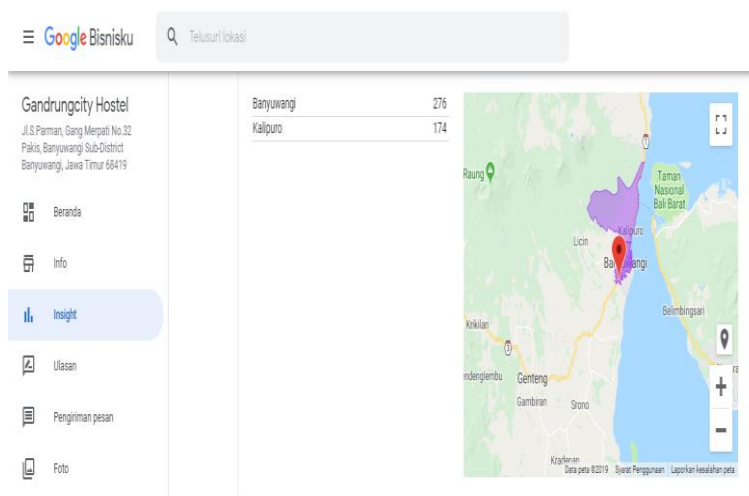


Figure 2.7. More than 500 customers a month come directly to the hotel via google maps
Source: Google My Business

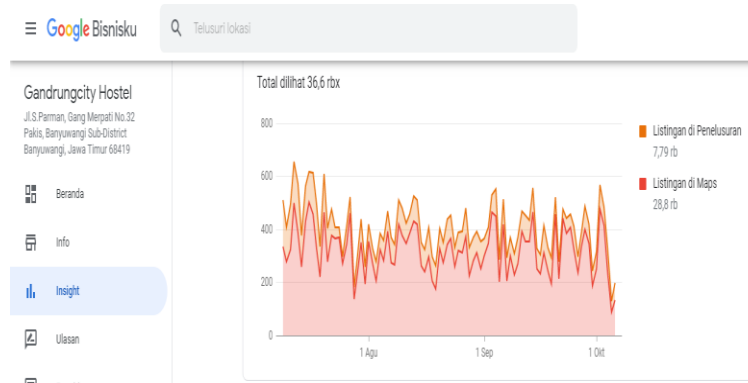


Figure 2. 8. More than 36 thousand people found Gandrung City Hostel on google in a month
 Source: Google My Business

2.1.3. Actionable

Actionable in segmentation is a consumer grouping or segmentation that can be followed up, as discussed in subchapter 2.1.2. Accessible. For example, the consumer segment of Gandrung City Hostel can be connected through promotional channels, namely online travel agents and google search engines. There are consumer actions that can be followed up, such as contacting hotels, viewing information on the hotel website, and coming directly to the hotel resulting in a closing sale of hotel rooms. Gandrung City Hostel receives more than one hundred orders every day through online travel agents and direct orders for customers who find Gandrung City Hostel on the google search engine.

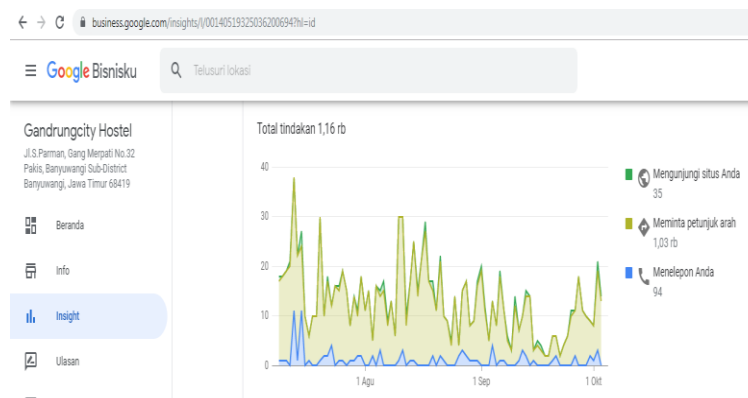


Figure 2.9. More than a thousand people order Gandrung City Hostel on Google in a month

Source: Google My Business

There are over a thousand directions requests a month, with 50% of customers coming to hotels and making hotel bookings. There were 94 direct bookings by telephone and 35 website visits that led to bookings made through online travel agents. The website becomes an important part of supporting marketing in the form of follow-up to potential customers by 3.5%.

2.1.4. Profitable

The focus of consideration in determining a marketing strategy is the potential profit in market segmentation, for example, the daily rate average received by Gandrung City Hostel on Traveloka.

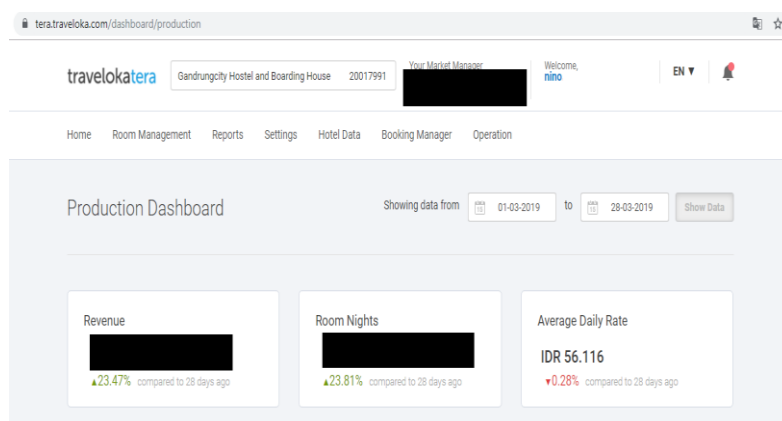


Figure 2.10. Average daily rate Gandrung City Hostel at Traveloka

Source: Tera Traveloka

Total revenue from room sales is Rp. 56,116, - / room x 1500 rooms of Rp. 84,249,000 - with an average daily rate of Rp. 56,166 - and an average occupancy of 1500 rooms. Gandrung City Hostel's other sources of income are transportation (56% revenue contribution), food (15% revenue contribution), and travel equipment rental (5% revenue contribution).

The structure of hotel expenses from the nominal income that exists is the salary of 4 employees of IDR 2,000,000, water and internet electricity IDR 2,000,000, food and toilet expenses IDR 8,000,000 per month to calculate the potential profit of more than 70 million each month.

2.1.5. Have a Growth Potential

The hotel market potential in Banyuwangi from 2009 to 2018 tends to increase. This shows the potential growth of the market. To see the market potential can be seen from google search or google trends.

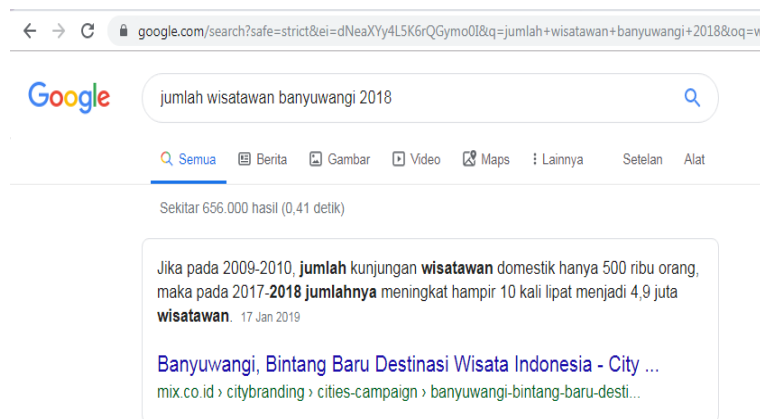


Figure 2.11. Tourist Visit of Banyuwangi 2018
Source: Google

The growth of tourist visits in Banyuwangi from 2009 to 2018 was very significant. Google trends can be used to see the hotel business market (tourist visits). Potential tourist visits can be done by searching for keywords in the city where the hotel is located, popular tourist destinations, such as the use of google trends in seeing the potential growth of the Gandrung City Hostel market segment Banyuwangi.

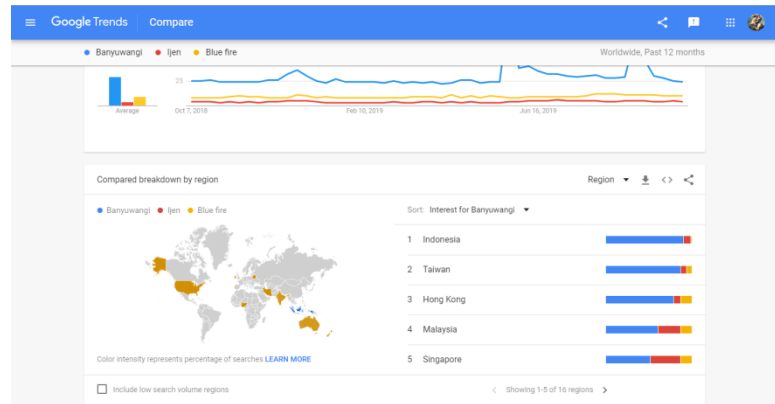


Figure 2.12. The results of google trend analysis
Source: Google Trends

Based on Google Trends, 13 potential countries visit Banyuwangi outside of Indonesia with three keywords, namely, Banyuwangi, Ijen, and Blue fire. The keyword analysis shows that potential markets that can be targeted for promotion through search optimization on google and online travel agents can be used as marketing partners.

2.2. Targeting

Targeting is a grouping of segments that are taken to be used as communication targets for product promotions, for example targeting Gandrung City Hostel is the target segmentation of tourists visiting Banyuwangi with low budgets or backpackers.

Determining the target or target group of potential consumers needs to pay attention to the following things:

- a) Sales Potential
- b) Market Share Potential
- c) Potential for Other Returns
- d) Investment Required
- e) Strengths and Weakness Compared to Competitors (Troilo, 2015).

2.2.1. Sales Potential

The target group of consumers must have the potential to purchase the products offered or have sufficient purchasing power to buy the products offered and be willing to buy the products offered. The products offered can be innovated following the development of the tastes of the target group of potential consumers.

Identification of sales potential can be made by observing similar industries or industries of different types but offering products that have the same potential for fulfillment, for example, from lodging service products by observing the number of occupancy of other inns that have the same target group of consumers or are close to the same or similar, can also be seen from the rotation of the tent rental because the tent serves as an alternative to staying overnight in the open.

To compare sales potential, which can also be used as a price determination, online travel agent websites' observations can be used. For example, the target of low budget travelers can be seen by opening an online travel agent website, for example, booking.com.

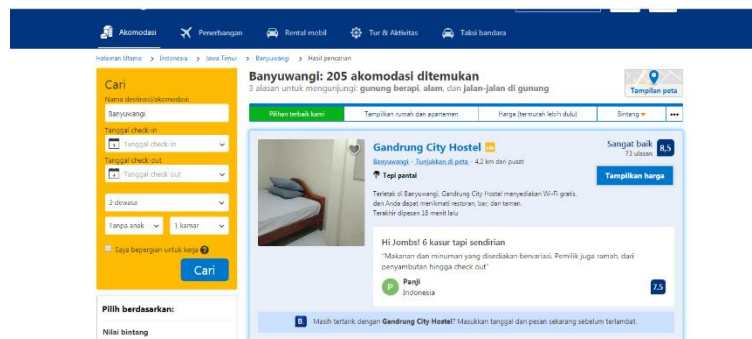


Figure 2.13. There are 205 accommodations listed on Booking.com for the Banyuwangi area
Source: Booking.com

Gandrung City Hostel is an example of a lodging product that targets low budget travelers. This can be found on the search engine booking.com where there are 205 accommodations, and the most recommended is Gandrung City Hostel. The way to see

the potential for low budget sales is by sorting from the lowest price. Generally, low budget travelers do a search starting from the lowest price first, then compare the facilities offered.

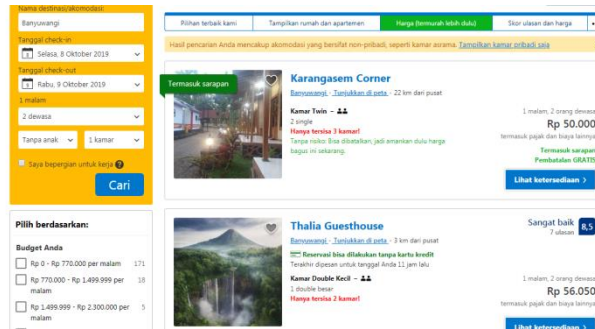


Figure 2.14. The cheapest room price in Banyuwangi is IDR 50,000 / room
Source: Booking.com

From the observations, there is a potential sale with a price as low as IDR 50,000. The next step is to observe the facilities of the cheapest room to see the minimum facilities of competitors.



Figure 2. 15. Minimal facilities are free wifi access, free parking and breakfast
Source: Booking.com

To calculate the financial feasibility, it is discussed in sub-chapter 2.2.3, which considers the potential market share that is possible to obtain (Market Share Potential).

2.2.2. Market Share Potential

The potential market share is the market share that may be obtained in the promotion target group. Sub-chapter 2.2.1 discusses how to see sales potential through

internet media, while sub-chapter 2.2.2 discusses how to see potential market share that can be taken. To see or estimate the possible market share, you can go through a google search, for example, a tourist visit to Banyuwangi

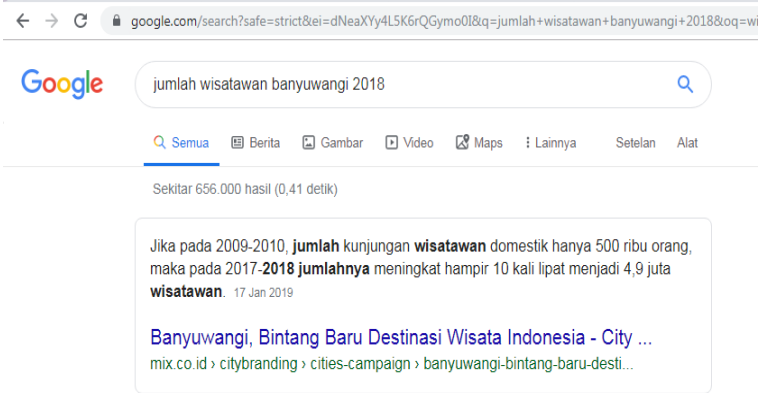


Figure 2.16. came from 4 million people to Banyuwangi
Source: Google.com

Of the 4 million people, this is still a global number of visitors, from low to high budget visitors. To see the potential market share, an observation of similar hotels' market share, and in the area around the hotel was carried out using Expedia. As follows:

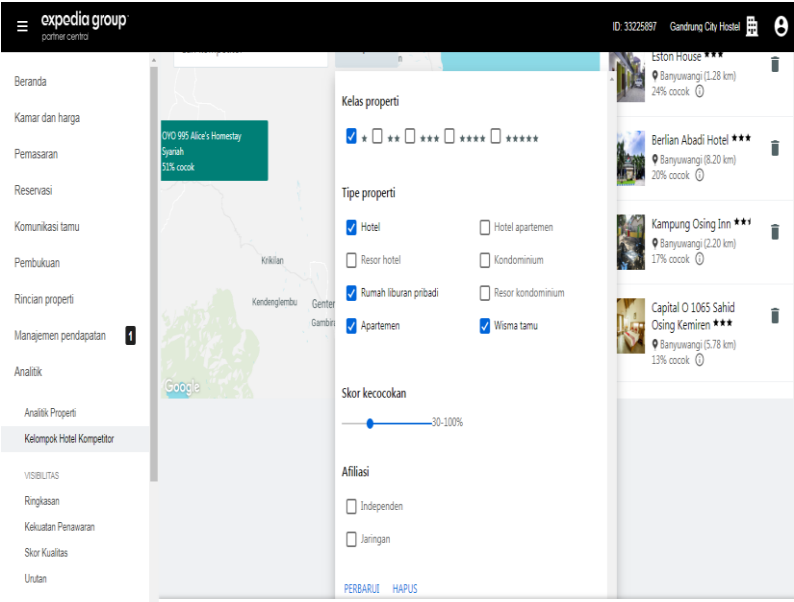


Figure 2.17. Expedia Central can be used as a tool to calculate potential market share

Source: Expedia central

Select analytics, then select competitor hotel groups, then filter by hotel class; for example, Gandrung City Hostel uses a one-star filter as shown.

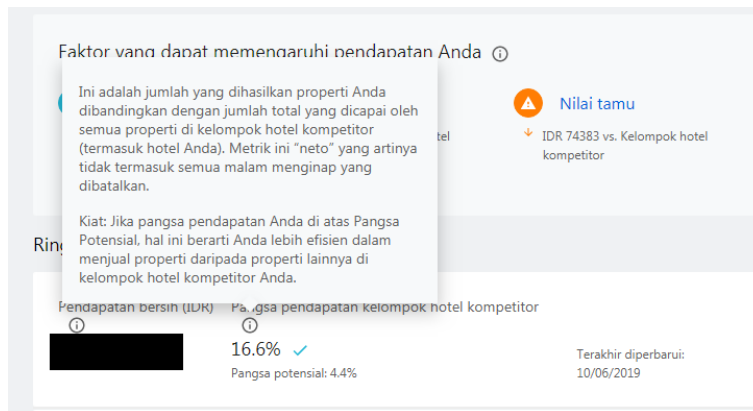


Figure 2.18. Example of comparison with other properties and can be seen the market potential that can be taken, and that has been taken

Source: Expedia central

From the estimation calculated using Gandrung City Hostel as an example, it can be seen that the potential market share of hotels like Gandrung City Hostel is 4.4% of the market share of Expedia in Banyuwangi. To estimate Expedia users in Banyuwangi, they can use Google Trend compared to popular online travel agents in Indonesia and abroad. For example, compared to booking.com, traveloka, Pegi Pegi, and Skyscanner with the following Google trend estimation results:

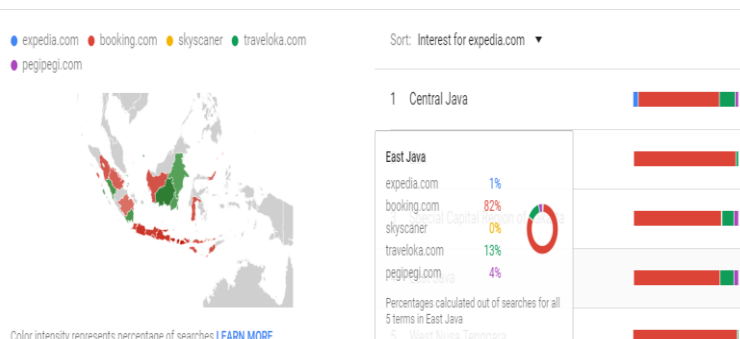


Figure 2.19. Google trend estimation results
Source: Google Trend

Because Banyuwangi is located in the East Java area, it is estimated that East Java. Based on the Google trend estimation results, there are 1% of Expedia users or the Expedia share of the market in East Java. The estimation results show that the potential market share of Gandrung City Hostel is $1\% \times 4 \text{ million tourists} \times 4.4\% = 1760$ tourists. However, Gandrung City Hostel can take a 16.6% market share at this time or 6,640 guests a year from Expedia. However, by collaborating with traveloka, which is estimated to control 13% of the Banyuwangi market share, it can bring guests to Gandrung City Hostel, 1,500 guests a month or 18,000 guests a year. From the comparison of Google trends and the number of occupations between Expedia and traveloka, we can use an estimate of Expedia of similar hotels of 4.4% market share with a sample of Expedia users and compare to traveloka it can be estimated that the potential market share of low budget travelers is 4.4% multiplied by 4 million travelers. A year, namely 176,000 guests a year divided by the number of low budget lodgings in Banyuwangi using booking.com.

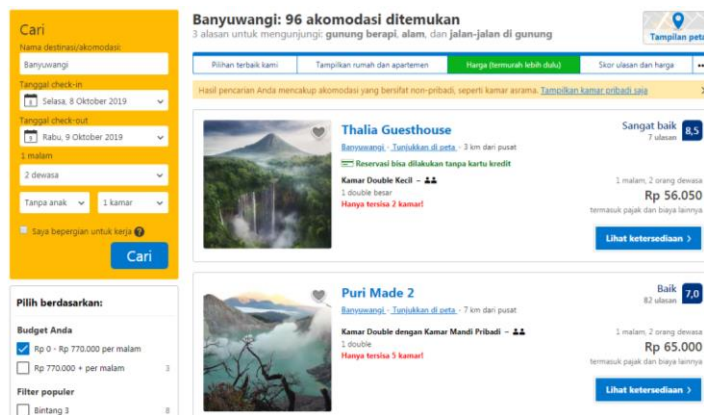


Figure 2.20. Example of 96 low budget accommodations
Source: booking.com

So the potential and split with a low budget of 176,000 divided by 96 equals 1,833 guests divided by two, assuming one room for two people so that it becomes 916 rooms. The method of calculating in this book can be applied in other places and in other segments depending on the hotel that the reader is marketing to.

2.2.3. Potential for Other Returns

Potential for Other Return is maximized other potential income. For example, tourists to Banyuwangi, based on estimates from booking.com, have 3 reasons for groups of low budget travelers to Banyuwangi, namely climbing, especially Mount Ijen, traveling or enjoying other destinations besides Mount Ijen, and exploration around Mount Ijen. This information can be used as a basis for information to optimize other income besides lodging, namely transportation and climbing equipment rental. This can be applied to other areas outside Banyuwangi.



Figure 2.21. 96 low budget accommodations were found
Source: booking.com

2.2.4. Investment Required

In order to reach the consumer groups that have been determined as targets, of course, it is necessary to calculate investment needs and potential returns. For example in this book in sub-chapter 2.2.2 and sub-chapter 2.2.1, it is found that the estimation results are 916 rooms a year with the lowest price of IDR 50,000, so it can be seen that the potential annual income of IDR 45,800,000 divided by 12 is IDR 3,816 .666, - with a total of 916 rooms divided by 12 divided by 30 = 2.5 rooms or 3 rooms. So that the

potential income per room is Rp. 3,816,666 / month divided by 3 rooms is equal to Rp. 1,272,222, - / room. With the formula $1: 1000$ for the room rental price: investment per room, the total investment of at least IDR 50,000 / room x 1000 x 3 rooms = IDR 150,000,000 with a gross income of IDR 1,272,222 / room, you can know the estimate average occupation of IDR 1,272,222 divided (IDR 50,000 / day x 30 days) times 100% = $\text{IDR } 1,272,222 / \text{IDR } 1,500,000$ multiplied by 100% = 84.8% . Estimated break event points of IDR 50,000,000 divided by IDR 1,272,222 / month = 39.3 months.

2.2.5. Strengths and Weakness Compared to Competitors

With all the calculations in the previous sub-chapters which are related to the calculation of self-ability and market potential with the example of Banyuwangi and Gandrung City Hostel, this section pays more attention to the bargaining power of competitors in the market using the SWOT matrix.

The SWOT matrix serves to compare the strengths and weaknesses of oneself with the strengths and weaknesses of competitors so that they can be applied and facilitate decision making in terms of decisions to enter the market (entry market) or exit the market (Proctor, 2000 & Yaraddi, 2019). If one's ability is sufficient with the potential for a growing market and potential profits that can be used to grow in the future, then entering the market can be taken into consideration and vice versa. The SWOT matrix is as follows:

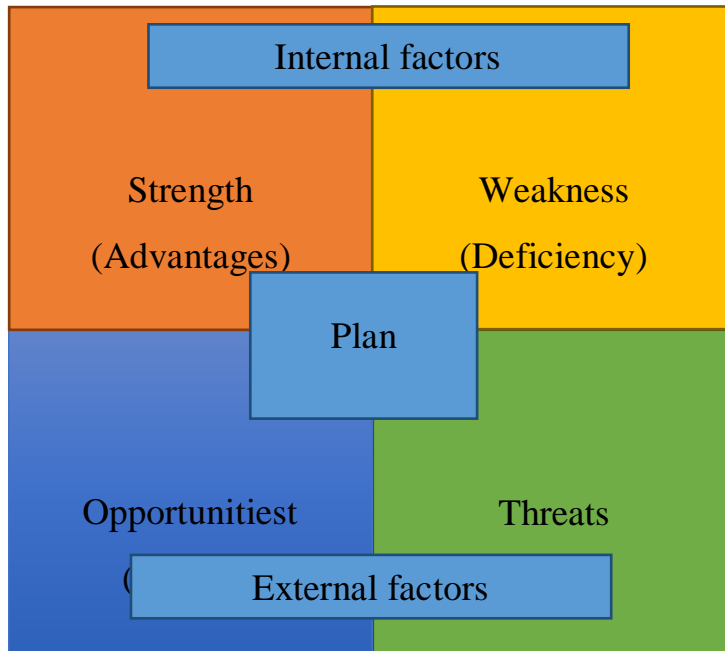


Figure 2.22. SWOT Matrix
Source: (Proctor, 2000, Yaraddi, 2019)

2.3. Positioning

Positioning is the determination of the position of a product (goods or services) on similar products in the market and consumers' minds. Good positioning in a market full of many products and brands offering similar benefits makes the product unique and makes users consider using it. Positioning either places a brand or product with a different placement from others or similar products both in the market and in consumers' minds (Blankson & Coffie, 2019: 36 & Gong, 2019: 3).

CHAPTER 3

CONSUMER BEHAVIOR THEORY AND PRACTICE

3.1 Consumer Behavior Theory

Consumer behavior is the process and activity when a person deals with finding, selecting, purchasing, using, and evaluating products and services to meet their needs and wants. Consumer behavior is the things that underlie consumers to make purchase decisions. There are four theories of consumer behavior that every marketer needs to know, namely:

1. Theory of Reasoned Action
2. Engel, Kollet, Blackwell (EKB) Model
3. Motivation-Need Theory
4. Hawkins Stern Impulse Buying

Knowledge of consumer behavior theory is useful for determining marketing direction and strategy by considering the actions that consumers may take as a form of marketing action reactions.

1. Theory of Reasoned Action

In 1960, Martin Fishbein and Icek Ajzen proposed the Theory of Reasoned Action by analyzing the consumer decision-making process. Martin Fishbein and Icek Ajzen state that consumers act based on the desire to receive certain results or something from purchasing goods and/or services in their best interest (Fishbein & Ajzen, 2011: 18, Hennessy, 2012: 58).

Based on this theory, in marketing a product to consumers, marketers must convince consumers that the marketed product's purchase is by the buyer's desire or the buyer's original intention to make a purchase. For example, in the marketing of Gandrung City Hostel, Gandrung City Hostel with the backpacker segment offers

cheap accommodation with the comfort facilities backpackers need, such as air conditioning (AC), free breakfast, and clean toilets even at very affordable prices.

2. Engel, Kollet, Blackwell Model

Engel, Kollet, Blackwell's model is a development of the Theory of Reasoned Action by explaining the five steps that consumers use when making purchases, namely:

1. Problem Recognition (Awareness of problems that need to be resolved)
2. Information Search
3. Alternative Evaluation (Evaluation of alternative problem solving)
4. Purchase (Purchase action)
5. Post-Purchase

Problem Recognition is the first step of the buying cycle where consumers are aware of a problem that needs to be resolved or, in other words, a need that must be met.

The second step of the buying cycle is collecting available information about possible solutions or alternative solutions or alternatives to fulfill needs. The bigger the purchasing decision, the longer this process will take. A consumer will be comprehensive in his search and find information about features, prices, ease of use, and so on. This stage is a stage that marketers must understand in developing a brand or branding development because the branding of a product affects which product consumers first remember to lead consumers to purchase the product.

In the third step, after the information is collected, consumers will evaluate alternative solutions obtained from the information gathering process (second stage). Consumers will compare the information obtained on alternative solutions or product alternatives with the price to be paid, product expectations in meeting needs, and post-product use.

The fourth step is a purchase action step based on the evaluation process in which consumers try to make the best alternative purchase action for their interests.

The final step is post-purchase; after consumers make a purchase, consumers can assess and feel the benefits of the product, whether it meets their needs or exceeds expectations, or is less than expected. This affects repurchasing or not (Koschnick, 2011: 56, Nijhuis, 2013: 13).

3. Motivation-Need Theory

Motivation-Need Theory or Motivation-Needs Theory in consumer behavior theory is based on the hierarchy of needs theory developed by Abraham Maslow. Abraham Maslow explained his hierarchy of needs in 1943; based on a hierarchy of needs, humans act to meet needs based on a system of priorities. The five sections in the hierarchy of needs include:

- a. Physiological (Physiological or survival).
- b. Safety.
- c. Love.
- d. Esteem (Award).
- e. Self-actualization (Self-actualization).

Motivation-Need Theory or Motivation-Needs Theory in consumer behavior theory adapts Maslow's theory to explain the need to adapt marketing actions to consumers in certain ways. A successful marketing campaign must pay attention to awareness of a product and establish its place somewhere based on hierarchical needs. Consumers are motivated to prioritize purchases in a hierarchical direction, so companies need to construct messages that instill a sense of need or urgency (Kardes, et al., 2010: 104 & Hawkins et al., 2010: 411).

4. Hawkins Stern Impulse Buying

Based on Hawkins Stern Impulse Buying's theory, impulsive buying is mostly driven by external stimuli and has almost no relationship with rational decision making. Stern defines four categories of impulsive buying, namely:

- Pure impulse purchases.
- Impulse purchase reminded (impulse reminder).
- Suggested impulse purchase (suggestion impulse).
- Impulsive purchases that were planned (planned impulse).

Pure Impulsive Buying is a purchase made based on decisions taken suddenly, without consumers' thoughts and calculations. This category is closely related to emotional and impulsive consumers who do not seek the product initially but feel a strong emotional need. One example is low prices as a common cause of this category.

Impulsive Buying Reminder occurs when consumers have prior knowledge about a product from advertisements or certain information that consumers previously noticed, making consumers take the opportunity to buy.

Suggestion Impulsive Buying occurs when consumers see a product for the first time, with their desire to try something new, resulting in unplanned purchases. Consumers do not have prior knowledge of the product but have visualization interests in hotels or marketing websites, or other marketing channels.

Planned Impulsive Buying occurs when consumers have identified the product and brand they want to buy (Bush & Hunt, 2011: 56).

3.2. Know Your Customer

This chapter is an extension of chapters 2, 3, and 6 focusing on consumer personalization. Chapters 2, 3, and 6 emphasize theory and a little description of the practice of using theory in the real world or the business world. Suppose you haven't

read chapters 2, 3, and 6. The author recommends understanding the three chapters before reading chapter 9.

3.2.1. The Importance of Knowing Your Customers

Please get to know customers better because only they can help get more leads and more business. Understanding customers is the key to providing them with good service, resulting in strong customer relationships and new sales through positive word of mouth. However, understanding the customer's psyche is not easy. It most often requires careful analysis to identify their buying preferences or patterns to anticipate their needs and exceed their expectations.

Having a comprehensive understanding of customers is key to achieving core business goals. Either try to build (or optimize) the customer experience, create more engaging content, or increase sales. Knowing the customer better than them is key.

This section describes some easy ways or techniques to understand customers better. Read, understand, and absorb them in a working approach to engaging with customers better, and you will end up selling more.

3.2.2. Track Customer Behavior In Real-Time

Today's customers demand nothing less than a seamless experience across both traditional and digital touchpoints. To do this, a business must be swift and proactive in its approach. It is necessary to anticipate customer needs to serve them on all platforms before the actual requirements are even placed.

Analyze Your Customer Data

With an integrated database solution, it's time to put that data to use. Analyze your data for insights into your customers' behavior, what they want, what they do, and how to strengthen their loyalty.

Not all customers are the same, so it is necessary to focus on customer segments or smaller groups of customers who have something in common. Analyzing customer data to create segments allows targeted messages to specific groups and the development of an appropriate marketing mix. Certain subscribers may prefer email, while others respond best to direct mail or text messages. It's important to know which channels customers prefer to optimize their experience and create their loyal supporters.

Consider various factors when segmenting, such as spending patterns, gender, income, location, hobbies, interests, and other key attributes. A segment can be defined by demographics, which is basically who a person is. Another approach is with behaviors that look not at who they are but at what they do. For example, did they click on an email based on a coupon or other incentive? Attitude segmentation takes it a step further and sorts them by what they think. What are their perceptions of your product or service, or what type of promotion is most attractive? The best segmentation strategies involve a combination of all of these factors.

To analyze consumer data, online travel agents, and Google My Business can be used. Using online travel agents, we can provide a touch of technology and traditions to potential customers, and customers can review your services. Google Maps is a separate channel to understand consumer interests connected to Google My Business. By using google my business application, you can track trends in keywords, areas of your potential customers so that you can maximize the services needed, such as providing customer pick-up services.

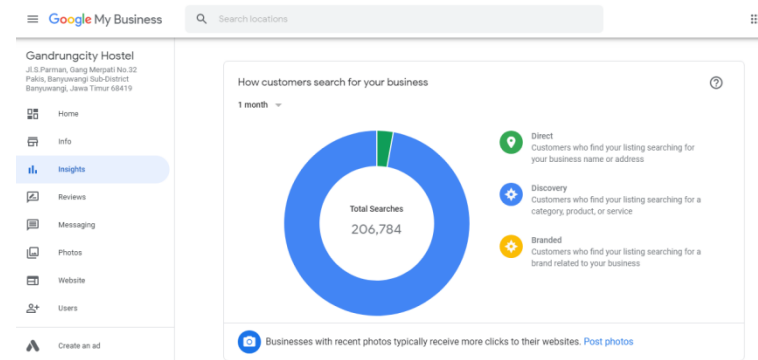


Figure 3.1 Search Data for Gandrung City Hostel on Google

Customer analytical data can be used as a basis for planning future customer engagement. Making plans for future customer engagement is just as important as planning for now. This puts the customer experience team in the right frame of mind to respond to customers during stressful or challenging situations.

To keep your customers engaged and connected with your business or business. Turning customers into friends, think of friendship as a two-way street. Encourage customers to share their thoughts and opinions by including customer satisfaction surveys in the OTA where they order or google reviews. Tell them that the company really appreciates their review and say thanks.

3.2.3. Identify the various categories of your Customers

Identifying various customer categories makes it easy to market analysis, including competitive analysis. The market analysis will give the company a good idea of what other companies have accomplished, so the company can design new features that explore this area.

It is important to understand the various parameters by which customers can separate. Say the type of product/service they buy, frequency of purchase, customers' geographic location, and so on.

Once the categories are formed, and customers are separated, it becomes easier to frame the right marketing and cross-selling campaigns with targeted messages. Needless to say, this campaign drives more value for businesses and customers in the company.

In marketing, it's not just figuring out how to get new customers. However, keeping old customers loyal and involved in the business, such as keeping them satisfied and recommending it to everyone, is also marketing. The involvement of consumers in hotel marketing is very influential in the occupation.

Today's customers have a lot of control and influence over business success. Focusing on the profile of customers in a particular segment, focusing on the features and benefits and the key attributes of the product or service that make them satisfied and loyal, their involvement is significant by sharing their thoughts with them helps in getting information and ideas to provide better service to them.

To get started with engaging customers in the business, it starts with defining and understanding which audience segments are really being discussed and the opportunities that lie ahead to create a value exchange. The value proposition for customers and value for companies to understand this process, understand STP in Chapter 2.

Here are five types of customers based on the customer lifecycle in the business developed based on STP in chapter 2.

1. Potential Customers

You may think of individuals as customers who haven't even realized how much they need a product or service. Even before a person becomes a prospect, some individuals can be identified as having a need or need if speaking in terms of a life event. Still, it may not be aware of the brand or product or are aware of but have not contacted.

Opportunity: Explain the company's value proposition so that the right audience can easily find out about the company and understand how a solution fits into their life. This can be an opportunity in making them prospects for new customers.

Prospects

Target No. 1 of the customer acquisition efforts; the prospect has been known and at this point is usually in touch with the company's sales representatives or in other ways have reached out to learn more about the brand and products. In the Internet era, online marketing media channels such as websites, OTAs, and even search engines help them find hotels and communicate with them.

Opportunities: Support them. Be there to provide relevant information, answer questions, and facilitate purchases. It's not about selling; it's about helping them buy.

2. New Customers

In the author's experience, these customers get the most praise but are quickly forgotten. The sale was made, but the work was not finished. If you think about good relationships, you know the first few months are often spent getting to know each other, figuring out what they like, taking care of each other, finding ways to remind each other of things that were so interesting in the first place. It is no different from this customer.

Opportunities: Succeeding above new customers during this critical time to strengthen their purchases, find out what other needs exist, and extend their business involvement.

3. Repeat Customers

They continue to buy the company's products, and they may have tried other products now. The key here is to understand what drives their buying. These customers

may appear loyal, but their behavior may be a habit more than anything, which is good for the company but can easily change if another brand, product, or offer is introduced.

Opportunities: Get to know customers, take advantage of the insights and insights gained along the way to react when behaviors or needs change, and continue to demonstrate the value the company brings to their lives, be it work, family, business, lifestyle.

4. Loyal customers

It is essential to understand how loyal customers today arrive at their passionate support for recruiting more. These customers have an emotional connection with the brand, believe in the company's products and employees to support them, and will personally recommend them to others. They are also more likely to be in it for the long term and have the willingness to provide invaluable feedback about a product, good or bad, as long as they see their input being assessed in some way.

Opportunity: Make sure you understand who a loyal customer is. Recognize and reward them, so they survive, and learn from them. Learn to provide services that add to their loyalty.

The customer life cycles beautiful thing, helping to identify where engagement with the customer is possible and maximizing opportunities to earn truly trust and delight customers; true “customer” is important at every stage. Still, the goals and strategies differ for identifying where trust and advocacy are possible as keys to long-term success.

3.2.4. Focus on Customer's Personal Tastes and Preferences

To increase customer engagement, understanding customers' personal tastes and preferences is essential to creating loyal customers. In understanding customers as

human beings, it is necessary to understand four general types of customers that can be used as a general analysis basis to provide the best service to them.

Although each consumer's behavior is unique and individual to each of them, there are certain similarities in these patterns, which are grouped into four, namely drivers, analysts, amiable and expressive in social styles (Fleisher and Bensoussan, 2015: 85). A social style model classifies people according to their behavioral styles (how we behave when we interact with others). They based their model on two criteria: assertiveness and responsiveness.

Assertiveness tells us to what extent we influence others (tell assertive) or how we are affected (ask assertive). Responsiveness, on the other hand, reflects the way people express their feelings when communicating with others. If individuals are "responsive to people (people responsive)," they focus on the people they work with. If they are more task-oriented or "task-responsive," they will be more interested in completing a task than communicating with other people.

Let's get to know them on a deeper level and see how loyal they really are.

3.2.4.1.Driver

The driver is the most dynamic and active personality of all types of customers. Drivers often take positions managing work, so they are expected to be dominant and controlling. They are the decisive type, and they like to make decisions quickly, but they are not very detail-oriented.

Drivers are visionaries who see the big picture and all the goals that must be achieved to get there. They don't want to analyze too much and prefer to make decisions quickly, even if it's a bad one. The strengths of drivers are that they are very disciplined, independent, productive, and confident. They're assertive, and they get things done, no matter what. Drivers are willing to take risks even at the cost of failure because, in their eyes, indolence is far worse than a one-time mistake.

Their weakness is that they may have low levels of empathy. Drivers tend to be insensitive and harsh because they focus on pushing things through instead of analyzing how people feel about them. Building relationships with coworkers cause them a lot of trouble because connecting with someone personally means showing emotion, which is something they are unable to do. They are too afraid to be the subject of ridicule to colleagues, so they take the lead position where feelings give way to action. Another disadvantage of drivers is that they tend to rush into decisions without anticipating the consequences, and they hate to admit they were wrong..

1. How to Identify a Driver

The first characteristic of a driver is poor listening skills. They are people who talk and want to be heard. Interrupting in the middle of another person's sentence is a bad habit that they cannot break.

The second characteristic, they commented openly. The driver is straightforward and straightforward. If they see that something is wrong, they will have no trouble telling you this in someone else's company.

The third characteristic, they like to control. Drivers hate wasting time. If they see something is not going in the right direction, they become authoritative and take care of their own problems.

2. How to Sell to Drivers

Keep it short, drivers are very goal-oriented, which means they value their time, and you should too, to get to the point. Show them how it will help them to reach their goals. Don't talk about a product or service for hours on end. Instead, show them what business problem will solve and how profitable the solution will be for their business.

Be professional, drivers are often in positions of managing jobs, they are professionals, and they expect the same. Calm down, be patient, and get to the point.

Eliminate small talk, some types of customers love to chat while chatting, but drivers are not one. If you reach out to them to make an offer, make an offer. Otherwise, don't bother them with nonsense.

Don't push; the more trying to convince drivers to change their minds, the more aggressive and irritated they will be. If you see their decision is final, support them and move to the next point.

3.2.4.2. Analysis (Analyst)

This type of customer analyst (analyst) is very focused on details. Analysts are often serious, low-energy individuals. They think of quality over quantity. They have very high standards, both professionally and personally.

Analysts tend to take their time with decisions and do not like to be rushed. They are often introverts who can easily be pushed out of the group. Analysts do not tend to associate with drivers. They often represent two extreme personalities, one pushing forward without hesitation, while the other tends to analyze and plan, making careful decisions.

The strength of the analyst lies in the attention to detail. They literally see every little thing that other types of customers miss, even if it's irrelevant. They also tend to be perfectionists. They set high standards, and they want things to be PERFECT!

Their biggest weakness is that they tend to overanalyze, which may make them hold back from making decisions, but they are unlikely to change once they make a decision. They don't like being rushed and can be moody, critical, and have negative attitudes.

1. How to Recognize Analysts

The first characteristic, poor listening skills in a conversation; they often look less attentive and unresponsive. It's good to check on them now and then to see if they're still together to do it, just follow them up with simple questions, "Do you agree?", "Is this what you mean by the problem?"

The second characteristic, lots of questions. Analysts tend to ask a lot of questions. During the conversation, you can get the impression that you are in the middle of an interrogation. But don't be discouraged. The way to an analyst's heart is to respond to all of their questions.

2. How to Sell to Analysts

Talk to data. Analysts dislike fancy words and unfulfilled marketing promises. Show them data about how the product or service could help one of the customers convince them to buy.

Expect a lengthy sales process. Analysts are slow decision-makers. Give them time to decide and be prepared for perhaps advanced questions that you haven't heard before.

Avoid applying too much pressure. Because they tend to be hesitant, it is important to give them enough time to process it. Instead of rushing around, make sure all their questions are covered.

Could you help them to get out of the details? Analysts like to analyze; they can focus on irrelevant details; if they do, help them gently get back on track.

Show both sides. For the analyst to make the right decision means knowing both sides of the story. Even if you think some information is irrelevant, let the customer make the final decision. Analysts value detail and honesty.

3.2.4.3.Friendly (Amiables)

The friendly customer type is easy to get along with and is great at connecting with other people. Amiable is calm, welcoming, and kind. They love to have personal relationships before making business decisions because they are very empathetic; they are also great listeners. Amiable likes to ask personal questions to get to know you better. The strength of amiable is that they are easy and friendly. They're good with people, and they're easy to get along with. They are very empathic, which makes them a

great team player. They avoid conflict, which is their greatest strength and weakness; they may be indecisive and hold back.

1. How to Recognize Amiables

The first characteristic, the language is informal. Amiable care about conversations that go smoothly. Don't be surprised when they use the phrase casually. The second trait, absent-minded. It's no wonder that talking to them can be one-sided sometimes.

The third characteristic needs explanation. Amiable can have difficulty gathering their thoughts and understanding the message that is being communicated. They think slower.

2. How to Sell to Amiables

Build personal connections. Amiable love to form relationships with other people, so approach them in a friendly and warm manner. They are looking for a trusted partner, so make sure they feel safe and comfortable with you.

Act as a personal advisor. This type of customer value has someone to assist them in the step-by-step decision-making process. Act as an eco-friendly seller and guide them through the decision-making process.

Give them personal guarantees. Amiable are not individuals who take risks, so assuring them that they can get a refund when unsatisfied or cancel at no cost can be a great way to push them towards conversion.

Show interest in their needs. Ask lots of questions. Show you care, and that's the value of amiable. Be the leader of your word. One thing amiable hate is when someone doesn't keep their word. If you tell them you will be back to them in a few days, you should do it anyway.

Tell them about the benefits. One thing amiable want to hear about is the benefits and benefits they will get from using the product. When talking about them, be sure to underline the many benefits they will receive in such a short time.

3.2.4.4. Expressive

Expressive is the emotional type of customer. They are full of positive energy, talkative, and enjoy getting attention. They also have a great sense of humor. By telling jokes, they try to lighten the mood and spread positive energy, among others. The main strength of expressions is that they are very sociable. They are very friendly (like amiable), but much more charismatic, persuasive, and ambitious. They enjoy being with other people and like to be surrounded by people because it is a great opportunity to express their feelings and thoughts. The weakness of expressiveness may lie in a lack of organization. They are often undisciplined, talkative, and lose the focus of their goals. All their decisions are based on intuition, which in fact is very vulnerable to change, and they easily get caught up in conflict. And once they do, they tend to exaggerate situations and let their vivid imaginations speak out. In this sense, they are very emotional and let their feelings prevail.

1. How to Recognize Expressives

The first feature speaks with confidence. They know what they want and will make sure you do it too. Once they communicate their ideas, they will do whatever it takes to achieve the goal they have in mind.

The second feature, responsiveness. They enjoy talking and interacting with others because they need attention and have an internal need to accept others.

The third characteristic, the dreamer (dreamy). Even though they are responsive during the conversation, there will be times when their thoughts will fly away. That's because their attention span is too short, and it doesn't allow them to concentrate on one thing for more than a few minutes.

2. How to Sell to Expressive?

Describe how they will benefit from your product or service. Focus on showing them some examples, such as case studies. Don't show too much data. Expressive prefers real-life examples, visual aids, and a personalized approach.

Aim for a long term partnership. Like amiable, expressive wants to build trusted partnerships. Make sure to treat them like potential long-term partners rather than one-time customers. Once they bond with someone, it's harder to get rid of them.

Speak from experience. These customers are sociable and value other people's opinions, so feel free to share what is best for them. Often, they need a second opinion to make sure the final decision is not based on an error of judgment.

Show social proof. Expressives are passionate about how their decisions can affect others; they can also be easily convinced by a solution that works for other customers.

3.3. The Power of Online Customer Reviews

With online reservations, both through hotel websites and online travel agents, consumers can easily book whatever room they want with the click of a button. People no longer need to venture to different hotels to compare the hotel facilities and services that best suit their needs. However, when we make reservations online, we miss the real element of touching and seeing the product for ourselves. We allow foreigners who have made previous reservations and have stayed at hotels to listen to their reviews and trust their suggestions.

Customer reviews and purchase advice have become invaluable in today's digital world. People want to buy goods or services that other people have bought and had a pleasant experience. By reading customer reviews, we are basically regaining the "real" sensation of seeing and touching the product itself, even though other people's eyes.

The power of customer reviews can impact every business, big and small. When most of your potential customers are in the market for your product or service, where do you think they will do their research? And when they discover your business, what will they hear from your current or former customers about you?

Before bringing up your sales pitch, many consumers rely on each other for social proof that you can be trusted by reading reviews of your hotel or business on the

internet, and it's not just one or two reviews that affect them, but several. By building and leveraging some great reviews for your company, you can build trust with your audience, provide insight into a typical customer experience, and promote your business's positive aspects. Reviews can be used to build a product's promotional power and bargaining power.

When a customer has had an excellent experience working with you, simply asking them to leave an honest review is all it takes. Consider all of the points of contact you have with your customers and look for opportunities where you could request a brief review. Make it easy for customers by providing a link to where you want the review most and instructions on how they can leave a review.

Once you've got great reviews, add them to your marketing strategy. Consider all the bottom funnels touch points you have with your prospect and look for ways to promote your excellent reviews. Some places to consider are on your website, in email signatures, on social media channels, and in your primary parenting email. Turn reviews into case studies that show your target audience's personality exactly how your product or service has helped someone like them.

With a little creativity and planning, making sure that every customer has an experience worth reviewing is easy. Taking the time to pursue a targeted strategy will increase customer satisfaction and increase the number of people leaving your hotel reviews.

3.3.1. Manage Customer Reviews

Strive to ensure that your customers enjoy your services such as a room or garden decor packaging, discount coupons for second, third, and so on reservations. Giving away gifts will make your hotel stand out, and customers are more eager to give back with reviews. There are many things you can do to manage guest reviews to stay positive or minimize negative reviews.

Handling problems like a professional is a must in maintaining customer satisfaction. If problems arise, go beyond the call of duty to remedy the situation. You want to turn things around and let your customer babble about how well the customer service team handled the problem and not some kind of disaster.

Think about your review score when serving customers. The review trail your customers create online will follow your business over time. Don't buy anything (e.g., poor quality items) that would make your customers unhappy and risk leaving you with a string of negative reviews on your record.

Pay attention to negative reviews. If you already have some negative reviews, look at what customer complaints are and try to fix that. Keep in touch with your customers. Let customers know at what stage their order is. Summary of orders via email, send notifications, etc. They are updated with how long before they arrive at the hotel. If you really want your hotel to stand out, try personalizing your email with what you have to say to your hotel. Here are 5 ways the author recommends managing customer reviews.

- a. Invest in building reviews
- b. Put the review on the front page of the hotel website
- c. Identify reviews on which to base your marketing and service strategy
- d. Embrace negative reviews & don't be afraid of critical feedback

3.3.1.1. Invest in building reviews

One of the biggest challenges for businesses is having enough online customer reviews on product pages to really sway buyers. Many hoteliers often hesitate to invest in customer feedback because they aren't sure how to generate more reviews.

We've covered the impact of review content, but how do you actually generate more customer feedback on your product? Here are some ways you can quickly improve your review collection skills, and you can invest in that area to keep your reviews strong.

1. Make it easy for customers to leave reviews

Reviews are difficult to collect because leaving less is much better than reading reviews. Keep review collection simple by avoiding lengthy forms or by asking too many questions. Provide clear instructions with a simple user experience that doesn't navigate a separate page for each review. If you don't want to report creating a review form on the hotel website, you can integrate with TripAdvisor, put the TripAdvisor form on your website page, or give small gifts to your customers and encourage them to leave reviews on Google or their online travel agent. Make a reservation. Investing in the form of simple souvenirs or creating a professional website is an investment in building reviews as well as building public trust in hotels.

2. Help customers leave honest reviews

Reliable reviews are honest and not made up. Help your customers leave honest reviews by providing computers in public spaces that customers can use, not only for internet access but also leave online reviews. Provide free WiFi facilities and provide them with the necessary assistance regarding their communication tools such as charger adapters, which sometimes differ from the customer's home country. The investment of time and communication equipment will be rewarded with positive reviews, which will help future sales.

3.3.1.2. Put the review on the front page of the hotel website

Some of your customers find your hotel through a search engine and go to your website. Help your website visitors understand what you have to offer and help place orders. Reviews on the front page of the website are quite influential based on the author's experience in managing hotels.



Figure 3. 2. Front view of the SR Homestay website page
Displays a review form connected to TripAdvisor

1. Identify reviews on which to base your marketing and service strategy

A marketing strategy review or marketing audit is a comprehensive review of your marketing plan, goals, strategies, and current activities carried out in your business. The goal is to see what is working and what is not to identify areas for improvement. A successful review will help you pinpoint your marketing strengths and weaknesses to make strong decisions about where to place your resources in the future and make sure you don't waste marketing money out the window. One of the marketing reviews is customer reviews.

Customer reviews can strengthen sales and brand loyalty when integrated into your marketing strategy. This is to make sure you do it right. Word of mouth advertising is one of the most powerful tools in the digital marketing arsenal. Thanks to social media, blogs, and free online customer review sites like TripAdvisor and Google reviews, consumers or customers can quickly and easily share their sentiments for your brand, product, or service through customer reviews.

Marketers know that comments and reviews can be easily faked on a website to satisfy customer perception and high approval ratings. A quick search on freelancing sites will show you offshore services and independent writers who will provide hundreds of unique comments and brilliant reviews of your brand.

In fact, the practice is so common that some marketing teams have questioned the value of online reviews at all. While economical and tempting for some, these shortcuts are not only dishonest, they are less effective than gaining organic customer reviews.

Authentic reviews will vary by age, ethnicity, tone, and language and often contain grammar or spelling errors if buyers generate them. They don't always give you perfect ratings and can contain suggestions and even negative feedback. However, all word of mouth advertising has a good or bad rating, and brands need to resist the urge to edit comments and reviews left by customers.

Still unsure that buying fake reviews is a bad idea for your brand? Check out Fakespot, the free review analyzer for consumers who evaluates Amazon and Yelp reviews for authenticity. Half a billion online users have visited the site alone to carry out integrity checks of business reviews.

Soliciting and acknowledging consumer feedback is an exercise in recruiting new customers and retaining existing ones. They can strengthen sales and brand loyalty, provided they are integrated into your marketing strategy.

2. Embrace negative reviews and don't be afraid of critical feedback

Should businesses make it a priority to respond to as many comments and reviews online as possible? It makes a big impression if you do. This job falls on community management or social media teams who are supposed to use software that sends out alerts every time there is a new comment.

It is both rewarding and risky to allow individuals to leave reviews on your website without pre-publishing and approval. For example, if the comment is positive, the consumer immediately enjoys the review. They can even share comments with

family and friends. However, if the review is negative, or the service issue is overwhelming, the customer may get angry if their comment is published after approval.

Almost all social media management software, including Sprout Social and Buffer, makes it easy to view alerts about comments. Facebook, Google reviews, online travel agents, and TripAdvisor are still the main sources of customer reviews for hotels.

Use social media best practices and community management guidelines when responding to reviews as follows:

- a. Never argue with online consumers. Offer mediation by a phone call to fix product or service problems that customers have reported. Show other customers that your business is proactive by immediately handling online complaints.
- b. Maintain responses that are polite, positive, and helpful. You can also focus on compellingly building your brand story to receive organic and positive reviews.
- c. Respond to each customer with a unique statement (don't copy and paste standard replies).
- d. Remove hate language, profanity, racial or religious statements. Review sites don't allow businesses to edit comments, but they will delete comments if a user has violated their community service terms and language guidelines.

Set up google alerts to notify you whenever your business name is mentioned online. Google will send you an email to provide more information about how and when your brand was named, allowing you to respond appropriately. Another easy-to-use paid tool is Brandwatch or Mention, a powerful platform that lets your team track brand chats and reviews online.

3.4. Steve Blank Customer Development

Reporting from army.mil (9 April 2018), "Steve Blank Customer Development" is a theoretical framework created by Steve Blank in his book entitled "The Four Steps to

the Epiphany." Steve Blank joined the US Air Force and served in the Vietnam War before arriving in Silicon Valley in 1978, right around the start of the first major technological boom. Steve Blank worked at a technology company for about 21 years before retiring in 1999. Some of his projects include SuperMac, a supplier for military intelligence systems and Rocket Science Games, at a video game company.

Steve Blank wrote a book called "The Four Steps to the Epiphany" while retiring from the military. This book is designed for use by entrepreneurs. This book contains about how to build a company that is still in its early stages. Steve Blank's book became his retirement project that spearheaded a whole business known as the Lean Startup movement.

Steve Blank began teaching entrepreneurship at the Universities of California at Berkley, Columbia, Stanford, and NYU not long after "The Four Steps to the Epiphany" was published. One of the main themes taught in her class is called the Customer Development model. This model was first described in his book "The Four Steps to the Epiphany," the work that created one of the greatest changes in entrepreneurship in the late 20th century. Since then, it has been a major part of Blank teaching and the Lean Startup Movement.

3.4.1. A Four Step Consumer Development Framework

The Customer Development Model is based on a four-step framework. However, this framework is not linear. The non-linear nature of the model is actually key to its success because it doesn't force the team to come forward with an idea if customer data isn't there to back it up. In fact, this model is designed for users to fail at least twice before continuing.

Gandrung City Hostel and Cheap Inn in developing their customers using the same framework developed by Steve Blank in his book entitled "The Four Steps to the Epiphany." The four steps are as follows:

1. Customer Discovery

Customer discovery is the first part of a four-step framework. The goal is simple; this step is a step to find out who the hotel customers are. Finding out who the real customer is taking a lot of research. However, it's not about defining a product's features or testing the product on a focus group. In fact, there is little need to talk about the product at all during the customer discovery phase. The customer discovery phase is all about describing the vision behind the product. We need to develop a full understanding of the problem the product solves. This vision is more emotional than practical. This is where people can imagine themselves using the product to solve a problem, not where customers can imagine themselves enjoying certain features. The problem is the real point of departure for customer discovery (Blank, 2013).

To find out who the customer is at Gandrung City Hostel, the author combines the STP concept discussed earlier and identifies the problems that potential customers might face according to the Gandrung City Hostel segment, namely low budget traveling. Problems that may be faced by travelers with low budgets are lack of budgets and sometimes clashing comfort. For this reason, the main needs of travelers are identified in fulfilling a sense of comfort, namely clean toilets, air conditioning, and clean and comfortable rooms and mattresses. Clean towels and toiletries.

Derived from consumer findings, it is used as the basis for dividing room types based on the level of customer comfort needs and budget, namely the dormitory type with air conditioning facilities and bunk beds to suit the type of traveler who is a group or solo traveler who is willing to share privacy. The backpacker type is a private room type with air conditioning and outdoor bathroom facilities for travelers who prioritize a quiet and comfortable rest for a short stay of one or two nights. Type of traveler room with air conditioning and private bathroom facilities for travelers who prioritize privacy and comfort as well as the type of traveler who is on a family vacation so that some

types of traveler rooms provide connecting doors so that one family can sleep comfortably in two rooms but can still gather without being disturbed by other guests.

2. Customer Validation

Customer validation is the second part of the process. This can only happen after the target customer and market have been identified. This is because the steps are designed to assist in creating the maps needed to reach these customers.

The customer validation process's unique aspect in the Customer Development model is that if it doesn't work, the team has to start all over again with customer discovery. The iteration is actually built into the model.

In practice at Gandrung City Hostel, the author observes the results of customer reviews after staying. From the review results, it can be found that the types of customers are according to the segment, but some customers have over expectations.

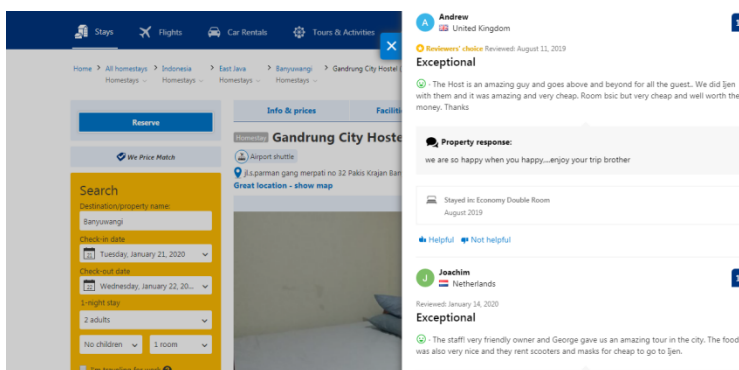


Figure 3. 3. Customer Reviews of Gandrung City Hostel on booking.com

3. Customer Creation

Customer creation is the third step and an integral part of the process because it recognizes that not all businesses enter the same market. There are four main types of startup markets:

- a. Some businesses enter pre-existing markets.
- b. Some businesses enter completely new markets.
- c. Some businesses are entering existing markets as low-cost alternatives.
- d. Some businesses aim to carve out a new segment in their existing market as a niche.

It should be noted that these markets are not mutually exclusive. In some cases, a business will enter a market that combines the two markets listed above.

Customer creation occupies the third step of the customer development model because it encourages businesses to avoid overspending on marketing until the first customer has been acquired. This prevents the team from spending on markets and customers that don't exist and can't be created.

Based on the product segmenting Gandrung City Hostel, Gandrung City Hostelada market types are market types one and three, namely existing markets and a low-cost alternative. A marketing investment budget can be mapped from known market types, namely in the form of OTA commissions and search optimization on the google map. This has proven to be successful in creating customers for Gandrung City Hostel.

4. Building a Company

The company building is the last part of the process. It transitions from an informal learning experience to a well-equipped department that formally takes advantage of any early successes a company has in its market.

It is also part of how the business can start spending more money on marketing and driving customer sales. It is important that this scaling occurs at the end of the process, as pre-mature spending can put the company in a vulnerable financial position. If the development team starts spending large sums of money on customers they haven't identified, they'll have a hard time keeping up financially and physically if and when the business grows.

In step four, in practice, Gandrung City Hostel business starts from forming the simplest divisions, namely, cleanliness and customer service. The process of human resource governance starts from the simplest and most streamlined because lean human resources can increase cost efficiency, which impacts price competition.

3.4.2. How to Use a Customer Development and Product Development Model Framework

Steve Blank's Customer Development Model does not replace the product development model; the customer development model works in conjunction with the product development model.

Customer development and product development must function as parallel processes if they are to be successful. Customers and products must be considered during the initial phase of building a business. This is especially true for startups. There is such a focus on the customer development model because it is the most frequently neglected of the two processes. It can be difficult for design and engineering-minded designers to remember to develop a vision and product features. This vision, which is part of customer development, is essential to developing a strong long-term business plan.

However, these processes will not work together when the business is fully developed or has reached large corporate status. Rather than developing a vision and a product simultaneously, the two models work together to add different features to an existing customer base. Basically, large organizations will use this model to match products to an established customer base.

The customer development model is different because it is repeatable. It's okay to fail a few times before fixing it. This model assumes that the company will go back and forth between customer discovery and customer validation at least twice before continuing. Teams implementing this model must accept that failure is a necessary and natural part of the process. Otherwise, they won't get the most out of the model. And they will continue to push products to target market customers who don't fit well. This only leads to the crippling failure they'll experience if they don't use the customer development process at all.

This is where the inherent value of processes lies in business; it is important to create room for measurable failures. This model fails to prevent the business from moving forward despite not finding the right customers.

With this model, failure is inevitable. But it's better to fail early, with a small team and less money spent, than to push the product to market and then fail. Failure that destroys business is failure that goes unrecognized until it's too late and keeps investing money and not evaluating and saving it. In fact, it often makes failure worse. Steve Blank's development model can be based on previous marketing concepts and theories such as STP and the marketing mix.

CHAPTER 4

NEW PRODUCT DEVELOPMENT

4.1. New Product Development Theory

Linear product development theory, starting the process of developing a new product or New Product Development (NPD) begins with an idea, continues with idea screening, concept development, and testing, marketing strategy development, business analysis, product development, and test marketing, ends when the product is really properly commercialized and create wealth (Kotler and Armstrong, 2012).

To bridge the theory into practice, the authors develop lodging products and formulate marketing strategies to find and meet specific market requirements in Banyuwangi. Lodging products are an important product in the tourism sector, and competition in this area is very fierce. Companies must continue developing new products to meet the rapidly changing needs of their customers. The practice of New Product Development (NPD) theory goes hand in hand with the customer development model discussed in chapter 6, from idea generation to product launching in the market. It then analyzes the benefits and drawbacks of that process.

The new product development process begins with developing product ideas, testing product, concept ideas, developing marketing strategies, and commercialization. When a new product completes a business test, it moves to product development. Identifies the generally accepted New Product Development (NPD) category, namely, new products developed. Continuous product development underwent improvements and revisions to existing products and product repositioning. Product development aims to develop product concepts into physical products to ensure that new concepts can be transformed into workable market offerings.

Gandrung City Hostel and Cheap Inn use a sustainable product development process. So that room types and room facilities and services can continue to grow while maintaining competitive price offers.

1. Idea Creation and Filtering

The goal of both the idea generation process and the idea screening process is to systematically search for new ideas and then reduce the number of ideas to find good ones. Ideas can come from multiple sources, containing internal sources such as traditional research and development departments and employees, and external sources such as distributors and suppliers, competitors, and customers themselves (Simões et al., 2018). After many ideas have been created through different sources, managers need to evaluate these ideas and look closely at the prospects in the market. Despite differences in decision criteria can greatly affect the screening of new ideas. This step goes hand in hand with the customer discovery step of Steve Blank's customer development.

2. Concept Development and Testing

After filtering the ideas, marketing needs to enter the details of the ideas to be expressed in meaningful consumer terms, develop the ideas into alternative product concepts, and determine which concepts are most attractive to customers. The chosen concept also needs to be tested with several target consumers before further development. This may include some initial market research to find market needs, niche markets, and attractions. Through initial market research, it will also reveal the most promising features of the new product and assess customer purchase intentions.

3. Marketing Strategy Development

Consumer purchasing behavior is strongly influenced by cultural, social, personal, and psychological characteristics. So marketers need to research the internal and external marketing environment before devising an initial marketing strategy for a new product. Also, marketers need to realize that they cannot attract all buyers in the market, so they

have to divide the market into smaller segments and offer different strategies for separate markets. After that, marketers need to evaluate and select several suitable segments to build their market targeting. The last two important stages concern how to offer superior values to target customers and make a difference with competitors. According to the level of customer demand, there are four levels of new products: core product, expected product, added product, and potential product (Gleyberman, 2010). Based on different demand levels, the right product positioning strategy can make the difference between success and failure. Product positioning requires marketers to set clear, distinctive, and desirable positioning in target consumers' minds.

4. Commercialization

The final step of the New Product Development (NPD) process is commercializing the product to the market. Commercialization refers to developing a product concept, its successful launch, and its interaction with potential buyers. Successful commercialization is associated with growing market share and improving performance in new markets. This requires marketers to understand the timing and scale of entries accurately. Commercializing a new product contains several new activities, such as building prices, venues, and promotional strategies. The entire commercialization development process in the product development process can be integrated with the customer development process so that the marketing concept and product production can be customer-oriented integrated.

4.2. TRIZ Theory

TRIZ (Theory of Resheniya Izobretatelskikh Zadatch) for the New Product Development Process. This chapter provides additional information and insight into the use of the latest theory, which is a scientific addition from chapters 6 and 7. If you are not satisfied with the description of chapters 1 to 7, you feel you need something more capable of answering the complexities of developing business innovation. Chapter 8 is

an additional supplement to increase your insight and abilities from studying chapters 1 to 7.

TRIZ (Theory of Resheniya Izobretatelskikh Zadatch) is a systematic approach to understanding and solving problems by regenerating innovative ideas in a clear and rational mind (Gadd K, 2011). The logic of TRIZ demands that we have a clear idea of where we are going and how to get there.

In 1946, Russian engineer Genrich Altshuller developed the TRIZ theory, an acronym for Teoria Resheniya Izobreatatelskikh Zadatch, while working in the Russian Navy patent office. The development of the TRIZ theory makes it possible to predict technological progress following several predictable patterns. TRIZ is an innovative way to see problems and solutions (Wulfen, 2011).

TRIZ (Theory of Resheniya Izobretatelskikh Zadatch) comes from Russian with English The Theory of Inventive Problem Solving, which is translated into Indonesian. TRIZ's inventive problem-solving theory is a general tool that consists of many simple tools, most of which are easy to learn and apply immediately to problems. This extraordinary ability helps overcome any problem or challenge even when faced with a difficult situation or that seems impossible. Vladimir Petrov presented a TRIZ-based algorithm for problem analysis in five basic conceptual idea design (Chechurin, 2016).

4.2.1. The Five Basic Principles of TRIZ

TRIZ helps keep the details in place, see the big picture, avoid tripping over irrelevant, encounter trivial problems, or be tempted by premature solutions. TRIZ helps in looking at problems differently in the following five basic principles:

1. The ideal final result (IFR)

Thinking outside the box is a good principle for achieving the ideal result. TRIZ encourages people not to be satisfied and too quick to solve a problem but to always be open to better ideas.

2. Less is better

It is not always necessary to invest a lot of money to arrive at the best idea. Innovations can be made with existing materials, and sometimes a solution is at hand.

3. The solution is there

TRIZ helps people define problems in terms of frequently used and common principles, which allows the search for solutions outside their main area of expertise.

4. Look for fundamental contradictions

Innovating equals solving problems, most of which are contradictory when these contradictions are defined, solutions are often imminent.

5. Evolution line

The system does not develop randomly. There are fixed patterns that make technological evolution predictable.

TRIZ starts from several principles and innovation processes that can be applied universally. Large multinationals such as Hewlett-Packard, Boeing, Samsung, Intel, General Electric, LG, Motorola, and even NASA have used the TRIZ method to develop new products, optimize processes, and improve understanding of developments and trends in the market for decades. TRIZ has become an umbrella that includes several inventive concepts, tools, and processes that are often used to solve difficult problems (Petrov, 2019: 16).

1. The ideal final result (IFR)

According to the ideal final result (IFR), the ideal final result is one of the tools used during the problem definition phase of TRIZ (Theory of Inventive Problem Solving). It describes a solution to a problem-free of the mechanisms or constraints of the original problem or problem. This is akin to "reengineering" in world process

management, where processes are destroyed and transformed. Think of it as the ideal final condition without any ties to the current problems we face.

Ideal Final Result (IFR) is a solution to a well-defined problem with this result's benefits. Ideal Final Result (IFR) sets the stage for using TRIZ tools by focusing on defined problems with clear visualization of the ideal result. The main benefit of the ideal final result (IFR) is the attribute of solving the problem. Ideal Final Result (IFR) encourages thinking outside the box by removing real or perceived barriers while offering alternative solution paths. Ideal Final Result (IFR) does this by starting with perfection, breaking any boundaries associated with the current issue. This way of thinking enables breakthrough solutions by preventing solutions to less than ideal solutions.

One of the principles of TRIZ and the method of determining progress towards Ideal Final Result (IFR) is the concept of ideality. The equation sums up ideality:

$$\text{Ideally} = \text{S Benefit} / (\text{S Cost} + \text{S Hazard}).$$

The key to the evolution of the ideal final result (IFR) is to increase benefits while reducing the costs and harms associated with the new design. Ideal Final Result (IFR) seeks to reduce or eliminate the old system's shortcomings while maintaining its advantages. Ideal Final Result (IFR) makes the new system more complicated, nor does it introduce new challenges. When evaluating a new system, check its equations to measure progress towards achieving the ideal final result (IFR).

- a. The three main activities for problem analysis and definition are formulating the ideal result.
- b. Functional analysis and pruning.
- c. Find problem zones.

The ideal result is a free description of the situation after the problem has been resolved. It focuses on customer needs or functions required, not current processes or equipment. Formulating the ideal final result (IFR) aims to eliminate rework (solve the right problem the first time) by addressing the root cause of the problem or customer needs. IFR helps in reaching a breakthrough solution by thinking of a solution, not an intervening problem.

The basic principle of TRIZ is that the system develops towards increasing ideals. Where the evolution or change that will be made contains three principles:

- a. Increase benefits
- b. Reducing costs
- c. Reduces harm

The extreme outcome of this evolution is the ideal result. The ideal result describes a solution to a technical problem, regardless of the original problem's mechanisms or constraints. The ideal system does not occupy space, has no weight, requires no effort, requires no maintenance. The ideal system provides benefits without harm.

IFR has the following 4 characteristics:

- a. Eliminates flaws from the original system
- b. Maintain the advantages of the original system
- c. Doesn't make the system more complicated (uses free or available resources)
- d. Does not introduce new losses

When formulating IFR, we can check it against all four characteristics and check it with equations to increase ideality.

2. Less is better

In innovating, the less it costs to innovate, the less it is because innovation doesn't have to change everything. Innovation can be started from improving the system at the cost of innovation which causes cost overruns has the potential to destroy the business in the long run. It is not always necessary to invest a lot of money to arrive at the best

idea. Innovations can be made with existing materials and sometimes a solution is at hand.

3. The solution is there

Innovations can be found solutions from observations outside the field and the problem box. All systems, products, and in this case, organizations develop towards more ideal states from time to time. This occurs through the recognition and use of system resources. When studying discovery patterns and seeing many repeated examples of systems and products that grow more complex over time to meet user needs. By forcing to see the ideal conditions of a system or product, TRIZ insists on imagining this ideal state from the start (this is one of the most difficult challenges in a problem-solving session so that TRIZ can immediately start thinking of all the unattainable reasons), and then ask two questions:

What contradictions must be resolved to achieve that ideal final state? What resources does the system or product have that can be used (never seen or known) to achieve an ideal result?

The methodical thinking process, which is a key characteristic of the TRIZ and TRIZ problem-solving sessions, can become a barrier to their use and application. In this case, it is often eager to jump into the solution space without spending sufficient time on problem definition. This entails a "why?" Several times to arrive at the main contradiction that needs to be dealt with and stand in to achieve the ideal result sought. A methodical look at the system and its surroundings for resources that can be used for problem-solving also require patience and thoroughness.

4. Look for fundamental contradictions

Throughout the history of human knowledge, there have been two conceptions of the law of the development of the universe, an idealistic conception and a materialistic conception, which form two opposing world views. The ideology of TRIZ is based on 2 main bases, namely contradiction, and ideals. This global concept and its application in

engineering will be described here. As is well known, contradiction is the basic law of materialist dialectics, and the second foundation is the essence of idealism. These two opposing philosophical approaches are brought together in TRIZ, which uses their cooperation. Perhaps, this mixture determines the unique strength of TRIZ. The concept of ideality and/or contradiction must be consciously incorporated into any inventive problem-solving process. Hence in considering these main TRIZ concepts in this section and beyond.

Contradiction literally means to say "No," but more generally, it refers to propositions that state things that seem incompatible or contradictory. The concept of dialectical contradiction is not a contradiction between two things external to one another, but a contradiction that is the essence of a thing. Contradictions, in a matter, are the fundamental cause of their development, and they have universal existence in many fields. Examples are as follows:

1. In mathematics: plus and minus, differential and integrals.
2. In physics: positive and negative electric charges, mechanical action, and reactions.
3. In war: attack and defend, win and lose.

Contradiction cannot exist without the other. As mentioned earlier, TRIZ states that often the most effective inventive solution to a problem is a solution that overcomes some of the contradictions. A contradiction occurs when trying to improve one parameter or characteristic of a technique, and then the same or other characteristic or parameter of that technique is negatively affected.

When a solver has extracted contradictions in a problem corresponding to the class defined above, it becomes easy to find various creative and effective solutions to this problem.

5. Evolution Line

There are eight patterns, or lines, of the evolution of technical systems:

- a. Life cycle.

- b. Dynamized.
- c. The multiplication cycle.
- d. The transition from the macro-level to the micro-level.
- e. Synchronization.
- f. Zoom in or out
- g. Uneven section development
- h. Human replacement (automation)

This pattern is found in system innovation, including business systems (Altshuller, 2002: 18).

4.2.2. Development of the 5 Basic Principles of TRIZ

The development of 5 basic principles of TRIZ is developed into 40 inventive principles to solve complex problems. In the TRIZ concept, each innovation can be traced back to applying one or more of the 40 inventive principles.

To arrive at the correct application of the 40 inventive principles, it is important to formulate the correct contradiction very clear concerning what should be improved and what cannot be worse. After this, the problem-solving process can begin. Here are TRIZ's 40 inventive principles:

1. Segmentation

The product segment becomes independent parts as a result of which useful or destructive qualities are isolated (shopping at hotels).

2. Extraction

Extract the distracting part or property from an object and/or select the only part or property needed (sugar-free biscuits).

3. Local quality

By changing the structure of the product in a certain place, the desired product is made .

4. Asymmetry
Change object shape from symmetric to asymmetric.
6. Universality
Make the product more uniform, universal, spacious, and multi-functional (hair dryer).
7. Nesting dolls
Place some objects inside the others.
8. Counterweight
Compensates for the negative properties of the product by combining it with other objects .
9. Preliminary penetration
Analyze in advance what could go wrong and do some preliminary weighing.
10. Early Action
Place objects before they are needed so that they can jump into action from the location most convenient for their delivery.
11. Plan Emergency Action
Prepare emergency measures in advance .
12. Equipotentiality
Remove tension in or around the object environment.
13. reverse
Do the opposite or reverse action.
14. Spheroidality
Replace linear parts with round parts.
15. Dynamics
Make the temporary product or property flexible or flexible for a while.
16. Partial or excessive action
Use a little more than necessary or use a little less of the same product .

17. Transition to another dimension

Change linear product orientation from vertical to horizontal etc. Use different dimensions or tiered arrangement.

18. Mechanical vibration

Use vibration to achieve a positive effect.

19. Periodic action

Instead of continuous action, use periodic or pulsating measures.

20. Continuity

Keep working continuously and eliminate all idle or intermittent action.

21. Hurry up

Perform the process at high speed to prevent errors .

22. Blessings in disguise

Use hazardous factors to add value.

23. Feedback

Introducing feedback using the outputs as a means of input, the audit output can be increased.

24. Intermediary

Combine one temporary object with another .

25. Self-Service

Make objects serve themselves by performing auxiliary functions.

26. Copy

Instead of precious or fragile objects, use inexpensive copies.

27. Cheap object

Use inexpensive and/or disposable items to reduce costs.

28. Replace the mechanical system

Replace mechanical system with a different shape, action, or function .29.

Pneumatics and hydraulics

Replace solid parts with pneumatic (air) or hydraulic (water) (barber chair) parts.

30. Shells are flexible

Replace traditional construction with flexible shells (waterproof, breathable sportswear).

31. Porous material

Creates the property of a porous object, system, or material (read-to-use iodine band-aid).

32. Change color

Change the color or other optical properties of an object (polaroid sunglasses).

33. Homogeneity

Make the object interact with the given object with identical properties (two-component adhesive).

34. Throw away and recover

By making objects or parts of objects that have fulfilled their use disappear, and by restoring them, they can be reused. (reusable make-up packaging)

35. Change parameters

Change the properties of an object (steam bath).

36. Phase transitions

Use the phenomena that occur during the chemical phase transition (pregnancy test).

37. Thermal expansion

Convert heat energy into mechanical energy (solar panels).

38. Strong oxidant

Strengthen the oxidative process to improve the function or process (cryotherapy for warts).

39. Inert atmosphere

Switch to a neutral environment to support the desired function (vacuum wine saving pump).

40. Composite materials

Change from homogeneous materials to composites (flasks).

The chapter on the use of TRIZ in product development in this book is an introduction to add insight and scholarship on product development. TRIZ can be used for product development and advanced hotel innovation after product and customer development in chapters 6 and 7 does not meet the growing needs of hotel innovation. So that knowledge of TRIZ is needed for the needs of hotel investment development when the hotel system is quite complex. However, if the hotel or inn is still being started and is still new and not yet complex, simply use the method described from chapter one to chapter 7.

CHAPTER 5

MODERN MARKETING CHANNEL

5.1. Internet Based Marketing

Marketing channels or marketing channels are individuals, organizations, and activities needed to channel ownership of goods and services (products) from the point of production to the point of consumption to create sales (Pawar, 2018: 393, & Rosenbloom, 2012: 437). In the current digital era, marketing channels are expanding widely to include internet-based marketing so that marketing channels can be more easily accessed by producers and consumers, such as websites, social media, and online market places (Shareef, et al., 2016: 29).

5.1.1. Website

Website is a common thing that has been known in online marketing since 1990. For example, books.com, which began operating and marketing books online in 1992, and amazon.com, began operating in 1995 (Bhanver & Bhanver, 2017: 64 & Stone, 2013): 89). The website is currently growing rapidly with various types such as webmail, social media, market place, e-commerce, personal websites, and even Android-based on websites including Instagram and Google Play, and WhatsApp.

The website is a good marketing channel in the digital world as a digital hotel or a digital counter to sell goods and services. To increase sales through the website requires various online marketing activities ranging from paid advertising to search engine optimizer (SEO) techniques to reach potential customers who are search engine users. An example of websites and SEO in the hotel business is gandrungcity.com, which directs potential customers to make reservations through various online travel agents who sell room reservations at Gandrung City Hostel.

The strategy used in increasing room occupation, Gandrung City Hostel directs consumers to choose their own online travel agent that offers room reservations at the most competitive prices; this aims to increase pure impulse and impulse reminders for potential consumer purchases by offering low-cost prices with facilities by needs and budget of potential customers.



Figure 5. 1. An example of using a marketing channel

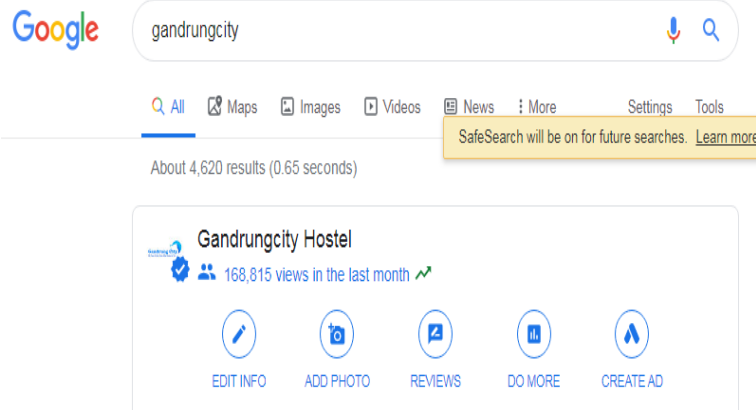


Figure 5. 2. Data on the number of potential customers reach Gandrung City Hostel from the google search engine

With the website and hotel property listings on google maps, it can be seen the number of potential customers who see or get information about the hotel. This is very useful in increasing the occupancy of hotel rooms.

5.1.2.Social media

As with consumer behavior theory, consumers who have bought or felt the benefits of a product enter the post-purchase phase. This phase determines whether the consumer recommends, re-buys, or tends to prevent other people from purchasing the purchased product. Social media's role is to increase order repurchase or re-purchase and increase suggestion impressions from consumers who have stayed at hotels to other potential customers as well as means of communication between consumers and companies.

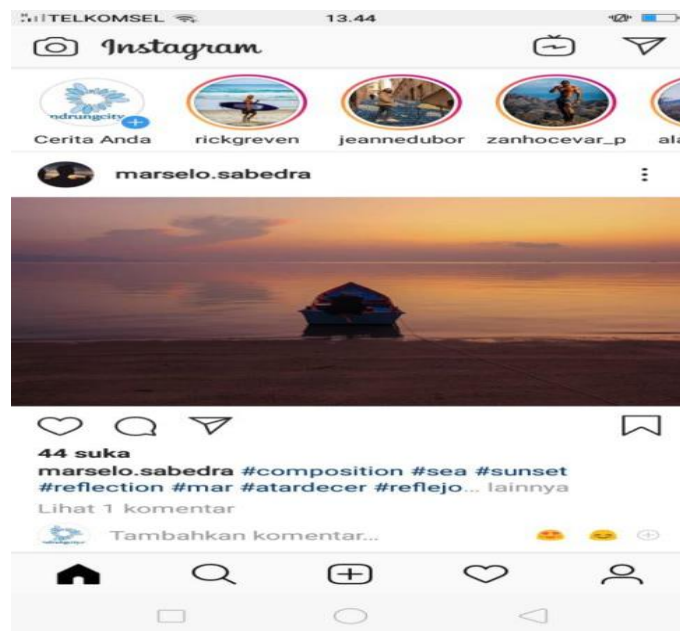


Figure 5. 3. The use of Instagram as a medium of relations with consumers, especially post-purchase consumers

5.1.3. Online Market Place

The online market place in the hotel business is an online travel agent. There are lots of online travel agents that make it easy for hotel managers to reach potential customers. Online travel agents at this time (2019) are in the form of websites and applications. There are lots of websites and applications in the form of hotel market places known as online travel agents. For example, Expedia, booking, and traveloka.

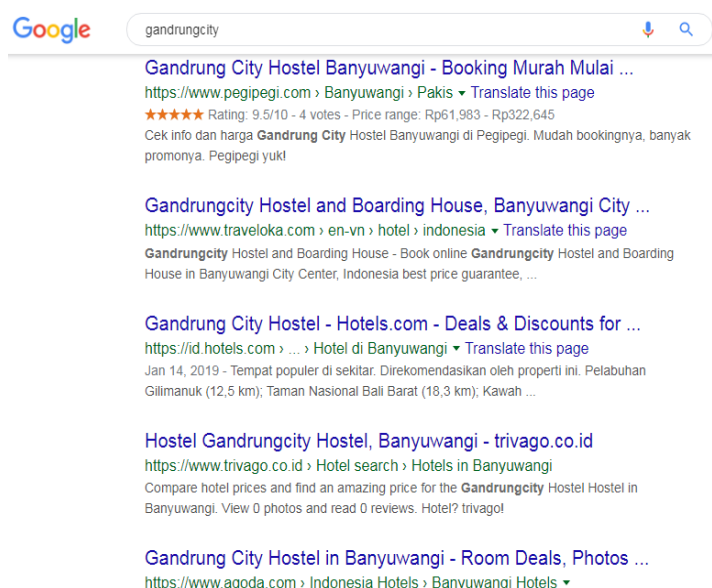


Figure 5. 4. The use of online travel agents in marketing Gandrung City Hostel rooms

5.2. Hotel Website Vs Online Travel Agent

5.2.1. Hotel Website - Online travel agent Risk-Benefit Comparison

Hotel websites are generally created to create direct bookings with hotels without intermediaries. The online travel agent functions as a hotel market place and an intermediary that charges sales commissions to hotels. Online travel agents (OTA) are third-party booking websites, such as Expedia and Booking, that offer travelers an easy-to-search database of travel providers. They also offer the opportunity to book their travel arrangements directly from their website. Online Travel Agents invest heavily in advertising, offer reward incentives, and get top slots on search engines like google. Most travel and accommodation providers (hotels) offer their inventory through OTAs; online travel agent users seem to be in all-round hotels on travel trips to

shop comparatively. OTA uses a commission-based sales model known as the “agency model.”

OTA commissions can be up to 30% of the room rate. These high-level commissions have encouraged hoteliers to start investing in a campaign to encourage direct bookings through their hotel websites without going through OTAs.

Hotels offer various incentives to tourists to encourage tourists to pass through OTA and book directly through the hotel website in the form of package offers, more competitive rates from OTA, and various promos that attract tourists to book directly through the hotel.

For hotel business players with strong capital and capacity to carry out advertising campaigns and have a website supporting reservations through various payment channels, encouraging bookings through hotel websites is quite a rational step. But what about the SME-level hotel business actors who are only in the form of a hostel or homestay with a limited number of rooms and a limited budget and limited technical support for their website.

For hotel business people who are not ready to support information technology on their website, it is certainly hazardous to increase occupation through the hotel website because there is a risk of fraud or payment failure. OTA can be used as a reference in covering up this weakness.

OTA with a commission of up to 30% provides compensation in adequate information technology support in making reservations and receiving payments, marketing with a sufficient budget to increase occupation. The hotel owner's task is to carry out a marketing strategy within the OTA itself and establish cooperative relationships with a wider variety of OTAs to increase the potential for room sales.

5.2.2. Increase Direct Booking with Hotel Websites

To increase direct booking through the hotel website, of course, you must have sufficient information technology support to accept payments safely and accept

booking reservations through the website. In fact, 52% of travelers booked hotels through online travel agents in 2018 (Prieto, 2018 & Kostuch, 2019). There are various strategies to increase direct bookings or direct bookings either through websites or directly coming to hotels, including:

- Loyalty Programs

One of the recommended methods to increase direct bookings is to create a loyalty program or hotel member program to increase repeat bookings for hotel customers who frequently stay at hotels. So that repeaters can directly make a reservation to the hotel without having to make a reservation via OTA.

- Search Engine Optimizer

Search engines like google, bing, and yahoo help travelers compare hotel prices listed on several OTAs, including showing the prices mentioned on hotel websites. Promote website rates on metasearch using SEO techniques to encourage tourists to visit the website, which encourages direct bookings on the website.

- Direct Order Discounts

Give hotel website visitors a compelling reason to book directly without going through an OTA. Provide information on the advantages of booking directly through the hotel website. This can increase the desire to book directly with the hotel.

5.2.3. Increase Room Bookings with OTA

Collaborating with OTA eases hotel marketing work because OTA carries out various programs and promotions to attract tourists to use OTA in booking hotel rooms, including room reservation and payment technology, which is not necessarily owned by all hotels, especially hotel business people with limited information technology. However, there are other hotels with similar class and room service on the OTA website

or application, so there is competition within the OTA itself. To improve occupation through OTA, several strategies have been implemented by the author in developing my hotel business, including:

- Collaboration between Hotel Website and OTA.

Hotel websites are needed to help increase occupation through search engines. However, to accept orders and payments online, of course, adequate technical support is needed, especially accepting payments via credit cards. If the hotel owner does not have sufficient support in receiving payments, directly direct the visitor to OTA to book via OTA.

- Be the cheapest or the best.

If it is difficult to be the best, it is not a problem to be the cheapest first by improving the quality of service gradually, and of course, after having a reputation and loyal customers, you don't need to be the cheapest anymore but go to the best. This is quite powerful in enhancing pure impulsive consumer purchases (See Chapter 3).

- Follow all suggestions from OTA and learn the rationality of these suggestions.

Each OTA generally has advice or suggestions that need to be done in marketing online; apply these suggestions and learn the rationality if it can be run on other OTAs, apply it to all OTAs who work with our OTA.

CHAPTER 6

OPTIMIZE ONLINE TRAVEL AGENT

It is common knowledge that hotels find it difficult to compete if they do not engage online travel agents to increase distribution and sell their rooms. Online travel agencies (OTA) offer a great platform for independent, small, and medium-sized hotels and larger hotel properties to reach a wider market. OTAs, as they are known, are a proven marketing channel for increasing room bookings. Hotel owners need to optimize their OTA profile. While it is common knowledge that this carries the necessity of managing multiple commission levels, hotel owners cannot deny their importance to increasing visibility and keeping occupancy rates high. This is the reason why hoteliers are looking for ways to raise the OTA profile.

The prominence of online travel agencies (OTA), such as Expedia and Booking.com, continues to grow and is a proven resource for travelers who use it to find a wide variety of accommodation options at the best prices. Connecting to the OTA will help hotels increase their visibility and maintain their occupancy. Your property may even rank higher in search engines. However, commission fees from OTAs can feel like a necessary crime if hotels are to achieve this.

However, to ensure you get the full benefit of OTA and its reach, there are several steps you must follow to optimize your hotel profile. Since your hotel is a brand, your marketing efforts must be consistent across all channels. Don't save your best images and content just for your website; make sure these are also on the OTA website.

Like Google, OTA has its own algorithm for determining how hotels rank on their website. The writer wants to know; the writer worked there for years. While the author can never claim to understand the complete math behind rating hotels on OTAs, it should come as no surprise that hotels that generate more revenue for OTA will almost always earn themselves a higher place. After all, if the OTA is a million-dollar account

for you, then you are also a million-dollar account for them. For an independent hotel, this is quite a chicken-and-egg puzzle. Of course, you want to prove your money's worth, but it only leads to zero visibility of your hotel property if you rank poorly. No visibility means no bookings. No bookings mean no revenue, meaning the hotel is being challenged to move up the rankings. This is a vicious cycle and raises the question: How do you, as an independent hotel, compete with this? The answer may not be pleasing to all hoteliers, but it is a strategy I have seen succeeding with tremendous effect over the years.

Please work with your OTA partners, not against them. OTA search results often confuse hotel revenue and channel managers. There isn't always a clear reason why one property ranks higher than another; the obvious one is the revenue impact. So how do properties rank higher in OTA search results? Factors affecting ranking vary by OTA but generally include a mix of the following: commission payments, overall room availability on the platform, rate parity when compared to other OTA and metasearch sites, and guest reviews.

One no different factor is the conversion rate. If your property converts frequently, it will rank higher. Booking platforms want their customers to find what they want and find it fast. The property that is scratching the itch is rewarded with a higher position, a warning that the ratings are calibrated to avoid a disproportionate dominance of suburban properties that traditionally have very high conversion rates, such as youth hostels. So to be well-positioned on the platform, consider these tips to encourage your property to increase its output and attract more guests. This means that you must pay attention to the following tips:

1. Get to know your market manager

Build relationships with them just like any other business partner. OTAs offer great value, so it's best to use your market managers and get the best value through them.

2. Content management and design

You can improve your hotel's OTA performance by keeping these basics in mind. Content plays a key role in connecting guests to your hotel property. An incomplete hotel profile only shows an unprofessional approach. Photographs should be updated, clear, and eye-catching. Competition is fierce, and to make sure your property stands out, including a professional video and fill in small details about your facility. Things like free wifi and parking are important for guests who install filters to get hotel information according to their chosen preferences. Pay attention to details to improve the hotel OTA performance. OTAs prefer to rank full profile higher on their page.

The OTA doesn't want to display an incomplete list to the user. And if the content hasn't been updated in a while, or the photos are terrible, OTA will be punished. It's all about conversions, the better job your listing does at conversions, the more likely it will be shown higher in the results. Consider the end-user experience when uploading descriptive content to your channel. Think about how someone looking for a hotel will view your property and adjust it to put your property in the best possible light.

Take advantage of great photos, and offer at least three photos for each room type offered. If you use a technology vendor to distribute content, set a time each month to verify that your content is distributed successfully.

3. Make OTA the marketing and sales channel for your hotel

As with any brand, your hotel marketing and sales efforts must be consistent across all the channels of your choice. Regarding your availability, don't save your best images and content for just your live website, make sure they are on your OTA list too. Satisfy high-resolution images with detailed room descriptions to showcase the very best your hotel has to offer. And, make sure to provide as much detail as possible about your cancellation and check-in policies. Research shows fewer travelers will book when this detail is missing.

Offer the same availability as the hotel website

Are you currently providing equal availability to all of your selected OTAs, or is it a guessing game that will fill your room first? Availability is very important and as it will fluctuate, especially during peak periods or seasons, you should ensure that it is the same and accurate across all your OTAs. Using a channel manager that updates OTAs in real time and incorporates inventory functions is the best way to achieve this and ensures travelers aren't distracted by double bookings or erroneous data. This way, you can achieve higher conversions and keep your occupancy rates high.

Monitor rate parity across marketing channels

The huge push for direct bookings over the past few years has strained the relationship between hotel brands and OTAs.

Many hotels offer loyalty discounts for bookings on hotel websites. However this can backfire if not properly watched. "Dimming" is an OTA practice that punishes the property by suppressing the results. Although this practice has largely waned, it should be mentioned.

Don't risk a penalty from your most important OTA distribution channel. Follow your agreement and make clear distinctions for each rate offered exclusively on the hotel website.

Also, be aware of the subtle bias creeping into your OTA list. Consumers are less likely to see changes to booking orders, hold down custom logos or icons, or reduce (not delete) hotel photos. In addition, travel booking intermediaries have a history of design bias to avoid detection, so it makes perfect sense that an OTA might use a similar method.

Understand your data and trust your tools

By understanding your data source, you can judge its accuracy. While these tips aren't as straightforward as others, we mention them to emphasize the pitfalls of relying on data to drive decisions. If you don't know where the data comes from, then the insights you are getting from it may be wrong.

Once you understand your data and trust its purity, the insights are more likely to be accurate and actionable. These are business intelligence insights that increase hotel profitability.

Manage your inventory accurately

As the availability of your room will fluctuate due to peak periods or seasonal changes, you need to maintain accurate inventory across all OTAs to keep your occupancy rates high. Using a channel manager with pooled inventory is the best way to achieve this as travelers will not be bothered by double booking problems or erroneous data.

Keep prices competitive and rational

For most searches, OTA has a clear mandate from users: prioritizing hotels with the best rates for specific searches. Given that most users are price conscious, spending levels are at the core of competitiveness in OTA search results. Rates must be reasonable for the property, amenities and location, while complying with any contractual agreement.

Tariffs must also be rational. OTA assesses the shop too. If it is determined that the rate is irrational for the property type or date range, the property will be downgraded. An OTA will seldom appreciate a rate that is incompatible with nearby comparable hotels. Using level intelligence tools, make sure your prices are competitive. Keep an eye on prices and take a real time approach to keep prices accurate. This is an always-on income management job.

Manage your rates and promotions smartly

Guests don't just use OTAs for choice and inspiration; they're often looking for last-minute deals and deals. If you have time-sensitive promotions, they will be easier to catch, and you can easily sell off the rest of your room. It's easy to make changes to OTAs to highlight a certain level or take advantage of seasonal events to attract more guests to your profile.

Manage your hotel reputation

Ratings and reviews are more important than ever. OTA wants its customers to have an in-property experience that lives up to their expectations. That's one reason why there is a direct correlation between reputation and revenue: OTAs drive customers to properties with a better reputation.

Use all available hearing aids to monitor your reputation across OTAs and social channels. Respond to all reviews, especially negative ones. Have a strategy for crisis communication. Outside of your physical property, your reputation is your most valuable asset. Famous hotels always get a higher place.

The best reputation management starts with the guest experience. Don't just wait to manage reputation after the fact; ask for reviews from departing guests. It can be as simple as training desk staff making their goodbye wishes. Requests for reviews should also be part of guest communications wherever appropriate and consistent with contractual obligations.

Asking for reviews accomplishes three things: 1) Shows guests you care, increases the chances of positive reviews, 2) It keeps reviews fresh, as up-to-date is a key factor in rating reviews, and 3) Offers real-time feedback to improve your operations. These three things are positive input in increasing your ranking through a better guest experience.

The best thing you can do for a strong placement in search results is to provide a stellar guest experience that triggers positive guest reviews.

Carefully respond to reviews

Reviews about OTAs have traditionally been reliable because guests can only post reviews after they've stayed at the property. However, not all hoteliers respond to reviews on the OTA site. It is important to do an efficient job of managing online reviews.

Consider paid advertising

It doesn't have to be confined to the big, wealthy hotel companies. This is also a viable option for independent hotels on a pay-per-click basis. While paid advertising isn't a guarantee of more bookings, it will help keep your property in the loop and increase booking opportunities. If your content and aesthetics are strong enough, you will see an increase in your OTA revenue and ranking.

Focus on a specific market

Narrowing down the target will mean you impact lower customer volume. Still, you are also more likely to secure the bookings you want if you use specific time periods, events, geo-targeting, or other methods to target specific audiences.

Understand your competitor

It's important to know who similar players are in your market, so you don't over-sell or sell your room significantly. If you do, you won't be able to compete. Plus, knowing their activity can provide an opportunity to trap additional bookings. For example, a rate change could indicate a competitor's occupancy rate or a promotion based on something you could also take advantage of. There are specific data systems that hotels can use to monitor competitors.

Consider entering into an OTA preferred partner agreement

The OTA will rank your hotel higher in exchange for a higher commission through a preferred partner agreement. The author believes the thought of paying more commissions is the furthest thing from your mind, but understand that this is usually only a short-term strategy. Your goal should go to page 1 of the OTA, so the long-term benefits far outweigh the short-term costs. Once you increase your conversions, you can withdraw your commission rate because, at that point, you have increased all your organic rankings. If you are going to pursue this option, please browse it carefully and analyze, analyze and analyze.

Unite all marketing channels for best results

Never forget the basic formula when it comes to your distribution partners:

Profit = (Number of room nights sold x average price x commission percentage) - customer acquisition costs

With this formula, OTA prioritizes properties that maximize profits by selling more rooms at the highest possible price. And hoteliers should prioritize channels that do the same. This reciprocal focus on conversions means that both sides win when a property has a strong reputation, good reviews, and a steady hand in price equality, rate setting, and channel management. With an optimized OTA profile, your hotel will not only get bookings from third-party channels, but direct traffic to your website will also increase, helping you to offset the commission fees you pay. There are several ways to navigate the OTA landscape and get your place on the first page. The real question is: How do you protect your position once you have it?

CHAPTER 7

OPTIMIZE HOTEL WEBSITE PERFORMANCE

Your hotel website has never been more important than now. Travelers have access to a large number of hotels in this online era, so how do you differentiate your hotel from your competitors? The answer is with a perfectly optimized website. Read our five tips to improve your hotel online strategy and improve your online performance.

In this new era of technology, the internet has become a powerful marketing tool for the hospitality industry to target guests from different market segments. Hotels use online booking channels such as GDS (global distribution system), OTA (Online Travel Agency), and Hotel Websites to generate bookings. In this online medium, ordering from hotel websites is the most effective and profitable online channel because hotels do not need to pay a booking commission. Here are tips for improving the performance of your hotel website to improve hotel reservations.

7.1. Website design and usability

Hotel websites should always be structured with easy navigation, i.e., guests should be able to find the relevant information with just a few mouse clicks.

Better to choose CMS (content management system) for hotel website than traditional static Html pages, content management system allows hotel staff to publish new chapters/pages, delete, modify existing content without requiring technical skills.

It must be rich in images and upload the best and relevant images on every page to increase guest interaction on the page. Optimize website for mobile, smartphone, and tablet. A simple, easy-to-use, yet feature-rich room booking engine should be available on the website.

The booking engine should also allow for easy modification and cancellation processes. Only collect details from guests that are essential for processing the order.

Highlight the latest offers and promotions in the designated areas on the website and the order page—currency conversion tool to check the total cost of the stay for guests' selected currencies.

Integrate social media badges and like buttons on websites. Facebook like button; Twitter follows button, Google+ advisor badge, and review. Show the location of the hotel using an interactive map such as Google Maps. Correct contact details and full hotel address will be displayed.

7.2. Mobile web optimization is key

Did you know that mobile searches for hotels are growing fast? Everyone from budgets to luxury brands is seeing more and more guests ordering through their phones or tablets. To keep up with this change in customer behavior, make sure your website is mobile optimized. Plus, optimizing your website for mobile can not only increase your direct bookings but also attract elusive millennial travelers.

7.3. Search engine optimization (SEO)

The website must be SEO friendly; the content management system you choose for your hotel website should allow for adding SEO tags such as “Meta description,” “Meta keywords,” <H1>, Title tag, etc.

Avoid flash, java, etc., on navigation and homepage as search engines will have difficulty reading, which may also decrease your page rank. To generate bookings directly from a hotel website, your hotel must rank well on major search engines like Google, Bing, Yahoo, etc., and website pages to be indexed properly without any problems.

Publish new content/updates at least twice a week. Always publish unique content (for example, chapters on current events/events in your location, make promotional offers for room bookings, special events at hotels) to improve direct online bookings.

Don't scrape/copy content from other competitors' websites and republish the same on your site; this will have a terrible impact on your website in terms of SEO and a punishable offense in some parts of the world.

Create good backlinks for your website using a free hotel directory site, e.g., lodlists.com. Use google analytics (a free tool from Google) and measure the success rate of paid advertising and identify the search keywords that bring guests to your site.

Set up a Google Webmaster account and Bing webmaster tools. Take appropriate action for all notifications, warnings, index status, etc.

7.4. Social media

Create social media channels like Facebook, Twitter, Google+, etc. Keep social channels active with interesting content and special promotions. The tools are various ways to increase social media likes/followers, for example, placing Facebook like buttons on websites, buying paid promotions, etc.

Create a Google+ page as a local business. It will give Google search results a boost. Whenever new content is added, let guests know via newsletters and social media updates. Integrate your booking engine to make room reservations directly from Facebook.

Consider the source of traffic from Paid Ads (CPC) and other advertising channels. Since hotels don't have to pay commission for bookings generated from their own website, it is good to create a paid search engine / social media campaign to increase room bookings from the website.

Monitor the orders generated by paid campaigns and calculate the cost per acquisition for each order. Buy online advertising according to the most profitable cost

per acquisition (CPA). Once guests are familiar with the website, you can also generate repeat bookings from guests without spending money on advertising..

7.5. Encourage and reward guests who book in person

When you are working with a different OTA, it is important to maintain tariff parity. Works with special package rates: Free 2 Pieces Laundry, 24-hour Wifi, free early check-in, etc. A small additional price on your hotel website to encourage guests to book directly from the hotel website will also avoid parity issues.

Give surprise gifts to guests who have booked directly from the website—for example, a special welcome drink on arrival, rooms on higher floors. Place inclined cards in guest rooms to show additional benefits when making bookings from hotel websites. Apply phone music on hold while saying, "Book direct from hotel website for special packages, promotions, and special rates."

CHAPTER 8

SEARCH ENGINE OPTIMIZATION FOR HOTEL WEBSITES

To increase traffic to your hotel website, leading to more revenue for your business, each hotel must ensure that they are properly configured to be visible on the search engine results page (SERP). SEO allows your hotel to improve search engine rankings and display your website higher on the SERP. SEO is a method by which websites can increase their organic search rankings and traffic to their website. When done properly, SEO can increase your hotel website's visibility against competitors and attract high-quality attention to your website. Most of your guests begin their search online. Ensure your hotel website is one of the first things they look at and give them what they want when they want it.

The same rules apply to everyone when it comes to SEO. Regardless of the type of website or industry, the basic principles remain the same. However, this cannot be easy to deal with with the more than 200 variables in Google's algorithm that are updated hundreds of times each year. It can be tough for busy hoteliers to track what google asks your website to rank well for.

For hotels without huge digital advertising budgets or the resources to do full SEO, simply implementing a few ground rules can significantly impact your organic traffic.

Benefits of optimizing hotels for search include:

- a. Keeping your hotel ahead of the competition
- b. Build the credibility of your hotel
- c. Increase hotel customer loyalty
- d. Increase hotel brand awareness
- e. Increase the profitability of the hotel
- f. Increase traffic to your hotel website.

Here are some important steps for optimizing your hotel offerings and listings for search:

1. Get your keywords right

Before you can make your hotel stand out from the crowd, you need to decide what you want to be known for. Choosing the right keywords depends on a deep understanding of your ideal guest's mindset, likes, opinions, and needs. Once you have identified your ideal guest's profile, e.g., vacation guests, traveling with family, you can optimize the content accordingly based on experience. Tools like Google Keyword Planner, Moz Keyword Explorer, and Google Trends can be used to prioritize and predict the right keywords for your audience. Each guest has a different motive when they search and book a hotel. The keywords they use when they search can reveal how they "set" them to a particular brand or location. This leaves hotels with almost endless keyword combinations they can use to attract particular subsets of guests. In general, we can divide this into the following five stages of brand awareness:

a. Don't know your hotel:

These are guests who haven't shown a preference for a particular brand or hotel type. They haven't narrowed down their criteria. They might be looking for something very generic like "hotels in Banyuwangi".

b. Recognizing special needs:

These guests know they have some specific criteria but aren't sure what their ideal stay would be. A typical search could be, "can you bring the dog to the hotel in Banyuwangi".

c. Realizing the solution needs:

These guests know what kind of stay they're looking for but haven't narrowed down on brands. They may be looking for "pet-friendly hotels in central Banyuwangi."

d. Be aware of your hotel needs:

These guests are considering your brand but maybe checking to see if it's a good fit; they might search for “Hotel policies on pets.”

e. Who is most aware that your hotel is suitable for them:

These are guests who know that your hotel is right for them. Now all they need to know is if your availability & prices are right. They may be looking for “Room Availability at Gandrung City Hostel.”

Tailoring your content to guests depending on their brand awareness will help you rank higher in their organic search results. A good SEO strategy also works in conjunction with a sophisticated advertising strategy. Pay attention to high and low competition keywords. You should not only aim for the obvious “Banyuwangi Hotels,” “Luxury hotels,” “Hotels near the Ijen Banyuwangi crater.” High search volume means higher competition for the user's eyeballs, and hence more effort is required to achieve high rankings. To be too specific, on the other hand, the risk of your website being found by only a handful of people, unless your website has a very high conversion rate, won't be enough to fill your room.

2. Optimize your site

Once you have identified your preferred keywords, you need to use them to optimize your website's content. Ultimately, it's the content that will make your page even higher worth listing. Use keywords with care above all else; Google values high-quality content over obvious SEO gimmicks. Cramming pages full of keywords doesn't guarantee high organic rankings. Use title tags on every page of your site. The title tag not only determines the content guests can expect on your website but is visible in search engine results and social media as well. The title tag should describe the page content as precisely as possible in 55-70 characters.

Sort your content by relevance. Take advantage of your brand name, but prioritize important keywords like your hotel's unique selling point as well. Title tags like “gandrungcity.com” don't tell potential guests about your hotel or why they should stay

there. Something like “Banyuwangi Mewah Hotel” is more likely to attract traffic. Meta descriptions may not directly impact your Google search results, but clear descriptions of page content increase the likelihood of users clicking. The best practice is to keep their descriptions 150-160 characters short. Use Alt tags to name the images on your homepage with predefined SEO keywords but keep them short and relevant.

3. Buy the hotel price ad

Hotel Price Ads, or Hotel Price Ads (HPA), help show your hotel's prices and location across desktops, PCs, tablets, and mobile devices on Google and Google Maps. When you purchase an HPA, travelers can see your hotel offerings and directions to your hotel as they are actively looking for a hotel to book.

Here are some of the main benefits of buying an HPA:

a. Rate Parity

The HPA is a good tool for comparing your prices with other hotels and online travel agencies (OTA). The HPA brings parity to the fore and provides visitors with up-to-date, complete, and relevant information.

b. Value for your cash

HPA returns are consistently higher than core paid search campaigns.

c. The presence of online travel agents is weakening

The HPA allows small hotels the opportunity to appear right next to the OTA list. The most interesting feature of the HPA is that it allows guests to book directly from your hotel instead of through a third-party site such as a travel agent.

4. Optimize PPC ads

Pay Per Click (PPC) is essential for hotels because it allows hotels to reach potential guests when used efficiently instantly. As time goes by, SERP. It has been changed to ensure that PPC Ads are given priority over organic results. Hence, optimizing PPC Ads is a great opportunity to get your hotel offering high on the SERPs, allowing for greater visibility above the organic competitors. Running PPC Ads allows

you to show travelers your hotel offers and services when they enter a search query for similar hotel offers and services like yours. Embrace and Own your Google+ page. Based on merging Google+ and Google Pages, integrating Google+ with search marketing is essential. Travel marketers now understand that social search is closely related.

Since Google is a leading search engine, using Google+ as a social tool for your hotel is important. Hotels should refrain from ignoring Google+ as the benefits are immeasurable. Your hotel Google+ page must be properly set up with a complete Google local profile as some of these elements will be used to display your offer on the SERP. and if it is not optimized, it can jeopardize the performance of your HPA.

5. Use schema.org

Schema.org helps label your hotel website HTML code so that search engines, including Google, Yahoo, and Bing, can better understand the content on your website. There are several rich snippets that you can optimize at Schema.org. What are rich snippets and structured snippets?

First, we need to define what "rich snippet" and "structured snippet" actually are. Some marketers have used terms interchangeably, but this is not accurate. Structured snippets are a rich snippet type and will not apply to every query.

Rich snippets exist to enhance results pages and provide users with more information about what they are looking for. For example, searching for a film can yield a brief excerpt from a film review or synopsis. This allows users to, at a glance, get some initial information about their search query before clicking on any link. Rich snippets are taken from specially formatted data on the website, which helps you optimize Google search, so you can enter the information that your prospective searchers want to see. There are many benefits of using rich snippets, including a more attractive appearance for your website: the SERP and an increase in click-through rate. Currently, Google offers rich snippet support for several types of content, including:

- a. Information about people
- b. Product Specifications
- c. Business and organizational information
- d. Product reviews and features
- e. Recipes for food
- f. Events and music
- g. Video content

Structured snippets, on the other hand, offer specific information about the query given based on the aggregated Web results. This means being able to completely ignore the metadata structure and instead look for headlines on the Web.

6. List the hotel on the business List

As with online travel agencies, business listings such as Google My Business or Google My Business, Trip Advisor, Yelp, and other business directories can improve your hotel metrics.

7. Mobile first indexing

Indexing is the way search engines like Google collect and store websites to appear in relevant search results. Until now, the desktop version of the website had prioritized indexing. But in 2018, it is the mobile version of the website that will be indexed first as the most important version. Mobile-first indexing is one of the biggest SEO evolutions of this century.

What does that mean for the hotel? If the hotel website is already responsive and optimized for desktop and mobile, the first mobile indexing impact will be minimal. For hotel websites with separate mobile sites, ensuring that their mobile versions are ready for this trend will be a high SEO priority at this time, as more and more travelers are searching for and booking hotels on mobile devices.

How hotels can adapt to this trend. Responsive design is the best mobile first-indexing companion in hotels. Additionally, providing a mobile-friendly hotel

website is a good strategy for adapting to this SEO trend. Fast page speed and load times are critical, as is high-quality content and the right metadata to help search engines read (crawl) the page's information. Equally important, if not more important, is offering travelers a seamless mobile booking experience.

8. Create stunning visual content

Online viewers want a more visual experience, while technological advances and start-ups greatly improve search engines' find, maintain, and promote visual content for user consumption.

What it means for hotels: Content has always dominated SEO strategies. Still, hotel video websites' visual content and their images are becoming more important than ever to rank in search results and convey a strong message to potential guests.

How hotels can adapt to this trend. To prepare for and take advantage of visual-search SEO trends, hoteliers need to make sure their hotel images are high-quality and captivating and that they contain a subject that resonates with travelers on a hunt. For the hotel. Having rich and fresh visual content throughout the hotel's online presence, profiles on metasearch sites, and social media accounts greatly increase its chances of doing well through increased visual search.

9. Write phrases that sound natural

Search engine users are now speaking out loud to their devices, thanks to increasingly sophisticated digital assistants. And it is not only voice search that is the increasing trend in consumer behavior technology that facilitates it to become more sophisticated in understanding and engaging with organic language patterns, namely human speech.

What does that mean for the hotel? Hoteliers may need to rethink written content created for their hotel websites, as conversational, natural language will perform better in a voice search environment. This trend also presents opportunities for hoteliers to

incorporate new keyword phrases into their hotel websites' content, which can give them an SEO boost.

How hotels can adapt to this trend. The old SEO strategy of inserting keywords into text is no longer applicable. On the other hand, hoteliers can make sure the text on their website sounds fresh, elegant, and most importantly, natural and flowing. Additionally, by including organic long-tail keywords, phrases that clearly and specifically describe the aspects of the hotel experience guests can expect. Hotel websites have a better chance of being found by travelers looking for important aspects of their hotel stay.

CHAPTER 9

CONTENT MARKETING

9.1. Importance of Content Marketing

Why does your hotel need content marketing, and how to start building it. If you're a hotelier doing content marketing on your own or with a marketing team, but you're not seeing the impressive results most online marketers talk about, this chapter will provide some much-needed insight.

If you own or manage a hotel, you have a deeper relationship with customers than people in other businesses. Even for short stays, they rely on you for advice on their dining, entertainment, and accommodation needs. Since you are expected to be a reliable source of information, what better way to strengthen this reputation than content?

It's a great way to build customer loyalty, increase engagement, and strengthen your branding position. It's also a great way to complement marketing, operations, and customer service.

Guests stay in your room because you know how to make their business or leisure trip more satisfying. Hotel content marketing is an excellent way to highlight this expertise. Instead of continuing to use hard-selling tactics to book rooms, why not try content marketing instead?

In an environment where technology and the digital world are so important, writers find the need to work on more and more author hotel websites to attract visitors, turn them into frequent users, and try at all costs (with all the strategies I have online). Be direct booking. And this is something we can only do with content because the content is the fuel of the engine we call the Internet.

If you've never considered content marketing before, now is the time to get started. Today, the author offers some helpful tips for hotel content marketing and some ways to get started with content marketing for your business.

Let's start with some reflective questions:

- Have you taken the time to come up with a well thought out content marketing strategy?
- If so, is this documented and shared with all relevant people?
- If you answered no or maybe, what are you waiting for?
- This is the truth that must be swallowed up.

Regardless of your budget, all content marketing efforts require a strategy. A well-crafted strategy that helps form your clear and overarching marketing vision.

Without a clear vision, people will perish.

That statement is true in life and certainly true of your content marketing efforts. A clear vision gives you and the marketing team the whole picture. Then you can more effectively combine the pieces of the marketing puzzle.

Before diving into beginner tips for building your content marketing strategy, let's validate why you should even consider this an option for your hotel moving forward.

Imagine yourself as a travel shopper. You're still in the early stages of booking the vacation you really deserve, so you start looking for ideas and inspiration at every turn. Imagine that you have never been to Malang before, so you decide where to go. The only problem is that Malang has enough hotels to make your head explode, so you start looking for things to do in Malang and leave hotel decisions until later.

Seeing a show is always on your itinerary, and since it's a family trip you will be taking, you decide to research the best suitable family show so everyone can enjoy it. You come across a great list with everything you were looking for and realize it was

created by a property you've never heard of. After you've done a little digging and research, you'll find that this family-friendly hotel has everything you're looking for. There is no need to look elsewhere, so your order on the spot. Your hotel problem is solved.

What just happened? You place your order because of the content the property delivers. That's content marketing. Why is this important?

Potential guests have lots of questions about your hotel, but they can't always get answers in traditional marketing messages. In fact, consumers are increasingly trusting traditional advertising messages. Content marketing can restore trust in your hotel because it is based more on educating readers than selling them.

That's one reason to implement a content marketing strategy for your hotel. There are several others which you can study below.

The content should answer questions, entertain, or provide valuable information to viewers. When your hotel produces informative and entertaining content, potential guests start to rely on your insights regarding travel and eventually trust your hotel to make their next trip more enjoyable.

These can give you a huge edge over the competition, especially if they don't offer advice, online content, or special features. Not only does it make you appear more engaged, but content can also help with your search engine ranking (commonly referred to as your site's SEO or search engine optimization), which in turn makes your hotel more visible than others in searches.

If you can make your content marketing work, the ROI for your business will be huge. So many hotels feel they are in OTA's hands with no other choice.

You can gain independence from old channels and reach out to your ideal guest. There is a better, more affordable, and direct way in today's market as long as you have the right strategy. And then you have to have a strategy documented!

There are times when your best chance of running a successful hotel is to rely solely on outbound marketing methods and OTAs. Buying an email list and praying they turn into leads or buying ads seems to be the only options. Times have changed. Thanks to the internet and social media, you have the power to build a high-quality database and grow your brand using a more cost-effective route.

In the hospitality industry, very few individuals see the value in strategically planning their content and investing in the right tools and teams to execute the desired marketing efforts.

Sure, they'll invest in getting one viral video or celebrity post about the hotel. But that's how far it has gone. This is a perfect case of "social madness." Instead of holding long views and building relationships using this platform, hotels are spreading their efforts to find the one thing that can give them instant virality.

Real content marketing is still treated as something to do on the side if the budget allows. Those who at least try to take advantage of things like social media marketing, email, blogging, and so on (as relationship building media) are doing it so frugally that it's disappointing. There is almost no real structure or planning around it.

Even for luxury hotels, advertising costs can be prohibitive. What's more, the waning influence of sales and marketing makes advertising less effective and profitable. Today's consumers are much less likely to respond to print or direct mail advertisements than ever before.

With quality content, your hotel can introduce itself to travelers, build relationships. Generate new contacts and orders, all for a fraction of the cost of traditional marketing.

While content marketing has been a hot topic over the past few years, the idea of creating effective content is nothing new. For hundreds of years, people have used the power of content to educate, inform, and sell.



Figure 9. 1. Gandrung City Hostel content marketing at tribuntravel.com and travelingyuk.com
Sources: travel.tribunnews.com and travelingyuk.com

Given the need to create this content, the writer finds several strategies within the writer's reach, but sometimes the writer doesn't know how to judge which one might be important given the author's goals. Strategies like content marketing and branded content are based on content creation. Although authors always recommend including them in an inbound methodology (which includes more content-based strategies), both stand out for their usefulness and efficiency when generating value and gaining engagement.

Content is basically anything that conveys a message to your audience. Every photo, video, post, tweet, the pin is content. the author thinks you got the picture. If you say something, write something or show something, it is content.

- a. The hotel description is content
- b. Your brand commitment statement is content

- c. Facebook posts about amazing dinners that guests have at your restaurant are content
- d. Multimedia, for example, pictures, virtual tours, and videos are also content

Think of content as chapters of a story and content marketing as your entire story packaged together coherently and attractively, with well-designed book covers that support who you are, which you can then sell in bookstores, online, and through family and friends.

A great novel doesn't come together by inserting a few photos, add some text, and you've got your next classic. The individual content pieces should be strategically placed to tell your story, communicate with guests, make a real connection with them, and achieve your goals. That's the role of content marketing.

In the hospitality field, effective content marketing is about strategizing what makes your hotel unique, what features and facilities differentiate your hotel, creating content that features these features, and amplifying that content across multiple channels, from the hotel website. You're into OTA to social media and more, all while telling a consistent story.

Often, stunning properties, full of passionate staff, and clear stories to tell, fail to speak to potential guests in a way that reflects the personality of the product on offer. Failing on this element leaves a huge number of options for people looking to book rooms online.

Yes, potential buyers or guests want to see the lobby, room, or bar's design, but that's not enough to make them feel connected to the brand. It doesn't create “pre-visit loyalty” or brand-specific anticipation, meaning that the hotel itself has to work harder to leave a lasting impression during a guest's stay.

While generic content can easily be found on OTAs (Online Travel Agencies) alongside several other hotels, this is where the audience will stay. Allowing price to remain a differentiating factor in booking decisions.

9.2. Two Common Content Marketing Mistakes & How to Fix Them

Whether we realize it or not, consumer behavior has irrevocably changed. Things will never return to their original state. There is never a time when a guest won't "search" or "compare" or "review" before making a decision. Therefore, any information you do or don't put out will have a direct impact on how well your brand will perform as the Internet continues to evolve.

You can invest a lot of money and see very little payoff if you don't know very well about how to do things right. But this article isn't about teaching you what hotel content marketing is or how to do it right. Instead, it's a quick eye opener to help you gauge and reflect on your current efforts. Then you'll know what to do to start fixing things.

The sales funnel and most "direct selling" techniques are considered ineffective. That's because consumer behavior has changed radically. It's our job to fit in, and lean back and ride the new waves.

Writing it down, what most businesses want is to take the easy way out. They want to employ tactics and methods that work for them in a day when choices are limited and consumers don't have much power to work in this internet age.

If it's something you've ever entertained, the writer has bad news: it's not going to work.

It's great that you recognized content marketing as a powerful and cost-effective way to deliver new bookings and a steady stream of guests. But where things start to fall apart is when you treat content marketing and social media marketing like traditional media. If you do, your chances of success are slim.

Content marketing is an important part of attracting and keeping guests. This is one of the best ways to build brand equity and guest loyalty, so mistakes can be costly. Whether you're outsourcing content marketing from a creative agency or doing it

yourself, here are some mistakes to avoid if you don't want to hurt your reputation and your income.

1. Content created for the wrong purpose.

The fact that content marketing is not part of a fundamental business strategy for most hotels means that these are new waters to navigate. One can easily fall into traps and traps that only damage your brand image. All you need to do is scroll through the hotel's Instagram or LinkedIn profile to see what the author means by this.

Few create content that adds meaning to their audience. Content creation isn't about creating selling points or content on random topics that your team thinks will work. This type of creative will only frustrate and alienate your audience and potential guests.

The purpose of content creation and marketing is to provide valuable information on a topic of concern to your audience. So here's a change in mindset that the authors recommend you do right now.

Think from the point of view of your ideal audience. What concerns your ideal guest? What did he find meaningful?

Content creation and content marketing aims to serve your audience, not self-promotion.

Here's how to fix it:

Research what content your audience wants. Whether you have a full-time in-house content creator or you outsource to a digital and creative marketing team, you should research your ideal customer's interests.

Your main goal when investing in content marketing is to provide better content to the right people at the right time. Every piece of content must have a purpose. Posting content that you find interesting doesn't need to attract the same appeal to your customer base.

If you are a boutique hotel that caters to an individual customer base who enjoys minimalism, posting about shopping spree and shopping around your hotel is likely not going to attract the right audience.

The author, many hotel marketers think that any content is good content as long as it drives traffic.

While it's great to have your Instagram posts receive thousands of likes, it won't drive the right kind of brand equity, loyalty, or conversions that lead to long-term success.

2. Content published for the sake of having more volume.

More is not always better. In fact, your ideal content marketing strategy might be downsized depending on your specific needs and audience. The author thinks you can agree with the author that boutique luxury hotels have different needs and purposes than hotels.

Therefore, there is no "one size fits all." So, wait, is the writer saying there's something wrong with producing lots of content?

Of course not. Content marketing is not linear.

Here's how to fix it:

Have a content marketing strategy session with someone who truly cares about serving your guests at the highest possible level so you can formulate and tailor a strategy that works for you.

Consider your entire eco-system and don't just post it for posting purposes. Create a long-term plan that takes the big picture into account.

Some questions to start asking yourself could include: How does the author's content add value? Is it part of the writer's marketing cycle, and if so, how? What are some of the different needs writer content resolves for the author's client? Do authors properly track responses to author content so I can improve current things? How does this help build brand equity and loyalty?

Your potential guests are online, but they are nowhere to be found. One common mistake among content marketers is assuming broad reach leads to better results. In fact, this approach can be more expensive over time because you spend too much time on ineffective channels and too little time on the most profitable ones.

The best strategy is to focus more energy on fewer channels. For example, instead of writing a blog, developing infographics, using social media and developing custom videos, you could spend the same amount of time writing articles for your hotel website and see better results.

The right channel depends on your target audience. Families will visit sites like TripAdvisor for information about your city. Business travelers can spend more time on LinkedIn, so they will read the content there. Know where your guests are going and create content for those sites.

Potential guests browsing the Internet will show you the relevance of your content by how often they read and share it. But what topics are important to your guests? There are several ways to find out.

One way to do this is to visit several travel sites and find out what questions other travelers ask is to track what your guests are asking for and build content that provides answers.

For example, if you noticed that "where is the best place for a business dinner in the area?" As a general question, you can write a page answering the topic, with a link to the website of the restaurant you recommend.

9.3. Content Marketing Building Tips

What exactly are you trying to achieve with content marketing for your hotel? More reservations? More returning guests? Competitive advantage?

This is the first question you need to ask (and answer). This is because it affects every other aspect of your strategy. For example, if your goal is to increase bookings,

focus on content with special discounts and incentives. If you want to position your hotel as a luxury property, develop content for high-end professionals.

When you're up against big brands and even bigger OTAs, it can be difficult for your hotel website to stand out. For potential guests, engaging content can mean the difference between "just browsing" and ordering. So how do you come up with a great hotel content idea?

Consider whether your hotel website breaks down the most common barriers to bookings. Does your hotel room description offer a compelling value proposition? How about a visitor guide to your destination? To help you attract (and ultimately, convert) your ideal guest, I put together a ton of hotel content ideas along with the best examples below.

1. Customers choose hotels based on the contents of their wallets and their expectations

Two types of content just misses the writer's opinion. The former are produced by brands playing it safe with soft, replicable website or video content that lacks personality and doesn't differentiate hotels.

The second was created by a brand that addresses long term goals with short term creative solutions. These may produce an immediate "thrill" but in the long run they only create more jobs and ultimately lower the return on investment.

The hunger for quick fixes through reactive solutions to meet immediate goals hinders the true level of consumer loyalty that can be built through consistent emotional brand messages. Result? Endless battle for audience wallets that will only move to the next property creating buzz.

Prioritizing viewers' hearts over their wallets requires more deliberation and creative expertise. It's not all bad. Many hotel brands do very well with content marketing.

As a result, they have built a loyal support community and fan base that reaches out to more than today's guests. Some of the brand's loyal followers haven't stayed at properties they admire. However, when the time comes, they tend to quibble on prices or compare other offers on the OTA.

Achieving this comes from careful consideration of how they want to be felt in the coming years rather than how they will fill the rooms during the live season. Understanding the core values that bind your audience together, developing a holistic brand strategy, taking a strong perspective and telling a story that reflects the personality of the brand are all key steps towards a lasting brand-consumer connection.

While it takes time, effort, and resources to do this well, those who do will thrive, and those who won't. The key to these tips is to pay attention to your wallet and prospect's expectations and put them in the content. Highlight Nearby Tourist Destinations & Potential Local Experiences When it comes to goal-focused hotel content ideas, think about customizing the local experience your guests will love if they book your property.

One of the best places to get hotel content ideas is your city's annual event calendar. For example, "Banyuwangi Festival" is a series of events in the city of Banyuwangi in one year and has a calendar of events throughout the city of Banyuwangi. Use the event calendar in your hotel city and get your potential customers interested in visiting your city and staying at your hotel.

If you know that people will be traveling to your destination to attend citywide events, create a blog post or landing page specifically for it. Think about what information would be most useful to someone attending for the first time, such as the Banyuwangi festival guide.

Pay close attention to your city's recurring events and plan to update your content regularly. This will ensure your page rank in Google and continue to work for you even after this year's event is over.



Figure 9. 2. Banyuwangi festival 2020 calendar

2. Tell The Story, don't sell

Consumers are becoming very aware of the fact that they are being sold. And they are much smarter when it comes to the information they receive and engage with. For hotels, it's more important than ever to connect with potential customers and return in a creative and authentic way.

Unlike traditional advertising, content marketing for hotels focuses on storytelling, not sales. Great content is not a sales pitch. It should inform and entertain. It should tell your hotel story and share your expertise and knowledge. Above all, it should inspire your guests to be excited about experiencing your hotel and its purpose. Producing relevant and engaging content will direct guests to your website and social channels, and entice them to spend more time on your page.

This encourages higher quality traffic, and in turn, higher booking opportunities.

One of the easiest ways to start creating content for your hotel is to take advantage of this simple and popular format. Coming up with creative content ideas for your hotel can feel overwhelming, which is why Writers (and pretty much everyone) love good lists. Lists are easy to read, understand and share.

This content format works great when you want to position your property as a go-to resource for lots of reliable local insights. Do you know where to find the best bagels in New York? Or how about ten unusual places in your city that tourists have never heard of? Where are the top bookstores, secret swimming spots, or the craziest street dining? Think about what most appeals to your guests and contact your hotel team for their input.

Many hotels and resorts struggle with off-season marketing ideas. How do you sell property by the beach when the temperature drops? Or what about when the locals go on vacation and the city feels completely empty? The content ideas below can help you get started marketing your hotel property during the low season.

Knowing that your hotel content needs to add value to potential guests, a seasonal packaging guide is perhaps some of the most helpful information your hotel can provide! If weather or other seasonal factors cause potential buyers to hesitate, fix them right away by showing them what they need to prepare.

3. Build Customer Trust

Content marketing aims to provide consumers with useful or interesting information, rather than selling to them, it can help build trust and credibility in your hotel brand.

By not openly pushing your hotel in the faces of your potential guests, but rather offering helpful advice or insider tips on what to do or where to go in the area, you are positioning your brand as an authoritative source of valuable and valuable information. Potential guests will see your insights when planning their trip. And with the right content, they'll start trusting your hotel to make their stay enjoyable. It's a great way to increase new customers, build guest loyalty and increase engagement with your brand online.

If traditional advertising is a one-sided conversation, you can use content marketing as a vehicle to open up interaction between guests and your hotel narrative. Good content is made to be shared.

Let's face it, if you post an ad for your hotel on Facebook, there aren't too many people who will voluntarily share it on their own wall. Unless, of course, there are incentives worthwhile involved, such as winning a free night's stay! But, let's say you create fun content on your website about the best bars to visit in your area, then share it on your Facebook page - the post starts a conversation among your followers, who then shares it with their friends, and so on. The more content reaches more, the more visitors you receive to your website, and the more you get your brand in front of interested parties. Using content marketing to drive engagement with your hotel significantly helps increase your brand's online presence.

4. Drive quality traffic and higher conversion rates

The author won't be covering up this one, sending you relevant content that fits your guests' interests or needs. By doing so, you attract consumers who are genuinely interested in what you have to say and are actively seeking information for their travel

plans. No one wants to drive irrelevant traffic. Or worse, create a feed and switch by directing consumers to your site who expect one thing but get another.

By using a content marketing strategy, you can strike the right audience. This helps to increase the quality of traffic to your site and cultivates a much more engaged consumer. The content you produce has the power to motivate consumers who are deeply involved in the buying path. This results in lower bounce rates and more direct booking conversions.

If your hotel has a website, then you've probably heard of "SEO" or Search Engine Optimization. Good hotel SEO helps your website rank higher in online search results. By regularly publishing relevant content to your website, you help improve the SEO of your site and in turn, make your hotel more visible in online searches or read chapter 13.

In today's digital landscape, content marketing is essential to any hotel digital marketing strategy. By producing relevant and authentic content around your hotel, you will be able to see an increase in your online engagement. And with hard work, the conversion rate is higher.

From blog posts to tweets, to videos, content marketing for hotels helps attract and retain the interest of your audience. But that's not all! Ultimately, content marketing aims to turn this interest into profitable consumer action and create opportunities for generating relevance in the customer world.

CHAPTER 10

MARKETING PARTNERSHIP

Successful individuals often have a team behind them; the same is true for prosperous businesses. These companies become stronger through the people they employ, the suppliers they work with, and the strategic partnerships they form.

Hotel sales and marketing teams cannot ignore their local environment when driving new and loyal business through the front door. Drawing from local sources will help bring in guests looking for local experiences outside the hotel market and help drive business from neighboring companies and locals.

Hotels are considered small businesses, so you must think of your hotel as more than just a place for people to rest and eat hot. It would help if you had a business mindset to make your hotel successful.

Like any small business, partnerships and alliances are essential to hotel success. Even international giants like Coca-Cola and Microsoft are still trying to form partnerships and alliances to maximize their growth. Why should you think differently about your hotel?

In fact, because your hotel is a small business, you will need partnerships more than ever. Through partners, you can build your business and get a steady stream of guests you dream of. Your business does not exist in isolation, and for that reason, you should try to build strategic relationships.

Developing relationships with your business partners can be invaluable in determining your brand position. Enjoy a coffee/drink with your local tourist board, stop by another local business, or even sit down with a competitor. Share what you know, the odds are that you won't give them anything they won't find out for themselves right away, and you may receive more than you give. Your partner helps define your reputation and position, and at the very least, is happy to talk.

You may be wondering what marketing partners are and how they will contribute to your hotel's growth. In the business world, partnerships are formed because they provide value to the parties involved even when high risk is involved. This partnership was formed to add value to the parties and provide something that your competitors will find difficult to replicate. With a good marketing partner, you will win new customers and grow your business further.

10.1 Hotel Partner Category

Partnerships are professional relationships that are built between brands. In partnerships helping brands like Gandrung City Hostel reach new audiences through increased joint marketing initiatives. They add value to what partner brands have to offer their customers. And when having such a partnership, a company no longer depends solely on its own marketing channels and assets. On the contrary, it can use the channels of all their strategic partners as well. The following is a list of the partner categories a successful hotel must-have. This partnership will give your hotel the advantage it needs to compete with other hotels.

The following is a list of the partner categories a successful hotel must-have. This partnership will give your hotel the advantage you need to compete with other hotels and major hotels in your area.

1. Partners for revenue

A partner for revenue is a partner that delivers as many businesses as you want. They represent the main source of income for you. For hotels, this may include travel agents and websites sending references to your hotel for arriving travelers, including online travel agents (OTAs).

You must cultivate this relationship. Reward your partners for giving you business. For example, you can enter more paid ads on websites where you get lots of referrals. You can also offer accommodation for free once or twice a year.

Think about how you manage your most valuable income streams. Do you think of them as partners? What plan do you have to manage it better?

2. Suppliers

Your supplier can be a vital source of income and very difficult to replace especially if you have a good supplier. Many of the products you use at your inn already have national and some international audiences. It makes sense to partner with a supplier whose products you use exclusively or as important selling points such as soaps, spa treatment bath products or even tea bags.

Consider your suppliers when looking for ways to add value to your customers. Can you build a joint plan with your supplier to encourage communication? This ensures that you maximize the opportunities that may come before your competitors know about them.

One great tactic for hotels is to add a service or package that matches the product from your supplier. These packages or services help you strengthen your relationship with suppliers while also adding value to the services you provide to your guests.

3. Alliance

Alliances are one of the best ways to improve your hotel marketing efforts. Alliances are usually formed among people with common interests. They are a great way to build your clients and share the benefits of marketing.

Find out if there is an association or alliance for hotel accommodations in your area, country, or region. You can also join business alliances that provide similar or related services to yourself, such as travel services alliances. Always look for alliances that will add value to your hotel and provide you with a steady customer flow.

4. Partnership for promotion

Partnerships for promotion are the most common form of partnerships formed by small businesses in various industries. They allow you to tailor your services to suit other people's businesses.

When looking for promotional partnerships, one important thing to remember is that money is not the only form of currency that matters for hotels. You can add value to your hotel by providing free products to guests who visit during certain holidays or stay for two nights or more or any other promotion you can think of.

Promotion doesn't have to be complicated. You can give simple gifts or exchange them with your partners. The important thing to remember is that by offering a product or service at a discounted or free price, you give your hotel an easy way to get free publicity by word of mouth or through the media.

5. Social partnerships

Much has been said about the growing power of social media to let you know you can't ignore it. If you can't beat him, then you have to join in. However, you will need as many partners on social media as possible.

It would be a great idea for a small business like your hotel to partner with businesses that already have a large audience you want to market to travel agencies, tour companies, bath products companies, and more.

There are many ways to engage with partners on social media. Some of the most common is through:

a. prize

If you are planning a contest or a prize, get a partner to donate a prize. Competitions can be advertised on your social media profiles. Your partner will be able to provide you with gifts that you cannot offer. In exchange, they can market their brand to your fans or followers.

b. Partner social channels

You don't need to have a comprehensive marketing plan to be effective at social media marketing. You can take advantage of your partners' social media channels and tap into their wide following. For example, you can ask your partners to retweet or share any messages you put on your social channels and do the same for their messages. This is a win-win partnership because the two of you will get the exposure you seek.

If you are wondering how to tell the difference between friends and business partners on social media, you don't have to. Social channels that made up this distinction are not used today. All your relationships on social media count. While some will be more important than others, it is important to nurture your connections and use them to your advantage.

Social media is a great method for marketing because it is affordable and makes connecting with partners easier. It's no surprise that this is one of the most effective marketing tools available today.

To succeed in building strategic relationships, make sure you offer value to your partners. That way, you will also get value for your hotel. For best results, do thorough research before deciding on a partner. Look for partners with similar or similar ideologies.

For example, if you want to preserve the environment, finding partners who are environmentally aware will make your partnership easier because you support the same values.

10.2 Partnership Marketing Strategy

Partnership marketing is always important because it's a simple, fast, and inexpensive way to align your brand with other similar brands out there. Pick a non-competitive business that shares your values with the same (but not identical) target market as you, and start working together. Share ideas, thoughts, suppliers with

your name; you should consider sharing them, it will save you time and money, and it will also provide you with valuable insights from an alternative perspective.

Today, partnership marketing is even more important than ever because marketing is becoming more difficult. In today's social world, people are less interested (dare to say we're vulnerable?) To traditional advertising and marketing, and even if some of your activities catch their eye, they want that information to be validated in a social capacity too.

Some time ago, it was just word of mouth, they might mention your business to friends, colleagues, or family members, but today they can ask millions of strangers what they think of you just by looking at their smart phone.

If a customer had a good experience, they would tell one person that they would tell ten people if they had a bad experience. Well, this year you only want ten. But, thanks to social media, one simple post can reach hundreds or thousands of people.

Kidding aside, I know that everyone already knows that you need to have a great social media strategy in place to manage your reputation. But what if you could do better than that? What if you could get other brands to make a statement about you, support you, and say they believed you? It's the metaphorical big boy on the playground who steps up and says, "They're fine." This will do wonders for you, especially since most savvy travelers already know that TripAdvisor, Facebook, Twitter, and the like have their fair share of keyboard warriors. It only takes one "big kid" to get on top of yourself, and you win the market. Here's the partnership marketing strategy:

1. Identify what you want to achieve

Partnerships are great for growing your brand and building relationships with your customers; a key marketing area hotels tend to ignore is budget constraints. Make sure you are clear about your goals before starting.

Strategic partnerships start with and depend on a shared vision. As a hotel owner, look at your location. Think about the strengths you, your city, and local businesses

provide. Then it analyzes various opportunities, threats to tourism, and current organizational weaknesses. This will help you brainstorm ideas that you and other brands can pursue. Now is the time to find your strategic partner.

Next, identify the best partners to help you. Some of your best brand partners could be your local tourist council for a hotel, all the travel operators your guests use to come to you, suppliers, people you supply, or other local businesses. You don't need to be in a new relationship; build on the relationships you already have.

Start by thinking about what you would like your partner to do for you and what you can do for them in return. If budget is an issue, then stock bedrooms can be a valuable commodity to offer, or even your offer of function space for an annual meeting might be enough to get them to see the value in a partnership.

Open conversation is needed because this is not a relationship that you want to silence through misunderstanding or false promises. In the early stages, honesty is the best policy, and if there's nothing you can do together right now, at least you've made a new contact, and you might be able to help each other in the future.

2. Build Partnerships

You and your hotel can start by looking at organizations in your business, destination, and commercial enhancement arenas. Next, research specific industrial groups such as hospitality, tourism, and hospitality. Then, identify which companies and groups can praise you. Consider evaluating this by looking at the branding and vision of others. This will help you determine which brand you want to approach first. Be sure to work out the costs and benefits of the partnership before bringing in another group.

Partnerships create jobs for the local population, foster international relations through strategic partnerships, and in a nutshell, extend the local tourism season; it achieves everything.

Consider your assets and think over the threshold of your own hotel. By supporting local communities, empowering others, and reaching beyond your borders, you too can bring in additional business and even impact your own economy.

CHAPTER 11

ELECTRONIC MAIL MARKETING

The hospitality industry is one of the most competitive businesses, which means effective marketing is essential to a hotel's success. Like any business, hotels have limited marketing budgets, and simply wasting money on marketing won't produce the main results you want unless you have a solid strategy. Email marketing is as versatile as a pocket knife, an effective tool for reaching new audiences, building strong customer relationships, selling any product, or offering any service. The hospitality industry is no exception.

In the hospitality industry, good email content is simply content that your clients benefit from. It can be anything from a discount to inside information and tips on planning their next vacation. Your customers, both existing and potential, will appreciate being the first to know about the newest packages you serve or what new types of amenities and services you have at your premises. Think about who your target market is and what they find attractive.

Email marketing is a high ROI channel. Whatever your industry. So you need to ask yourself: Does your hotel take advantage of this affordable and easy to maintain marketing channel?

If not, it must be done. The hospitality industry is changing. Hoteliers usually manage the inventory of rooms. Today they manage customers. There used to be a focus on top-line income.

Now there is a focus on profit. Costs go up, and hotels provide revenue for OTA and the sharing economy. It has never been more important for hotels to drive direct revenue.

The author sees a vacancy in the market for a dedicated, easy-to-use software platform that will enable hoteliers to do great marketing. And doing great marketing

today means having guest data and being able to segment it in a way that allows marketers to send personalized communications at every step of the guest journey. However, in the highly competitive market that is today's hospitality industry, hotels must continue to work to make even the most satisfied guests return. Email marketing for hotels can be your hospitality business ticket to effective long-term hotel-guest relationships and repeat stays. All you need is a little inspiration and a handle on some of the main trading tools.

The hospitality industry is one of the most competitive spaces to visit, as more and more hotels are trying to take part in this growing market.

Social media provides a beautiful opportunity for hoteliers to engage with guests, but email marketing is still the number one way to drive revenue.

Email marketing is such a broad term; it's hard to know where to start. Email marketing is one of the most powerful ways to build a relationship with your guests. First and foremost, this is one of the few channels hotels have to grow and maintain their email list and use these customer touchpoints thoughtfully. Hotels benefit from reputation management, more direct bookings, increased customer loyalty, and lower marketing costs. When a prudent, data-driven strategy supports email campaigns, hotel owners can get a higher ROI by redirecting spending from platforms like Google and Facebook.

The hospitality industry focuses a lot on social media when designing their marketing campaigns and performing customer service. In such a world, it's easy to forget all about your email marketing campaign. However, to be truly successful during your marketing, you must mix up your strategies. That means having a healthy email marketing mix to complement your social media campaigns.

In the hospitality industry, what you want to do is increase the number of direct bookings, encourage engagement with your brand, and build loyalty to your guests. To do this, you need to target your communications well. Email marketing helps you do

this because it's easy to automate and cost-effective. It is ideal if you are a busy hotelier who has trouble finding the time to do anything more complex.

If you're having trouble writing compelling marketing copy for your email, you don't have to worry. Get some good assignment writers to do it for you and focus on the bigger picture.

Email marketing can be beneficial for a variety of industries. While some general tips and tricks can be helpful, it is important not to adopt a "one size fits all" approach. Email marketing for hotels, in particular, is about creating campaigns to engage current and potential customers.

With the right campaigns, email marketing can be very effective at increasing loyalty and creating sales opportunities in the hospitality industry. Good email marketing requires four rules:

1. Segmentation

Uses detailed attributes beyond gender or age, such as loyalty, lifetime expenditure, frequency of stays, or recency of stay.

2. Message relevant

Submit relevant content as measured by an increase in conversions or a decrease in unsubscribes.

3. Automation on time

When guests receive email is everything. Create relevant campaigns and send them automatically at key moments in a guest journey (before check-in, for example).

4. Benchmark appeal and guest insight

Use tools that evaluate the performance of your campaigns based on geography, segment and email type to constantly switch and improve.

Set up your email campaign using the right tools. In particular, the right customer relationship management software that combines marketing automation with other

integrations and in-person, online customer text, and point of contact. Here are a few ways hotels can benefit from email marketing. And, how to achieve this benefit.

1. List of potential email addresses

The first step to increasing your revenue with a hotel email campaign is actually having a list of subscribers who want to receive your emails. Check the data you already have. Check your hotel records or property management system to see if you already have customer email addresses. If so, you can import them to your e-mail list.

Make sure you have permission to email them before doing so. Before you can turn your email subscribers into loyal, paying customers, you need to build a strong email marketing list. Building a quality email list leads to higher email open rates, higher click-through rates, and higher conversion rates.

Sure, that sounds easy, but how do you actually make a great email list?

2. Evaluate your current list

First, take a look at the list of emails you currently have. Starting with people who have agreed to accept contact from you is a great way to evaluate your email marketing list's quality.

When you communicate with prospects, there is one rule you should always keep in mind. DO NOT SPAM. Make your campaign permission-based email. That way, you know you're talking to someone already interested in what you have to say.

If you've been tracking metrics like open rates, you'll need to know which customers are engaged with your content and which aren't. You now have two clear segments in the existing list.

Try sending a re-engagement campaign to your subscribers who no longer open your email to remind them why they subscribed. This campaign should include attractive offers such as big discounts or even free nights. However, if you decide to quit, remember the point is to reconnect with your customers and win them back.

There are two reasons for sending out a re-engagement campaign: you get uninvolved subscribers to re-engage, leading to more openness and ultimately more conversions, or if they don't re-engage, you can remove these contacts from your list and focus on people- people who will actually deliver results.

While it may be difficult for you to cut hard-to-get contacts from your list, doing so will drastically increase your open rates, which in turn will lead to better inbox placement, and you will end up with better results.

3. Grow your list

To collect new customers, you need a registration form. With email software, you can create registration forms in just a few minutes. Ask for as little information as possible (stick to an optional email address and name); this will increase people's likelihood of filling out your form.

When you grow your email list organically, you're already making a ton of potential sales. You will also avoid breaking the law. Remember that a guest provides you with their email address when they make a reservation doesn't mean they want you to send them marketing emails in the future.

Hotels have the privilege of reaching customers. You can easily get email addresses from new travelers, both offline and online.

Offline, you can request an email address upon check-in or check-out right at the hotel and offer a short form that people can fill out.

Online, you can place a subscription form on your website. To make it more attractive, offer a discount or a gift. Place lead magnets on your website's relevant pages to carry something of value in exchange for an email address.

Including a simple and easy to use the subscription form on your website is essential. Ask for basic, important details, but don't make the subscription process a long and complicated undertaking. This subscription form offers people the opportunity to join the so-called mailing list and “VIP list” and promises insider news

and special offers. By promoting exclusivity, companies make prospects feel special and win their trust. After registering, the hotel prospect receives a confirmation email with brief and clear instructions.

You can do this by adding a registration form on your website, where people can take part. You can also do this physically by putting a note on the welcome card you put in your room. The note will invite guests to participate in your e-mail list.

Just as you give your guests the option to opt-out of your e-mail list, you must give them the option to opt-out of e-mail communications. Make sure you include a clear "unsubscribe" button in every email you send to your subscribers.

You can integrate registration forms at various places on your website. Footers and contact pages are great to start with, but pop-ups can also increase subscriptions.

Multiple choice subscriptions (subscription form on website + confirmation email) are a simple but effective way to protect your mailing list from invalid emails. Additionally, this method makes your email communication with customers and prospects legal when you only contact those who permitted you via confirmation email.

If you have specific landing pages (for example, for various hotel locations), you can use various registration forms, each attached to a specific customer group. These groups can be used to send location-specific hotel email campaigns. Whether online or offline, be sure to give visitors a reason to sign up for your hotel email list.

Plus, asking guests to subscribe in person when checking in or leaving your hotel is another great way to grow your email list with quality contacts because you know these people are already engaged with your brand. Best of all, you have made a positive impression on these customers through your service and hospitality.

4. Improve the guest experience in placing orders

Email marketing provides an opportunity to increase revenue from these customers before they even arrive at the hotel. Offers can be personalized for customers based on

past visits or things they've seen on your website. All of this serves to strengthen the relationship between you and your customer.

Your guest experience goes far beyond the hotel property itself. Your email marketing should target visitors at certain stages of their guest journey, including the time before and after their stay.

In the hospitality industry, the relationship with your customer starts as soon as they book a room. A confirmation email triggered as soon as a customer places an order will help them feel valued and reassured. They are also some of the most read e-mails. Your transaction e-mail should offer more than “Thank You for Ordering.” They must be seen as opportunities. Send engaging and personalized content to your subscribers. Your sales may increase.

The welcome email doesn't just serve as the start of your relationship with the customer. It is a strong stepping point for the success of your marketing campaign. Greet newcomers with a warm welcome, explain who you are, share your values, and talk about your best or most popular products and services.

The best way to use personalization in email marketing is to send a pre-arrival email to your guests or a welcome email. This makes them feel welcome and more informed about your hotel services. When looking for new ideas for your own welcome email, make a list of the most frequently asked questions hotel visitors ask and pick a few that you can answer in your first email.

You can send the first email a few weeks in advance and another hotel reminder email a few days before your stay. When guests book and when they arrive, the time period is critical to the overall guest experience. At this point, you should send friendly and helpful emails to confirmed guests. Let them know that you are looking forward to welcoming them, remind them of their booking details, and share with them important information about your hotel. This email ensures that your guest experience is off to a great start. In this hotel's pre-arrival email, you can enter things like:

- a. Request information
- b. Hotel facility
- c. Address and best way to get there
- d. Relaxing activities
- e. What place to visit in this neighborhood
- f. weather forecast
- g. An invitation to follow the hotel on other platforms on the website

Pre-arrival emails also present another opportunity: to increase your additional revenue through sales and cross-selling. Here are some basic hotel emails you should send to your guests:

- a) “Thank You For Ordering”

Send a confirmation email as soon as the guest places an order.

Thank your customers for choosing your hotel. Provide a booking confirmation and inform them of the possibility to change their booking details. Includes check-in and check-out dates and times. Introduce additional services available at your hotel.

- b) “Your Future To Come”

Send two-three days before the check-in date.

Post information that your guests may find useful. Make a checklist of items that are allowed to be carried around, provide a brief weather forecast with recommendations on what clothes to pack. You can also provide links to view maps of nearby properties and attractions and information about transportation.

- c) “Thank you for staying”

Deliver one day after check-out date.

Thank your customers again and say that you would love to see them again. Add a personal touch to your email and ask your guests to leave their feedback. A good solution is to send them a survey to fill out in exchange for a reward.

An email you send to your clients, thanking them for their stay, can be a great opportunity to make them feel special and get feedback. You can include a simple checkbox survey where you request their feedback about your facilities and services. That way, you know what to fix in the long run.

5. Break down your email list for better personalization

As email marketing continues to rise in popularity, people are receiving more and more emails from brands and businesses with whom they interact. This means your email has to stand out and grab your customers' attention with content that speaks to them. While marketers have found that segmented campaigns generate increased revenue, generic campaigns cannot provide the same results.

This means businesses need to build better lists, segment those lists for better personalization, and then deliver the most appealing content to their unique customer segment.

A simple way to make your email more personal is to segment your subscribers. Segmentation means grouping customers based on the characteristics they share.

For example, you can group people based on the room type they booked, how many people totaled check-ins, or the total amount of money spent during their last visit.

To determine what content your customers want the most, put yourself in their shoes. Business travelers may not respond well to news of an upcoming special event, as they are not in town for an outing. However, they may be interested in your city's trade show or conference calendar, special dinners for guests, and frequent traveler reward points.

Segment your list and watch the results to learn what kind of content your segment likes. By integrating existing customer data into your email, you make each message more valuable and increase the likelihood that the customer will take action.

Say someone lived with you last summer. In late spring, you can send summer-themed emails to let guests know about the various offerings during the season. To reward repeat visitors, you can also offer a discount for their visit.

Understanding your customers in more detail and grouping them accordingly allows you to provide a more relevant branding campaign. For example, weekend travelers can appreciate information about local events or points of interest, while business travelers may want to discover the top 10 restaurants for a business dinner after hours.

Personalization increases email open rates. By providing personalized and relevant content, you increase the likelihood that your customers will engage with your business and see your email as a trusted and must-read source..

6. Use email to grow your social presence

You may create multiple social media accounts for your hotel. Are you now wondering how you can grow your online audience? The answer, of course, is through email marketing. Every email you send is an opportunity to promote your social media channels and encourage guests to interact with them.

You can start with an email before arrival. Ask guests to follow you and give you a "Like" on Facebook in exchange for a special offer from your hotel. It's a simple and cost-effective way to use email marketing to grow your hotel audience online. And your social media not only reaches now includes this person and their followers, but you also give your guests another reason to wait for their arrival.

Social media influences the decisions of travelers around the world. While many hoteliers see value in investing in social media, companies advise you to build your following email.

With this marketing channel, you will directly route your customers and not rely on social platforms (and their algorithms) to reach your customers. You can use your hotel email campaign to grow your social presence.

To do so, add social media buttons at the bottom of your email and encourage visitors to follow or share your content. Or hold a contest to gather more social followers.

Emailing your customers after they check out does more than help you figure out what they think about their experience. These emails are also an opportunity for you to thank your guests for staying with you and invite them to subscribe to your loyalty program. They have an opportunity for you to build a relationship with the hotelier that you emailed before your arrival. And when guests subscribe to your mailing list, you can reach them in the future with special offers and exclusive offers.

If guests enjoyed their stay, you could also use this email to remind them of your social media channels and encourage them to share their experiences online. On the other hand, if they had a bad stay, sending them an email opens the door for you to fix the relationship and offers a win-back incentive. Both types of exchange create loyal guests, which can lead to repeat business and referrals.

By staying in touch with your existing guests with highly targeted and personalized emails, you can almost guarantee a steady stream of revenue to your hotel. One of the best tips for doing this is email, social media, and other communication channels..

CHAPTER 12

STRATEGY MANAGEMENT

12.1. Definition of Strategic Management

The word "strategy" comes from the Greek words "strategic," stratus (meaning army), and "then" (meaning to lead/move) (Stephens and Martin, 2019: 21). The strategy is the action that managers take to achieve one or more of the organizational goals. Strategy can also be defined as “the general direction set for the company and its various components to achieve the desired state in the future. Strategies result from a detailed strategic planning process.

The strategy is all about integrating organizational activities and allocating scarce resources in the organizational environment to meet current goals. While planning strategy, it is important to consider that decisions are not taken in a vacuum and that any action taken by a company is likely to be met by the reactions of those affected, competitors, customers, employees, or suppliers.

Strategy can also be defined as knowledge of objectives, the uncertainty of events, and the need to consider others' likelihood or actual behavior. The strategy is a blueprint of decisions in an organization that shows its goals and objectives, reduces the main policies, and plans to achieve these goals and defines the business a company will run, the economic and human organization it wants, and the contribution it plans to make to shareholders, customers, and society at large.

The strategy is important because it is impossible to predict the future. Without perfect foresight, the company must be prepared for the uncertain events that constitute the business environment. The strategy is concerned with long-term development and not routine operations, such as the probability of innovation or new products, new production methods, or new markets developed in the future.

Strategies are made to take into account the possible behavior of customers and competitors. Employee-related strategies will predict employee behavior. The strategy is a well-defined organizational roadmap. It defines the overall mission, vision, and direction of the organization. The strategy's objective is to maximize the strength of the organization and minimize the strength of competitors. In short, strategy bridges the gap between "where we are" and "where we want to be."

Strategic management is the ongoing planning, monitoring, analysis, and assessment of all necessary for an organization to meet its goals and objectives. Changes in the business environment require organizations to assess their strategies for success continually. The strategic management process helps organizations know their current situation, develop strategies, disseminate them, and analyze their implemented management strategies' effectiveness. Strategic management is the management of an organization's resources to achieve its goals and objectives. Strategic management involves setting goals, analyzing the competitive environment, analyzing internal organizations, evaluating strategy, and ensuring that management launches strategy throughout the organization (Mathis, et al., 2014: 38).

Strategic management is a strategic analysis process, strategy creation, implementation, and continuous monitoring, used by organizations to achieve and maintain a competitive advantage. Strategic management is all about identifying and describing strategies that managers can undertake to achieve better performance and a competitive advantage for their organizations. An organization is said to have a competitive advantage if its profitability is higher than the average profitability for all companies in its industry.

The term "strategic management" is used to denote the branch of management concerned with developing a strategic vision, setting goals, formulating and implementing strategies, and introducing corrective measures for deviations (if any) to

achieve the organization's strategic objectives. Strategic management has two objectives:

- a. To gain a competitive advantage, to outperform competitors, to achieve dominance over the market.
- b. To act as a guide for organizations to assist in going through changes in the business environment.

Strategic management can also be defined as a set of decisions and actions taken by a manager that determines the results of company performance. Managers must have a thorough knowledge and analysis of the general and competitive organizational environment to make informed decisions. They must conduct a SWOT (Strengths, Weaknesses, Opportunities, and Threats) Analysis; that is, they must make the best possible use of the strengths, minimize organizational weaknesses, take advantage of opportunities arising from the business environment, and must not ignore threats.

Strategic management is nothing but planning for the predictable as well as the impossible. This applies to organizations both small and large because even the smallest organizations face competition, and by formulating and implementing appropriate strategies, they can achieve sustainable competitive advantage.

Strategic management is the way strategists set goals and move on to achieve them. It is concerned with making and implementing decisions about the future direction of the organization. This helps us identify the direction in which the organization is moving.

Strategic management is a continuous process that evaluates and controls the businesses and industries in which the organization is involved; evaluate competitors and establish goals and strategies to meet all existing and potential competitors, and then periodically re-evaluate the strategy to determine how it has been implemented and whether it is working or needs replacing.

Strategic management is the identification, selection, and implementation of the organization's long-term goals and objectives. Many strategic management models generally have four components in common: strategic analysis, the strategic choice of strategic implementation, and strategic evaluation.

The strategic analysis begins with a mission definition for the organization. The strategic analysis explains why the organization exists and provides context for the strategy to be formulated. Mission statements usually contain high-level criteria that can be used to evaluate strategies as they are designed and implemented. All strategic analysis must consider changes in the organization's external environment and its capacity and ability to implement the strategy.

Strategic choice involves generating, evaluating, and selecting strategic options. Inputs to this process include:

- a. expectations and aspirations of stakeholders;
- b. organizational strength;
- c. opportunities created by the external environment;
- d. demands imposed by external influences.

The third stage of strategic management is implemented through projects, programs, and portfolios. And the last stage is the evaluation.

Strategic management will set long, medium, and short-term goals implemented by the respective portfolios, programs, and projects in simple terms. Together they lead to organizational growth and development and create further opportunities and challenges that initiate every cycle of strategic planning.

To judge success, strategies must have measurable consequences. Tools such as the balanced scorecard help translate strategy into four categories of performance measures: financial, customer, learning and growth, and internal business processes. It provides the basis for setting objectives for projects, programs, and portfolios.

Strategic management is based on an organization's clear understanding of its mission, existing goals; its vision for where it wants to be in the future; and the values that will guide its actions. This requires a commitment to strategic planning, the part of business management that involves the organization's ability to set short and long-term goals and plan the strategic decisions, activities, and allocation of resources necessary to achieve those goals.

A process for managing institutional strategy helps organizations make logical decisions and develop new goals quickly to keep pace with developments in technology, market, and business conditions. In so doing, strategic management can help an organization gain a competitive advantage, increase market share, and plan for its future.

12.2. Strategy Statement Components

The corporate strategy statement determines the company's long-term strategic direction and broad policy direction. The corporate strategy statement provides the company with a clear direction and blueprint for its activities for the years to come. The main components of the strategic statement are as follows:

- a. Strategic Intent
- b. Mission Statement
- c. Vision (Vision)
- d. Goals and objectives (Goals and objectives)

12.2.1 Strategic Intent

The strategic purpose is the purpose of its existence and why it will continue to exist, provided it maintains competitive advantage. Strategic intent provides an overview of what must enter the organization immediately to achieve the company's vision. It motivates people. It clarifies the vision of the company vision.

Strategic intent helps management to emphasize and concentrate on priorities. Strategic intent is nothing but the potential influence of an organization's resources and core competencies to achieve what may at first appear to be unattainable goals in a competitive environment. A well-expressed strategic intent should guide / direct development. Strategic intent or the setting of goals and objectives requires all organizational competencies to be controlled to the maximum value.

Strategic intent includes directing the organization's attention to the need to win, inspire people by telling them that goals are valuable, encouraging individual and team participation and contribution, and leveraging intentions to direct resource allocation.

Strategic intent differs from strategic fit so that while the strategic fit is concerned with aligning available resources and potentials with the external environment, strategic intent emphasizes building new resources and potential for creating and exploiting future opportunities..

12.2.2 Mission Statement

The mission statement is a statement of the roles that the organization aims to serve its stakeholders. The mission statement explains why organizations operate and thus provides a framework within which strategies are formulated. The mission statement describes what the organization does, such as its current capabilities, who it serves, i.e., stakeholders, and what makes the organization unique.

The mission statement differentiates an organization from the rest by describing the broad scope of its activities, its products, and the technologies it uses to achieve its goals. The mission statement talks about the organization. Mission statements always exist at the top level of the organization and can also be created for different organization levels. The chief executive plays an important role in the formulation of the mission statement. After the mission statement is formulated, the mission statement is used as a guideline for the organization in the long term.

In today's dynamic and competitive environment, missions may need to be redefined. However, it should be noted that the redefined mission statement must have its original base/components. The mission statement has three main components: a statement of the company's mission or vision, a statement of the core values that shape employee actions and behavior, and a statement of goals and objectives.

Features of the Mission

- a. The mission must be feasible and achievable. It should be possible to achieve it.
- b. The mission must be clear enough so that any action can be taken.
- c. The mission should be an inspiration to management, staff, and the wider community.
- d. The mission must be precise enough; that is, it cannot be too broad or too narrow.
- e. Missions must be unique and distinctive to leave an impact on everyone's minds.
- f. The mission must be analytical; that is, it must analyze the key components of the strategy.
- g. The mission must be credible; for example, all stakeholders must be able to believe it.

12.2.3 Vision

The vision statement identifies where the organization wants or intends to be in the future or where it must meet stakeholders' needs. It describes dreams and aspirations for the future.

Vision is the potential to see things in front of themselves. Vision answers the question, "where do we want to be." Vision provides us with a reminder of what we are trying to develop. A vision statement is for the organization and its members, unlike a customer/client mission statement. Vision contributes to effective decision making as well as effective business planning. It combines a shared understanding of the

organization's nature and goals and leverages this understanding to direct and guide the organization towards better goals. This illustrates that in achieving the mission, how the future of the organization will look. An effective vision statement should have the following features:

- a. It must be unambiguous.
- b. It must be clear.
- c. Must be in tune with the culture and values of the organization.
- d. Dreams and aspirations must be rational/realistic.
- e. The vision statement should be shorter so that it is easier to remember.

To realize this vision, it must be deeply embedded in the organization, owned and shared by everyone involved in the organization.

12.2.4 Goals and objectives

A goal is a desired future state or goal that an organization is trying to achieve. Goals specify what must be done if an organization is to achieve its mission or vision. Purpose makes the mission more prominent and concrete. They coordinate and integrate various functional areas and departments in an organization. A well-made goal has the following features:

- a. precise and measurable.
- b. address critical and significant issues.
- c. realistic and challenging.
- d. must be achieved within a certain period of time.
- e. including financial and non-financial components.

Goals are defined as goals that the organization wants to achieve over a certain period of time. This is the basis of planning. Policies are developed within an

organization to achieve this goal. Goal setting is the task of top management. Effective goals have the following features:

- a. The goals are not singular for an organization, but many
- b. Goals should include both short and long term goals
- c. Goals must respond to and react to changes in the environment
- d. Goals must be feasible, realistic, and achievable

12.3.Strategic Management Process

The strategic management process means defining an organizational strategy. The strategic management process is also defined as how managers choose a series of strategies for the organization that will enable them to achieve better performance.

Strategic management is a continuous process that assesses the businesses and industries in which the organization is involved; assess its competitors, and refine the goal of meeting all current and future competitors and then reassess each strategy. The strategic management process has the following four steps:

1. Environmental Scanning

Environmental scanning refers to the process of gathering, researching, and providing information for strategic purposes. It helps in analyzing internal and external factors affecting an organization. After carrying out the environmental analysis process, management must evaluate it on an ongoing basis and seek to improve it.

2. Strategy Formulation

Strategy formulation is deciding the best course of action to achieve organizational goals and hence achieve organizational goals. After performing an environmental scan, the manager formulates a corporate, business, and functional strategy.

3. Strategy Implementation

Strategy implementation implies making the strategy work as intended or putting the organization's chosen strategy into action. Strategy implementation includes designing organizational structures, distributing resources, developing decision-making processes, and managing human resources.

4. Strategy Evaluation

Strategy evaluation is the final step of the strategy management process. The main strategy evaluation activities are: assessing the internal and external factors at the root of the current strategy, measuring performance, and taking corrective/corrective action. Evaluation ensures that the organization's strategy and implementation meet organizational goals.

These components are the steps you take, in chronological order, when creating a new strategic management plan. Today's businesses that have created a strategic management plan will return to these steps according to the situation's requirements to make important changes.

12.3.1. Environmental Scanning

Every organization has an internal and external environment. For an organization to be successful, it is important to regularly scan its environment to assess its progress and understand the factors contributing to its success. Environmental scanning is a process used by organizations to monitor their external and internal environment. Environmental scanning is gathering information about events and their relationship in an organization's internal and external environment. The basic purpose of environmental scanning is to help management determine the future direction of the organization.

The purpose of scanning is to identify opportunities and threats that influence a business to make strategic business decisions. As part of the environmental scanning

process, an organization collects information about its environment and analyzes it to estimate the impact of environmental change. This, in turn, helps the management team to make the right decisions.

The organizational environment consists of external and internal factors. The environment should be scanned to determine the development and forecast factors that will affect the organization's success. Environmental scanning refers to the possession and use of information about events, patterns, trends, and relationships within an organization's internal and external environment. This helps managers to decide on the future path of the organization. The scanning should identify threats and opportunities that exist in the environment. While formulating strategy, an organization must take advantage of opportunities and minimize threats. A threat to one organization can become an opportunity for another.

An internal environmental analysis is the first step of environmental scanning. The organization must pay attention to the internal organizational environment. This includes employee interactions with other employees, employee interactions with management, manager interactions with other managers, management interactions with shareholders, access to natural resources, brand awareness, organizational structure, key staff, operational potential, etc. Also, discussions, interviews, and surveys can be used to assess the internal environment. Internal environmental analysis helps identify organizational strengths and weaknesses.

As businesses become more competitive and rapid changes in the external environment, information from the external environment adds important elements to long-term plans' effectiveness. Because the environment is dynamic, it is important to identify the movements and actions of competitors. The organization must also update its core competencies and internal environment according to the external environment. Environmental factors are not limited. Therefore, the organization must be agile and

ready to accept and adapt to environmental changes. While in external analysis, three correlated environments must be studied and analyzed:

- a. direct/industrial environment
- b. national environment
- c. wider socio-economic environment/macro environment

Examining the industrial environment requires assessing the competitive structure of an organization's industry, including the competitive position of a particular organization and its major rivals. Also, assessing the nature, stages, dynamics, and history of the industry is critical. It also implies evaluating the influence of globalization on competition in the industry. Analyzing the national environment needs to assess whether the national framework helps achieve a competitive advantage in the global environment. Macro environmental analysis includes exploring macroeconomic, social, government, legal, technological, and international factors that can affect the environment. An analysis of the organization's external environment reveals opportunities and threats to the organization. The strategic manager must not only recognize the current state of the environment and his industry but also be able to predict its future position.

12.3.2. Strategy Formulation

Strategy formulation is the process of offering the company the right direction. Strategy formulation seeks to set long-term goals that help the company fully exploit its strengths and enlarge the opportunities that exist in the environment. There is a conscious and deliberate attempt to focus on what the company can do better than its competitors. To achieve this, a company tries to find out what it can do best. Once strengths are identified, exploitation opportunities are identified; long-term plans are drawn up to concentrate resources and efforts.

Strategy formulation is the analytical process of selecting the most appropriate actions to meet the organization's goals and vision. This is one step of the strategic management process. A strategic plan allows an organization to examine its resources, provide a financial plan, and establish the most appropriate action plan to increase profits.

Strategy formulation is the process of offering the company the right direction. It seeks to set long-term goals that help the company fully exploit its strengths and take advantage of the opportunities that exist in the environment. There is a conscious and deliberate attempt to focus on what the company can do better than its competitors. To achieve this, a company tries to find out what it can do best. Once strengths are identified, exploitation opportunities are identified; long-term plans are drawn up to concentrate resources and efforts.

Since strategies consume time, energy, and resources, they must be carefully formulated. Once formulated, strategies must ensure the best fit between goals, resources, and people's efforts. The ultimate goal of every strategy formulated is to provide exceptional value to customers every time.

Strategy formulation refers to selecting the most appropriate actions for the realization of the organization's goals and objectives and thus achieving the vision of the organization. The strategy formulation process basically involves six main steps. Although these steps do not follow a strict chronological order, they are very rational and can easily be followed in this order.

1. Establishing Organizational Objectives

Strategic decisions can be taken after organizational goals have been determined. A key component of any strategy statement is to set long-term goals for the organization. It is known that strategy is generally a medium for the realization of organizational goals. Goals emphasize being there, while Strategy emphasizes the process of getting there. Strategies include the fixation of goals and the media

that will be used to achieve these goals. As such, the strategy is a broader term that believes in how resources are deployed to achieve goals.

While refining organizational goals, the factors influencing the choice of goals must be analyzed before goal selection. Once the objectives and factors that influence strategic decisions have been determined, it is easy to make strategic decisions.

2. Evaluating the organizational environment

The next step is to evaluate the general economic and industrial environment in which the organization operates. This includes a review of the organization's competitive position. It is imperative to conduct a qualitative and quantitative review of the organization's existing product line. The purpose of such a review is to ensure that critical factors for competitive success in the marketplace can be found so that management can identify their own strengths and weaknesses and the strengths and weaknesses of their competitors.

After identifying its strengths and weaknesses, an organization must track competitors' steps and actions so that it can find opportunities for possible threats to the market or its source of supply.

3. Setting quantitative targets

In this step, the organization should practically fix quantitative target values for some of the organizational objectives. The idea behind this is to compare with long-term customers to evaluate the possible contribution made by different product zones or operations departments. Set targets to meet the company's short and long-term goals. For example, a 30% increase in company revenue this year.

4. Aiming according to the division plan

In this step, the contributions made by each department or division or product category in the organization are identified, and therefore strategic planning is

carried out for each sub-unit. This requires careful analysis of macroeconomic trends.

5. Performance Analysis

Performance analysis includes finding and analyzing gaps between planned or desired performance. The organization must critically evaluate past organizational performance, current conditions, and desired future conditions. This critical evaluation identifies the degree of gaps between the organization's actual reality and long-term aspirations. Attempts made by the organization to predict possible future conditions if current trends persist.

6. Choice of Strategy

The choice of strategy is the main step in strategy formulation. The best course of action is actually chosen after considering the organization's goals, the strengths of the organization, the potential and limitations, and external opportunities.

Strategy choice is the final step of strategy formulation. It involves evaluating alternatives and selecting the best strategy among them to become an organizational strategy. The strategy formulation process is an integral part of strategic management. It helps frame an effective strategy for the organization to survive and grow in a dynamic business environment..

12.3.3.Strategy Formulation Level

There are three levels of strategy formulation used in an organization:

1. Enterprise-level strategy

This level describes what you want to achieve: growth, stability, acquisition or savings. It focuses on what business you will enter into the market.

2. Business level strategy

This level answers questions about how you will compete. It plays a role in organizations that have smaller business units, and each is considered a strategic business unit (SBU).

3. Functional level strategy

This level concentrates on how an organization will grow. It defines daily actions including the allocation of resources to deliver enterprise and business level strategies. All organizations have competitors, strategies that allow one business to be more successful and established than another.

12.3.4. Implementation Strategy

Strategic implementation is a process that puts plans and strategies into action to achieve the desired goals. The strategic plan itself is a written document that details the steps and processes needed to achieve the plan's objectives and includes feedback and progress reports to ensure that it is on track.

Strategy implementation is the translation of the chosen strategy into organizational action to achieve strategic goals and objectives. Strategy implementation is also defined as how an organization must develop, utilize, and combine organizational structure, control systems, and culture to follow a strategy that leads to competitive advantage and better performance. The organizational structure allocates specific values for developing tasks and roles to employees. It states how these tasks and roles can be correlated to maximize efficiency, quality, and customer satisfaction as pillars of competitive advantage. However, the organizational structure alone is not sufficient to motivate employees.

An organizational control system is also required. This control system provides managers with motivational incentives for employees and feedback on employees and organizational performance. Organizational culture refers to a specific collection of

values, attitudes, norms, and beliefs shared by members of the organization and group.

The following are the main steps in implementing the strategy:

- a. Develop an organization that has the potential to execute the strategy successfully
- b. Disbursement of abundant resources for strategy-essential activities.
- c. Create policies that drive strategy.
- d. Implementing the best policies and programs for continuous improvement.
- e. Link reward structure to achieving results.
- f. Leverage strategic leadership.

A very well-formulated strategy will fail if it is not implemented properly. It is also important to note that strategy implementation is impossible unless there is stability between the strategy and each organizational dimension, such as organizational structure, reward structure, resource allocation process, etc.

Strategy implementation poses a threat to many managers and employees in an organization. New power relations were predicted and achieved. New groups (formal and informal) are formed whose values, attitudes, beliefs, and concerns may not be known. With changes in power roles and status, managers and employees can use confrontational behavior. To successfully implement a strategy, several items must be present. The right people should be ready to help you with their unique skills and abilities. You need to have the resources, including time and money, to implement the strategy successfully. The management structure should be communicative and open, with meetings scheduled for updates. Management systems and technology must be in place to track implementation, and the workplace environment should be such that everyone feels comfortable and motivated.

A widespread mistake in strategic implementation is not developing ownership in the process. Also, lack of communication and a plan that involves too much is a common pitfall. Often strategic implementation is too lenient, with little concrete meaning and potential, or is offered without a means of tracking progress. Companies

will often only discuss implementation annually, allowing management and employees to get caught up in day-to-day operations and ignore long-term goals. Another pitfall is to hold employees accountable for various aspects of the plan or strong enough to make changes authoritatively.

If strategy formulation addresses the “what” and “why” of an organization's activities, strategy implementation is all about “how” activities will be carried out, “who” will do it, “when” and how often they will do them, and “where” they will do it. Carried out activities.

And it doesn't just refer to installing or implementing a new strategy. The company may have an existing strategy that has always worked well in recent years and is still expected to produce great results in the future. Strengthening this strategy is also part of strategy implementation.

The basic activities in strategy implementation involve the following:

- a. Annual goal establishment
- b. Policy formulation for strategy implementation
- c. Allocation of resources
- d. Actual performance of tasks and activities
- e. Leading and controlling the performance of activities or tactics at various levels of the organization

Coincidentally, businesses may also find that they have to do further planning even during the implementation phase, particularly in discovering problems to address.

Strategy implementation is a stage that demands the participation of the entire organization. Strategy formulation is largely in the hands of the strategic management team, with senior management and key employees. However, when it comes to

implementation, it is the workforce that will carry out the strategic plan, with top or senior management taking the lead.

Five main components are needed to support implementation: people, resources, structures, systems, and culture. All components must be in place to move from planning to activating the plan.

1. People

The first stage of implementing your plan to make sure the right people join in. The right people include those with the necessary competencies and skills to support the plan. In the months following the planning process, expand employee skills through training, recruitment, or new hires to incorporate new strategic plan competencies.

2. Resources

You need to have sufficient funds and sufficient time to support implementation. Often, actual costs are underestimated or not identified. Actual costs can include a realistic time commitment from staff to achieving goals, identifying clear costs associated with the tactic, or unanticipated cost overruns by vendors. Additionally, employees should have sufficient time to implement additional activities they are not currently doing.

3. Structure

Establish your management structure and appropriate lines of authority, and have clear and open communication lines with your employees. Owner plans and regular strategy meetings are two of the easiest ways to put the structure in place. Meetings to review progress should be scheduled monthly or quarterly, depending on the level of activity and the planned time frame.

4. Systems

Both management systems and technology help track a plan's progress and make it quicker to adapt to change. As part of the system, create milestones into plans that

must be achieved within a specific time frame. Scorecards are one of the tools used by many organizations that incorporate the tracking of progress and milestones.

5. Culture

Create an environment that connects employees to the organization's mission and in which they feel comfortable. To reinforce the importance of focusing on strategy and vision, reward success. Develop some creative positive and negative consequences for achieving or not achieving the strategy. The rewards may be large or small, as long as they elevate the strategy above the day-to-day so that people make it a priority.

12.3.5. Evaluation Strategy

Strategy evaluation is as important as strategy formulation because it provides the efficiency and effectiveness of a comprehensive plan in achieving the desired results. Managers can also assess current strategies' suitability in today's dynamic world with socio-economic, political, and technological innovations. Strategic evaluation is the final stage of strategic management.

The importance of strategy evaluation lies in its capacity to coordinate the tasks performed by managers, groups, departments, etc., through performance control. Strategic evaluation is important due to various factors such as developing input for new strategic planning, encouragement for feedback, appraisal and rewards, development of strategic management processes, assessing the validity of strategic choices, etc. The strategy evaluation process consists of the following steps:

1. Improve performance benchmarks

While refining benchmarks, strategists face questions such as what benchmarks should be set, how to set them, and how to express them. To determine which benchmark performance to set, it is important to find specific requirements for performing the main task. The performance indicators that best identify and reveal

specific requirements can then be used for evaluation. Organizations can use both quantitative and qualitative criteria for comprehensive performance appraisals. Quantitative criteria include determining net income, ROI, earnings per share, production costs, employee turnover rates, etc. Among the qualitative factors is the subjective evaluation of skills and competencies, risk-taking potential, flexibility, etc.

2. Performance Measurement

Standard performance is a benchmark against which to compare actual performance. Reporting and communication systems assist in measuring performance. When the right means of measuring performance are available, and if standards are set correctly, strategy evaluation becomes easier. But factors such as the manager's contribution are difficult to measure. Likewise, division performance is sometimes difficult to measure compared to individual performance. Thus, variable objectives must be made against which performance measurements can be made. Measurements must be made at the right time because evaluation will not serve its purpose. To measure performance, financial statements such as balance sheets, income statements must be prepared annually.

3. Analyzing Variance

When measuring actual performance and comparing it to standard performance, there may be variants that should be analyzed. Strategists should state the level of tolerance at which the difference between actual performance and standards is acceptable. A positive deviation indicates better performance but always outstandingly exceeds the target. The negative deviation is a matter of concern because it indicates a lack of performance. So, in this case, the strategist must find the causes of deviations and take corrective action to resolve them. Once performance irregularities have been identified, it is important to plan corrective action. If performance is consistently less than the desired performance, the

strategist should conduct a detailed analysis of the factors responsible for that performance. If the strategist finds that the organization's potential does not match the performance requirements, then the standard must be lowered. Another rare and drastic action is to reformulate strategy requiring a return to the strategic management process, reframing plans according to new resource allocation trends, and consequently going to the starting point of the strategic management process.

CHAPTER 13

COMPETITIVE STRATEGY

13.1. Definition of Competitive Strategy

It is difficult for a business to survive without a competitive strategy. This is especially the case when firms compete in a market filled with alternatives for consumers. Competitive strategy can be defined as a long-term plan of action designed by a company to achieve a competitive advantage over its competitors after examining the latter's strengths and weaknesses and comparing them with its own. This strategy can incorporate actions to withstand the market's competitive pressures, attract customers, and help strengthen a company's market position. Competitive strategy is defined as a certain company's long-term plan to gain a competitive advantage over its competitors in the industry. This aims to create a defensive position in an industry and produce a superior ROI (Return on Investment) (Rao, 2016).

Business strategy is related to how the organization positions its business more competitively compared to other similar industries. (Abadi 2011) Another definition of competitive strategy put forward by Thompson et al. (2014) where the competitive strategy of a company is related to game planning from management to compete successfully, namely specific efforts to serve customers, strengthen market positions, face maneuvers from competitors, respond to movements in market conditions, and to achieve certain types of advantages.

A competitive strategy is a company's long-term action plan to gain a competitive advantage over its competitors after evaluating their strengths, weaknesses, opportunities, and threats in the industry and comparing them with yours. Michael Porter, a professor at Harvard, presented the concept of competitive strategy. According to him, there are four types of competitive strategies implemented by businesses globally. Businesses need to understand this concept's core principles,

which will help them make well-informed business decisions (Magretta & Porter, 2012). This type of strategy plays a vital role when the industry is highly competitive, and consumers are provided with almost similar products.

The competitive strategy consists of the company's business approaches and initiatives to attract customers and provide them with superior value by meeting their expectations and strengthening their market position. Improving market position means taking action against competitors in the industry.

Thus, the concept of competitive strategy (as opposed to cooperative strategy) has a competitor orientation. The competitive strategy includes approaches that define the various ways to build a sustainable competitive advantage.

Management action plans are the focus of a competitive strategy. Management adopts an action plan to compete successfully with competitors in the market. It also aims to provide superior value to customers.

A competitive strategy aims to win the hearts of customers by satisfying their needs and ultimately to gain a competitive advantage and outperform competitors (or competing companies).

A company's relative position in its industry determines whether its profitability is above or below the industry average. The fundamental basis of above-average profitability, in the long run, is a sustainable competitive advantage. There are two basic types of competitive advantage a firm has low cost or differentiation. The two basic types of competitive advantage, combined with the scope of activities the firm seeks to achieve, lead to three general strategies for achieving above-average performance in an industry: cost leadership, differentiation, and focus. The focus strategy has two variants, cost focus and differentiation focus.

Without a competitive strategy, your business will have a hard time attracting customers. But the authors of this, there is no one-size-fits-all strategy that you can employ, as every business faces different challenges in different markets. However,

Harvard professor Michael Porter identifies four main types of competitive strategies that businesses often employ to varying degrees of success. While your business may not use every element of these strategies, understanding their core principles can help you evaluate your existing competitive strategy's effectiveness.

The company's competitive strategy concerns how to compete in the business field that the company operates. In other words, competitive strategy means defining how the company intends to create and maintain a competitive advantage concerning competitors. Holding a competitive advantage over competitors means being more profitable than competitors in the long run. A firm's competitive strategy in a specific business area is examined by looking at two factors: creating competitive advantage and protecting competitive advantage. The creation of competitive advantage is described as the result of a proactive or reactive competitive strategy.

Proactive strategy can be of two types: performance enhancement (same game competition strategy) and game rule change (new competitive game strategy). Finally, other forms of competitive strategy are examined: the creation of completely new (non-existent) business areas, enlarging the geographic scope of the business area (cross-market competitive strategy), and enlarging the business scope (cross-business competitive strategy).

Competitive advantage makes the entity's goods or services superior to all of the customer's other options. This term is commonly used for business. This strategy works for any organization, country, or individual in a competitive environment.

To create a competitive advantage, you need to be clear about these three determinants, namely:

1. Benefits

What tangible benefits does your product provide? It must be something that your customers really need. It must also offer real value. You must know your product's features, its advantages, and how it will benefit your customers. You need to stay up to

date with new trends affecting your product. This includes new technology. For example, newspapers have been slow to respond to the availability of free news on the internet. They think people are willing to pay for news sent out on a piece of paper once a day.

2. Target market

Who are your customers? What are their needs? You have to know exactly who is buying from you and how you can make their life better. That's how you create demand, the driver of all economic growth. The target market for newspapers is shrinking for older people who are uncomfortable getting their news online.

3. Competition

Have you identified your real competitors? They are not just a company or a similar product. They also include other things your customers can do to meet a need that you can fulfill. The newspapers thought their competitor was another newspaper until they realized it was the internet. They don't know how to compete with free and instant news providers.

Finding a competitive strategy that offers a sustainable advantage is a challenge for most professional services firms. Before devising a competitive strategy, we need to evaluate all the strengths, weaknesses, opportunities, threats in the industry, and then go forward to give one a competitive advantage. Understanding the competition, studying customer needs, evaluating their strengths and weaknesses, etc., are important aspects of a marketing strategy. Companies can study & evaluate based on their market share, SWOT analysis, etc., ultimately helping them drive business revenue & sales.

13.2. How to Develop Competitive Strategies

Several questions to help you define or develop your competitive strategy

1. What are your business goals?

Purpose describes the reason for your organization's existence. The purpose of the business must be outside of itself and in society. Thus, the argument is that the only compelling definition of a business goal is to generate customers.

2. What are the core competencies?

Recognizing your company's competencies and utilizing them is very helpful to achieve a competitive advantage. Core competencies are organizational competencies that are exclusive to your company or that your company performs better than your competitors and creates a cost advantage that substantially or largely contributes to customer perceived value. Organizational competencies are functional and experiential competencies that companies have regarding how to combine and integrate individual employee skills to achieve results.

When listing core competencies, you can include skills that present product characteristics, intangible features, and service features that persuade your customers to buy your goods or services.

3. What's your business today?

You can use your answers to the previous questions to define your business. Your current business definition will provide the focus needed to make your current operations effective.

4. What is your primary method of growth?

Are you planning to grow by acquisitions or internal expansion? Whichever method you choose, it requires a distinctive competitive strategy. If you chose an acquisition, describe your acquisition criteria.

5. What are your product and market priorities?

To answer this question, you can think like:

- a) which market segments take top priority and the goods or services you offer into this niche

- b) which markets and/or specific goods:
 - a. get routine priority,
 - b. being abandoned,
 - c. accepting decreasing effort and resources,
 - d. is in the process of creation for the future.

6. What are your goals for the future?

List your goals that describe the results you want to achieve. Your goal should include all activities that add to the achievement of your vision. This includes the operations, finances, social conditions and others necessary to bring your vision to fruition. Define indicators that you can use to measure target performance. Determine the qualitative or quantitative value of the indicators that will describe the achievement of goals.

7. What obstacles will you need to overcome to achieve that goal?

Try to find the main obstacles to achieving each of your business goals. You may notice that because the barriers or barriers relate to system relationships or root causes, they are relatively few. Only one barrier can hinder many goals. Whatever your business is to overcome major obstacles associated with the competitive structure of your industry.

8. What strategic approach will you use to overcome these obstacles?

Decide on the strategic approach you wish to adopt (offensive, defensive or guerrilla) to deal with the roadblocks to achieving your goals and the strategies you use or use to achieve a competitive advantage.

An offensive strategy is suitable where it is possible to overcome, neutralize or change some of the main obstacles with the application of available resources.

A guerrilla strategy is suitable where it is possible to eliminate, minimize or avoid major obstacles by reducing the scope of your operations. The defense strategy will be suitable when none of the above conditions are satisfied.

9. What is the scope of your product, service and market?

Consider what is the main focus of your marketing strategy. You may want to concentrate on your current market, or you may want to develop a new market. In the previous case, you may have to come up with new goods or services to keep your existing market happy. In the latter case, you may increase the penetration of your existing goods and services by bringing them to new markets. If your marketing efforts lack focus, they will only weaken and decrease their effectiveness.

10. How competitive intelligence helps

Competitive intelligence involves the continuous collection and learning of business competitors, customers, and industry legally and ethically to achieve a business advantage over competitors. Since the collection of information must be carried out legally, it should only be taken from publicly available sources. The acquired intelligence can include competitors' strengths and weaknesses, their competitive strategies, their responses to changes in the external environment, and any new moves they may make.

By becoming aware of what future competitors may or may do and areas where they are weak, businesses can overcome recent advances by designing appropriate competitive strategies and making calculated business decisions based on the information gathered. This business will also be able to achieve sustainable competitive advantage.

Competitive intelligence tactics can include studying a competitor's annual report in-depth for clues on their plans and strategies, reading trade journals discussing their achievements and plans, or using various online tools to find out things like their top keywords and the number of website visitors.

13.3.Four Types of Competitive Strategies

Michael Porter has identified four types of competitive strategies that can be applied in any business organization regardless of the size and nature of the product. Because of their vulnerability to common use by all business firms, they are labeled a generic strategy.

This is actually a basic type of competitive strategy. Apart from that, there are also other strategies that companies can use when deemed necessary, such as strategic alliances, collaborative partnerships, mergers, acquisitions, vertical integration, outsourcing strategies, etc. The four strategies are as follows:

1. Cost Leadership
2. Differentiation leadership
3. Best-cost strategy.
4. Market-niche or focus strategy

The four strategies are broken down into four sections.

13.3.1.Cost Leadership Strategy (Low-Cost Strategy)

A cost leadership strategy is difficult to implement for small businesses because it involves a long-term commitment to offering products and services at lower prices in the market. For this purpose, the company needs to produce low-cost products. Otherwise, it will not generate profit.

Since cost leadership means being a low-cost producer or provider in the industry, Any large-scale business that can supply and produce products at low cost while achieving economies of scale, there are many cost leadership factors such as efficient operations, large distribution channels, technological advances, and bargaining power. Here, the company aims to become the lowest-cost producer in the industry and is achieved by producing on a large scale that allows the company to achieve economies

of scale. High capacity utilization, good bargaining power, and high technology implementation are factors needed to achieve cost leadership.

In cost leadership, the company set out to be the low-cost producer in its industry. Sources of cost advantage vary and depend on industry structure. They may include the pursuit of economies of scale, proprietary technology, preferential access to raw materials, and other factors. Low-cost producers must find and exploit all sources of cost advantage. If a company can achieve and maintain overall cost leadership, it will be an above-average player in its industry, provided it can command prices at or near the industry average.

Companies that follow this strategy intend to be the overall low-cost providers in the industry where the company operates its business. A company's strategy in selling its products at a lower price than its competitors is a cost leadership strategy.

Emphasis is placed on the production of standardized products at low per-unit costs for price-sensitive customers. Charging lower prices becomes possible when the company can ensure post-reduction by operating the business in a very cost-effective manner.

This strategy's strategic target is a broad section of the market in which the company offers economical prices. The company emphasizes reducing costs without reducing quality. The company is intense to gain market share at a lower price than competitors. However, still maintaining product quality.

When a company becomes a low-cost leader, it tends to earn above-average profits. The keys to this strategy are as follows:

- a. Create and then maintain a cost advantage to achieve success in a low-cost strategy.
- b. Doing a better job than competitors inefficiently performing internal value chain activities.
- c. Take the initiative to reduce the cost of value chain activities.
- d. Identify value chains to avoid or cut some cost-generating activities.

Cost leadership implies that the organization has a lower cost structure than competitors and is, therefore, able to offer a cost advantage to customers by offering lower prices.

Low-cost organizational cost leadership strategies or levers of low-cost structures, namely production scale, learning advantage differentials, access advantages to production resources, value chain reconfiguration, and technology-related cost advantages.

1. Production scale

Production scale implies the volume of production. As the production volume increases per unit, the production costs are lowered until the optimal volume is reached. Higher production volumes imply reduced costs across several key functions. Reductions in production costs are seen in operations such as production, marketing, and servicing.

Furthermore, higher production volumes allow an organization to use equipment and machines whose use is not possible in a smaller production volume.

2. Differential advantages of learning

As production volumes increase, so does the experience of employees performing the task over and over. Experience improvements mean fewer errors. The organizations with the highest volume of accumulated production tend to have the lowest costs based on the learning curve. With the increase in the cumulative production volume, greater efficiency is obtained as production methods are adjusted and improved.

3. Advantage of access to production resources

Organizations may have better access to resources than their competitors. This could be access to natural resources, location advantages, or a better workforce with proximity to education centers.

4. Value chain reconfiguration

Organizations can gradually change the value chain or reconfigure it by restating their competitive posture and strategy. Sometimes an organization gets caught in the cost trap that doesn't fully serve a particular segment. Let us consider the case of a fictional airline that does not serve the full fare segment at all or the low-cost segment. It offers something for everyone and is lower profitability than rivals that cater to the full segment or the no-frills segment.

To increase its profitability, the company reconfigured its routes, had more flying hours per day, operated in the morning and evening for flights to business destinations so that the flyers could travel day trips, cost of meals, and seats first arrival, first-served and focused on punctuality. This reconfiguration of the value chain creates previously unrecognized cost advantages. However, if the organization is not caught in the airline's expense trap, additional changes may be made.

5. Technology-related cost advantages

Technology-related cost advantages may not depend on economies of scale. An organization may have the ability to use computers, robots, and information technology more efficiently than its competitors. It may be using the same technology available to others to make up for yourself some differences, such as a more comprehensive database. Organizational culture in sharing information and knowledge is an important aspect of creating cost advantages. Cost-competing organizations integrate cost reduction, thinking across all functions and activities, not just key areas. Cost advantage does not result from multiple activities; it results in the cumulative activities that the organization undertakes to be in a cost-competitive position.

There is an asymmetry in the cost advantages that some functional areas produce over others, but the overall cost advantage is not achieved by focusing on several areas. Cost awareness is built throughout the organization.

13.3.2. Benefits of a Cost Leadership Strategy for Business Organizations

Business organizations can get the following benefits from pursuing a cost leadership strategy:

1. Overcoming threats from competitors

Because of its cost advantage, a company can protect itself from business attacks by competitors. If a competitor enters the market cheaply, the firm can reduce the price even further.

This is possible because the company has developed ways to reduce costs and maintain a cost advantage. A cost leadership position helps dominate competitors.

2. Connect effectively with strong suppliers

When suppliers are few and strong, they may increase the raw material / another input price. Firms with a low-cost strategy can afford the price increases because of their lower overall costs:

3. Deal with strong buyers effectively

Large, strong buyers (such as dealers and wholesalers or retail chains) can determine the price of a company's products. Companies that follow a cost leadership strategy are less affected by the buyer's actions.

4. Facing threats from substitute products

The low-cost leader can overcome the threat from substitute products. This can reduce the price of the product if substitutes start to enter the market. Low-cost leadership helps a company maintain its market share.

5. Overcoming threats from the entry of potential competitors

A company with a low-cost strategy or a cost leadership strategy can discourage potential investors from entering the market. The cost advantage automatically creates barriers to entry. Else, companies may find it difficult to match their costs with those of low-cost leaders.

6. Cost and supply chain leadership

The cost leadership strategy is realized by developing a highly efficient, cost-responsive supply chain.

Low inventory levels are maintained, high inventory turnover, less factory lead time, low-cost buyers, and a good fit with their value chain with customers; they enable sure-time delivery with low variability and generally standard orders.

Manufacturing avoids waste, mistakes, and unnecessary use of assets. Tasks that can be performed at outside cost advantages.

Maintenance for proper functioning is carried out routinely because the cost of damage may be high. Employees are trained to perform standard tasks and follow cost-effective methods.

A supplier is a smaller organization for whom it can be the primary or dominant buyer.

7. Leadership costs and research and development

Research and development in a cost-focused environment aim to reduce costs. Technological sources and adaptation are the preferred routes over the product or process-specific research.

Research and development efforts are leaning more toward adopting best practices leading to cost and efficiency advantages than fresh research.

A cost-focused strategy implies that research and development focus more on slower product release and lower investment in R&D.

8. Cost and manufacturing/operations leadership

The manufacturing or operating strategy has significant implications for costs. The manufacturer's system tailored to the cost focus will be configured to match it well so that it is possible to configure it for another focus immediately.

The operating strategy is based on the complexity of the product and process. The lower product complexity is more conducive to mass production required to achieve the

desired cost position. The production process may be complex to handle a large number of standardized products.

A low-cost strategy is not synonymous with low quality. Therefore, the production process may be complex since many different specifications must be handled on a large volume basis. Production is continuous and generally with a high degree of automation. Maximum capacity utilization is the target for achieving economies of scale.

9. Cost leadership and marketing strategy

Cost leadership is based on the premise that markets are price sensitive. Aggressive marketing and promotions and discounts are widely used. Distribution channels must be efficient and configurable into the producer value chain. The focus is on "product push."

10. Cost leadership and human resource strategy

Ideally, a human resource strategy aims to recruit and retain the best human resources in an organization. Pursuing a specific strategy determines the skills profile of the organization's people and the development of performance measures that are compatible with the strategy. A cost leadership strategy requires a high level of coordination among key areas. To be able to reap the benefits of profit timescale is another important determinant. Employees who exhibit a high level of focused energy, the capacity to produce faster, and a focus on measurable results would be greater assets for such a strategy.

11. Leadership cost and financial strategy

The firm strategy has a greater influence on the financial function than a functional strategy. Financial and accounting strategy at the business level is concerned with dividing costs for major activities, creating financial control measures, managing cash flow, and the organization's short-term funding requirements. In the competitive domain, the responsibility for the financial function remains the same. The choice of

competitive strategy determines the type and level of financial control measures to be used.

12. Cost leadership and digitization

Digitalization is an important resource for creating efficiency and effectiveness in organizations. For cost control, the synergy between digitization and organizational information systems is important. The information system allows it to have a network of suppliers connected and working towards zero inventory targets. For cost advantages, the supply chain system is linked to an automated manufacturing system to reduce inventory and eliminate effort duplication. Organizations use corporate systems to facilitate standardization. In the future, however, this may have to be linked to robots for fully automated manufacturing.

13.3.3. Differentiation leadership

Identifying the unique attributes of a product from competitors in the industry is a driving factor in the differentiation leadership strategy. When a product can differentiate itself from other similar products or services on the market through superior brand quality and value-added features, it will be able to charge a premium price to cover high costs.

In its differentiation strategy, the company strives to be unique in its industry along several dimensions valued by buyers. It selects one or more attributes that many buyers consider important and uniquely positions itself to meet those needs. It is valued for its uniqueness at a premium price. The differentiation strategy is concerned with product differentiation. This refers to making a company's product different from similar products from competitors. Although there are differences in service and marketing terminology, differentiation means making a product different from similar products from competitors.

Under this strategy, the company maintains its products' unique features in the market, thereby creating a differentiating factor. With this differentiation of leadership, the company aims to achieve market leadership. And the company charges a premium price for the product (due to high value-added features). Superior brand and quality, major distribution channels, consistent promotional support, etc., are attributes of the product.

The products that are differentiated are unique in themselves. A product can be distinguished based on shape, shape, quality, durability, reliability, repair, style, design, or other product features. A product will be distinguished from a competitor's product if its shape (size, shape, or physical structure) is changed. A product (such as car exterior finish, perfume powder fragrance, or toothpaste color) can serve as a theme for product differentiation. The quality of performance (low, average, high, or superior quality in terms of using the product for a specific purpose) can be used as the basis for product differentiation. A company can assign its products to a high-quality range and gradually shift to average or low quality or shift to superior quality. However, each of them has advantages and disadvantages. Quality conformity is another theme of product differentiation when all units produced are identical and meet the product's specifications.

The objective of the differentiation strategy is to achieve a competitive advantage by offering unique products to customers. When a product is unique due to differentiation, it becomes attractive to customers. However, the difference made in the product must be of value to the customer. Products with different features can command a premium price (prices above the industry average). Customers usually have to pay a premium price because they appreciate the distinguishing features of the product. Thus, companies that adopt a differentiation strategy can increase profits by charging higher prices and outperform their competitors. There are two types of differentiation strategies, namely:

1. Broad differentiation strategy

A company adopts a broad differentiation strategy to be "unique to various customers, in that a" large number of customers "is the focus, and customers perceive differentiation as valuable to them.

2. Focused differentiation strategy

On the other hand, a differentiation strategy is called a focused differentiation study. A company divides its market into small segments (niches) and then offers product designs for each of the second market segments.

There are different types of differentiation themes. These themes provide a means of achieving differentiation. Companies can pursue differentiation based on the following themes:

- a. Differences in quality.
- b. Innovation.
- c. Responsive to customers.
- d. Responding to customers' psychological desires.
- e. Various choices of customers.
- f. Product reliability.
- g. Availability of spare parts/ peripherals/ accessories.

The seven themes can be used to apply competitive strategies with differentiation strategies (Hill & Jones, 2009).

1. Quality difference

A company can differentiate its products only by increasing quality and reliability.

2. Innovation

For highly technologically complex products, innovation is an important source of differentiation. Computers, stereos, television sets, and refrigerators need differentiation based on new, innovative features. When innovation is the basis for

differentiation, a company can include many new product features, as laptop manufacturers and car manufacturers often do.

3. Customer responsive

A company can differentiate a product based on its responsiveness to customers. When this becomes the basis for differentiation, the company offers comprehensive after-sales services, including repairs. This kind of differentiation is very applicable to products that often require after-sales services, such as microwave ovens, television sets, computers, automobiles, and the like.

4. Respond to customer psychological desires

An important source of product differentiation is the company's response to customer psychological desires. The customer may wish to have a special status or unique prestige from using the product. This is especially important in the case of luxury goods or fashion and specialty products. Many customers take pride in owning a BMW car or a Rolex watch. Both products are examples of this strategy.

5. Various customer choices

The differentiation of a product can be done by instantly making goods available in any form within the same product line to customers according to their request. With this strategy, any color can be instantaneously assigned to the retail customer. This has given it a competitive advantage over competitors.

6. Product reliability

A product can be differentiated by improving its features/qualities to become more reliable than competing products.

7. Availability of spare parts/peripherals/ accessories

When a company guarantees the necessary parts and other accessories' easy availability, the customers are attracted to it.

13.3.4. Best-cost strategy

As a concept, best-cost means high quality and low product prices. This term is used to denote a situation where a company is trying to achieve the best (lowest) cost relative to competitors offering similar products and simultaneously improving quality.

The best cost strategy is a strategy to improve product quality while reducing costs. This strategy was implemented to provide customers with "more value for money."

This strategy is very similar to the cost leadership strategy. However, the main difference is that a business cost focus strategy targets a specific market segment. That segment is offered the lowest price of the product or service. This type of strategy is beneficial for satisfying your consumers and increasing brand awareness.

Under this strategy, the company concentrates on a specific market segment and keeps its products low in that segment. Such a strategy helps the company to satisfy sufficient consumers and gain popularity.

This is achieved by satisfying customer expectations on the product's key attributes. At the same time, prices are charged lower than competitors.

By following the best cost strategy, the company strives to attract "value-conscious buyers" (buyers who want superior products at lower prices).

This strategy is a hybrid. It balances a strategic emphasis on low costs against a strategic emphasis on understandable differentiation. This is considered to be the most powerful competitive strategy of all. This presupposes "a relentless striving to be a provider of products of a higher caliber and lower prices with lower costs and higher product quality." The Japanese Toyota company followed a best-cost strategy for Lexus cars to beat Mercedes-Benz and BMW cars.

13.3.5. Market-Niche or Focus Strategy

Focus strategy is concerned with identifying a market niche and launching a unique product or service in that market. A specialty market is a narrow segment of the total market. The niche can be identified based on specific problems such as:

- a. Certain groups of buyers, such as women, youth, adolescents, or seniors aged 50+.
- b. Geographical uniqueness, such as the southern United States or East Indonesia.
- c. Special product attributes of interest only to niche members of certain product lines such as lemon juice, children's shoes, or detergents with bleach.

Companies that use a focused strategy can concentrate on specific geographic markets or groups—customers or in a particular product line segment.

This strategy targets a specific segment of the market; however, instead of offering consumers a lower price, the company differentiates itself from its competitors. A differentiation strategy offers unique features and attributes to attract its target segment.

Under this strategy, the company aims to differentiate itself from one or two competitors, again in certain segments. This type of differentiation is created to meet the demands of frontier customers who refrain from buying competitors' products simply in the absence of minor features. This is an obvious niche marketing strategy. When a company decides to launch its product in a niche market, its strategy is also known as a niche strategy because its focus is on a niche market.

The focus strategy involves offering a customized product tailored to the tastes and needs of the customer. It is geared towards serving the needs of a limited group of customers. A niche strategy/focus strategy is a set of integrated actions designed to produce or deliver goods and services that serve a specific competitive segment's needs. A company usually follows a focused strategy to serve a narrow section of the market better than competitors.

Focus strategies differ markedly in terms of the segments that the implementing organization decides to serve. Segments are limited to the complete exclusion of others served. This is specifically for a very narrow group of buyers.

Let's take the example of a travel company that has chosen to serve a certain segment of female travelers. The profile of targeted travelers is between 30 and 60 years old,

economically independent, has diverse interests, and is ready to travel and explore independently.

The entire value chain is configured to serve this segment. Offers of destination, boarding, lodging, travel, entertainment, and after-hours shopping are specially designed for this segment. The goal will be offbeat; the service will be characterized by punctuality, punctuality, and efficiency.

Every year several destinations are developed according to the selected target requirements, and at that time, only ten women traveled together. The focus is on creating unique travel experiences for customers. Word of mouth and references are the basis of publication and entry into travel groups.

Most travel operators cannot serve segments as their strategic choices tend toward larger groups of tried and tried destinations. Sometimes, opportunities to focus are created because conventional business models cannot meet the needs of several segments. In short, it can be said that the focus strategy:

- a. Serves a limited segment based on choices.
- b. Segments understood and targeted.
- c. The organization has the resources, skills, and competencies to serve the segment.
- d. Organizations can choose to offer low cost or high differentiation advantages for the segments served.

A company can pursue a focused strategy with either a low-cost approach or a differentiation approach. Thus, there can be 2 types of focus strategies, namely:

- a. Focused on a low-cost strategy.
- b. Focused differentiation strategy.

1. Focused on a low-cost strategy

A low-cost strategy focuses on entering a low-cost niche market with a unique product line that has special needs among customers in a niche market.

This strategy is targeted at those who want to have a unique product at a low cost. Companies that follow this strategy compete with cost leaders in niche markets where it has a cost advantage.

With this strategy, accompany concentrating on small volumes of tailor-made products that have a cost advantage. Companies can adopt this strategy to serve a segment of buyers whose needs can be met at a fraction of the cost compared to other markets..

2. Focused differentiation strategy

A “focused differentiation strategy” is a business strategy with different products in the chosen market niche. When a company pursues a focused strategy based on differentiation, it concentrates on the bare buyer segment and offers specific attributes in products that outperform competitors.

Here, the company focuses on competing with competitors not based on low costs but product differentiation. Because the company is focused on knowing the needs of its niche-customer group, it can successfully differentiate its products

CHAPTER 14

ALLIANCE STRATEGY

14.1. Definition of Alliance Strategy

A strategic alliance is a formal relationship between two or more groups to achieve a mutually agreed goal or to meet certain critical business requirements that each organization requires independently. Strategic alliances generally occur over a certain period of time; other than that, the parties allying are not direct competitors but have similar products or services aimed at the same target. A strategic alliance is a partnership (partnerships) between two or more companies or business units that work together to achieve mutually beneficial and strategically significant goals (Indriani 2005). A form of mutualistic symbiotic relationship carried out by this company to obtain technology to gain access to specific markets, to reduce financial risk, reduce political risk, and to achieve or guarantee a competitive advantage. The philosophy behind the cooperative strategy is that companies cannot always stand or go alone. It makes sense; it can strengthen its effectiveness through partnerships with other companies. In recent years, the need for a cooperative strategy has both advantages and disadvantages. Because of the following:

- a. Competition is getting tougher in the domestic market.
- b. Opening up broad markets in various parts of the world.
- c. Proficient in telecommunication and information technology.
- d. Business Globalization.

A large number of companies are currently involved in cooperative strategies. A co-investment strategy is a company's efforts to realize its objectives through cooperation with other companies, in strategic alliances and partnerships (usually joint ventures), rather than through competition with them. In a global economy, many of these strategic alliances are international in scope.

A cooperative strategy can offer significant advantages to companies that lack certain competence, knowledge, or resources, enabling them to secure this through links to other companies with complementary skills or assets. It can also offer easier access to new markets and opportunities for synergy and shared learning. Cooperative strategies have proven to be critical in facilitating international expansion. This module focuses on the benefits that can be obtained through collaboration and how to manage collaboration to happen. A cooperative strategy is used when two or more companies want to partner and work together to achieve the same goal. With combined resources, companies can co-create value that would otherwise not be possible by working independently. But there are certain risks associated with such a coalition, especially when the company is a competitor. This risk is known as the competitive risk of the cooperative strategy. Some of the competitive risks in the cooperative strategy are as follows:

- a. When the contract is not properly stated, the company will likely find a loophole and try to take advantage of the situation over other partner companies
- b. Companies can mistakenly represent their competence by falsely stating their knowledge of certain conditions essential to meeting those objectives.
- c. Once an agreement is reached, the company can also refrain from providing the necessary support and resources that have been agreed upon
- d. When one company in the alliance itself invests while the other company does not. This leaves the company hostage about its investment

Apart from the risks mentioned above, there are many other competitive risks associated with managing a business and finding reliable partners. When there is mutual trust & confidence between companies, fewer resources are needed to control the alliance. Cooperative alliances are prevalent in industries where there are rapid changes in various sectors. For example, technology, business environment, customer needs, etc. An example of such an industry is the computer industry. A large number of

companies produce computer and software components. Manufacturers are mostly different for microprocessors, motherboards, monitors, disk drives, memory, etc. Hence, there is a requirement for close collaboration between the manufacturers of all these diverse products. There are two types of cooperative strategies, namely:

- a. Strategic alliance
- b. Joint venture

14.2. Scope of the Strategic Alliance

Known as a strategic partnership, a strategic alliance is a collaborative arrangement between two or more organizations. A strategic alliance is the first of a cooperative strategy. It is a non-equity cooperation agreement between two or more companies to promote their mutual competitive advantage. Strategic alliances are formed to help each other in an organization or business function for mutual benefit. That doesn't mean creating a new organizational entity. Partners in strategic alliances do not have formal ownership ties such as joint ventures. Partners, on the other hand, work cooperatively under an agreement. Collaborative arrangements must produce win-win consequences for all partners to confirm final achievement. Neither side loses. On the contrary, all profit. Strategic alliances form a good alliance for allies to conduct joint research, improve products, and share technology. In sharing R&D information, they cooperate in technology development, develop new complementary products in the market, and build a network of dealers and distributors to handle their products.

1. An important reason for strategic alliances

Companies enter into strategic alliances for a variety of reasons. They can achieve multiple benefits if they cooperate within national borders or outside national borders. The main motives for strategic alliances, outside and inside the country, are as follows:

- a. Within national boundaries
- b. Beyond national boundaries

2. The following are strategic alliances within national boundaries

- a. Avoiding a more expensive process in building its capabilities by the company to access new opportunities.
- b. Collaborate on new technology or product development.
- c. Substantially increase competitiveness.
- d. Improve supply chain efficiency.
- e. Acquiring new competencies at once.
- f. To open up expanded opportunities in the industry through collaboration with partners.
- g. Finally, increasing market access through collective marketing agreements.

3. The following are strategic alliances beyond national boundaries:

- a. Gathering a wider variety of skills, resources, technological expertise and competitive capabilities than the company can collect on its own.
- b. Take advantage of the technological and information revolution through collaborative partnerships with other healthy companies.
- c. Obtain valuable resources or abilities through alliances that cannot be obtained by the company itself.
- d. The bundling of competencies and resources across the country is more valuable in a joint effort than the current dept. Separate.
- e. Access valuable skills concentrated in specific countries.
- f. Finally, gain insider knowledge about foreign markets and cultures in a foreign country.

4. Causes of failure of strategic alliances

Most of the strategic alliances do not work. The most critical reasons for an uneasy alliance are the following:

- a. Failure or delay in responding and adapting to changes in the internal and external environment.

- b. Partners' inability to work together.
- c. Competition between partners in the market occurs.
- d. If circumstances warrant, the partner's failure or unwillingness to negotiate.
- e. The inability of partners to ensure a win-win outcome of the cooperation agreement.

Strategic alliances will survive if partners become serious about ongoing commitment, mutual learning, and close collaboration on an ongoing basis. Also, the high reliance on alliances for essential skills and abilities can be fatal for companies. Every company must improve its skills in gaining market leadership.

14.3. Joint Venture

Joint ventures are the second type of cooperative strategy. A joint venture indicates a new organization that is recognized by two or more groups. This is an agreement where two or more companies hold capital in a business. In this endeavor, all partner companies have some degree of transition. Equity arrangements between independent companies result in the creation of new organizational entities. This means that the support organization makes a distinct organization. And has shared ownership in the newly created organization. The partner company owns the newly created company. The two businesses must agree to set up a new company together to form a joint venture.

1. Benefit from joint ventures

- a. Create opportunities to combine the skills and assets of partner companies necessary to build a successful new venture.
- b. Joint ventures are a great way to enter a foreign market when the market entry is restricted by the government / joint venture with local partners in a foreign country.

- c. International joint ventures are a useful means of strengthening the competitiveness of companies in world markets.
- d. Local and international joint ventures facilitate joint research efforts, sharing technology, sharing production facilities, marketing of each other's products, and joint power to manufacture components or assemble finished products.

2. A suitable situation for a joint venture

- a. Business activity is pursuing a complicated or risky opportunity. Joint ventures are a viable way of assuming that opportunity.
- b. When entering a foreign market requires a local international partner,

3. Joint venture challenges

- a. Difficulties arise in dividing the share of control between partners.
- b. A joint venture may start competing more with one partner than the other when all the partners are in the same business.
- c. Disruption can arise when the support company does not offer support for the joint venture as well.

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