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Targeting and positioning Hotel Atlet Century Park in serving two distinct markets: Commercial and social

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**TARGETING AND POSITIONING HOTEL ATLET
CENTURY PARK IN SERVING TWO DISTINCT MARKETS;
COMMERCIAL AND SOCIAL**

by

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**Bachelor of Business Administration
Institute of Business and Informatics, Indonesia
2007**

**A professional paper submitted in partial fulfillment
of the requirements for the**

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Acknowledgments

Traveling was one of my parents' hobbies and they took me with them since I was a young child. Almost every year we went to different countries and stayed in many different hotels. It was always interesting to sit in the hotel lobby watching people pass by and watching the long queue at the front desk. Enjoying the executive lounge was another experience. My brother and I always spend our time there making telephone calls to friends in Indonesia. During my bachelor program in Business Administration, I focused on Marketing as I like to meet and interact with other people. I took my internship in the hotel and by chance the hotel where I interned enjoyed a high occupancy. By then I found myself wondering what it would be like to work for a hotel, in an industry that I have a strong passion for.

In 2008, my parents and I met Dr. Andy Nazarechuk at UNLV Singapore. By then I had made my decision to enroll in the Harrah College at UNLV. It was a wonderful start where I started to read the first subject of the Human Resources telling me how important it is to have a good human pool, to know the details of the hotel operation, to know the reason for the long queue at the Front Desk and why there are so many guests in the lobby. I gained a strong knowledge of the best practices of the hotel operation. I also had the opportunity to meet hotel professionals who helped me to understand well how the hotel operation is. I became aware how important it is to have and understand both academic and practical knowledge. I thank Dr. Andy Nazarechuk who gave me the inspiration. Thanks are also due to Dr. Kurt Stahura, Professor Carl Braunlich, Professor Seyhmus Baloglu, Dr. Pat Moreo, Professor Zheng Gu, Dr. Natasa Christodoulidou, Dr. Gary Potts and Dr. David Jones who always give their advice and guidance. My sincere thanks to them.

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TABLE OF CONTENTS

Pages

Acknowledgments	i
Table of Contents.....	iii
List Of Table	v
PART ONE	
Introduction	1
Purpose	2
Statement of the Problem	3
Justification.....	4
Constraint.....	4
Definitions Used in this Paper.....	5
PART TWO	
Introduction.....	8
Literature Review.....	8
Marketing Management Concepts.....	8
Marketing in the Service Business.....	10
Marketing Planning.....	12
Understanding the Market.....	21
Decision Making Unit and Process in the Business Market	23
Marketing Performance and Evaluation.....	28
Conclusion	32
PART THREE	

Introduction.....	34
Company Background.....	34
Methodology.....	37
Results.....	39
Buying Behavior and Customer Decision Making Process of the HACP Market.....	40
Consumer Profiles of the HACP Market.....	41
The HACP’s Performance in Serving the Commercial and Social Markets	43
Synergy of Function from Serving Commercial and Social Markets.....	47
Strategy and Marketing Mix of the HACP.....	49
The HACP Performance Compared with Direct Competitors.....	53
Customer Satisfaction and Evaluation.....	58
The HACP’s Positioning Based on Customer Impressions.....	62
Discussion.....	63
Conclusion.....	66
Recommendation.....	67
References.....	71
Appendices	
Appendix A: Fom of the Feedback of Selected Guests Regarding the HACP’s Positioning.....	76
Appendix B: Feedback of Selected Guests Regarding the HACP’s Positioning (INDONESIA).....	80

Appendix C: Feedback of Selected Guests Regarding the HACP's Positioning (SINGAPORE).....	85
Appendix D: Feedback of Selected Guests Regarding the HACP's Positioning (JAPAN).....	90

List Of Tables

Table 1	Number of Rooms of Four Star Hotels in Jakarta (2006-2008)	44
Table 2	Performance of Market Share of the HACP (2006-2008)	44
Table 3	Performance of Market Segmentation of the HACP (2006-2008)	45
Table 4	Room Pricing and Occupancy of the HACP (2006-2008)	45
Table 5	Number of Guests and Repeat Guests in the HACP (2006-2008)	46
Table 6	Percentage of Occupancy for Commercial and Athlete Floors (2006-2008)	47
Table 7	Percentage of Subsidized Rooms for Social (Athlete) Market (2006-2008)	48
Table 8	HACP's Occupancy and Direct Competitors (2006-2008)	53
Table 9	HACP's Market Share and Competitors (2006-2008)	54
Table 10	HACP's Market Segmentation and Direct Competitors (2006-2008)	55
Table 11	Room Pricing of The HACP and Direct Competitors (2006-2008)	57
Table 12	Pricing Flexibility of the HACP and Direct Competitors (2008)	58

PART ONE

Introduction

Hotel Atlet Century Park (HACP) is a government owned hotel located in the sports district in central Jakarta, Indonesia. The hotel was opened in November 1991 and is operated by PT. Lingga Hamparan Krida (PT. LHK), a private company. The hotel occupies 1.7 hectares of land and was formerly a dormitory for Indonesian athletes. With 17 stories and 600 rooms, it was indeed a large dormitory. When the government encountered difficulties in managing such a large dormitory, PT. LHK approached the government to discuss the possibility of converting the dormitory into a three-star hotel. The decision of PT. LHK to operate a hotel was based on the dormitory's prime location in the CBD area of central Jakarta, surrounded by high end corporate offices, and the relatively few hotels of a similar standard available in Jakarta in 1990. Jakarta's economic growth was 8.89% in 1989 and 8.24% in 1990 (Mintaredja, 1992), indicating an important opportunity for hotel expansion.

After discussion with the government, it was agreed that PT. LHK would manage the hotel, with 125 rooms on the 2nd to 4th floors to be used for Indonesian athletes and 475 rooms on the 5th to 17th floors sold as commercial rooms. It was also agreed that the room rate for the athletes who stay in 2nd to 4th floors would be low, subsidized by the profit from the 475 commercial rooms.

Originally operated as a three-star hotel with international standards, HACP enjoyed a high occupancy rate soon after opening. When the monetary crisis occurred in Indonesia in 1998, HACP suffered occupancy problems along with most other Indonesian hotels. The recovery of the Indonesian economy in 2001 brought with it an opportunity for the hotel to begin its own

recovery. In order to attract well-to-do guests, HACP renovated the rooms and other facilities, resulting in the decision of the Indonesian Hotel Association to increase the HACP's rating category from three to a four stars in 2005. To accommodate the decision of the management not to close the hotel, the renovation was performed gradually, closing two floors for about four months each.

Serving the social and commercial market in one hotel is unique, HACP has to serve athletes and commercial guests at the same time. When HACP opened in 1991, Jakarta had only six four-star hotels with a total of 2,222 rooms and 11 three-star hotels totaling 1,414 rooms (Mintaredja, 1992). In 2008 the number of four-star hotels soared to 29 with a total of 8,704 rooms (internal data from HACP). Between 1991 and 2008 Jakarta saw an increase of 391% in four-star rooms and an increase of 483% in four-star hotels, most of which are chain hotels.

From 2005-2008 there was a rapid growth in the number of hotels with international chains as well as a growth in apartment rooms of 27.5% per year (study of HACP). This rapid growth became a challenge for HACP as a stand-alone hotel to constantly improve the quality of its service in a tough market. A study of targeting and positioning of HACP in serving two distinct markets, commercial and social, is required. In this case study, most of the data was drawn from the internal files of HACP, with some external data.

Purpose

A group of businessmen saw an opportunity to combine social and commercial ventures by transforming the athletes' accommodation into a hotel that could serve both national athletes and the commercial market to the hotel's location in an elite commercial area. These businessmen formed a limited company, PT. LHK, in order to run the hotel.

The focus of this research will be to describe and analyze the strategic and operational decisions made by the management of HACP. A marketing management approach will be used to explain and analyze the decisions and policies made by HACP management to serve the two distinct markets, social and commercial, in the same location. The specific objectives of the research are to examine the marketing practices implemented by HACP, evaluate its market positioning, and analyze the marketing performance of HACP on the two identified market segments.

Secondary sources regarding the HACP's marketing practices will be reviewed through hotel records. Market positioning will be analyzed through interviews with the senior executives of the hotel, coupled with an attempt to gauge customer perceptions. The hotel's marketing performance will be compared with that of its direct competitors. Customer evaluations will also be solicited.

Statement of the Problem

As a unique hotel, HACP has to serve two distinct markets, commercial and social, which have markedly different characteristics. The management of HACP has undertaken several preventative measures to cope with possible problems. Examples of this include having a separate check-in counter for athletic and commercial floors and providing different room designs and amenities for each segment.

The basis of the study requires dealing with some of the major issues and problems of managing marketing elements to serve two distinct markets, exploring the opportunities in each of the markets to cope with the volatilities of room demand, and finally evaluating the performance of HACP in comparison with its direct competitors in Jakarta.

Justification

This case study examines how strategic and operational decisions have been successfully made in order to serve two distinct markets, commercial and social. Serving the social market in the same location as the commercial market may create unwarranted consequences, especially in light of the differences in consumer characteristics and consumer behavior.

By understanding the characteristics of the two distinct markets and aligning the marketing elements for each market, HACP can perform as well as similar hotels. In addition, there has been little, if any, academic research conducted on targeting and positioning in serving two distinct markets; commercial and social.

The findings of this study may be useful for Indonesian hotel developers and operators regarding their management strategies and operational decisions on how to manage two distinct markets, as well as assisting them to determine the positioning of the hotel.

Constraint

This study is an exploratory research technique that intensively investigates one or a few situations similar to the hotel's situation (Zikmund, 2003). Zikmund (2003) noted:

Conducting a case study often requires the cooperation of the person whose history is being studied. Like all exploratory research, the results from this case study should be seen as tentative. Generalizing from a few cases can be dangerous, because most situations are typical in some sense. Obtaining information about competitors may be very difficult, because they generally like to keep the secret of success to themselves. (p. 116)

Internal data is used to support this exploratory research. Interviews and discussions were conducted with the top level management at the HACP. The internal data comes from the general manager and department concerned, while the external data is from the Hotel Association, The

Indonesian Statistics Bureau, hotel magazine, business reports, the internet and other related literature.

Definitions Used in this Paper

Average daily rate (ADR). “A key rooms department operating ratio. Rooms revenue divided by number of rooms sold. Also called average room rate” (Schmidgall, 2006, p. 245).

Integrated marketing communication. “A process for planning, executing, and monitoring the brand messages that creates customer relationships” (Duncan, 2005, p. 17).

Marketing environment. “The actors and forces outside marketing that affect marketing management’s ability to develop and maintain successful transaction with its target customers” (Kotler & Armstrong, 2001, p. 87).

Market leader. The firm with the largest market share in the relevant product market and usually leads the other firms in price changes, new product introductions, distribution coverage, and promotion intensity (Kotler, 2003).

Marketing mix. A traditional marketing mix concept consists of four variables, called the four Ps, that a marketing manager can control: product (P1), place (P2), promotion (P3), and price (P4). In addition, in service industries, there are three expanded elements in the marketing mix, which consist of three Ps; people (P5), physical evidence (P6), and process (P7). (Shim, Siegel & Simon, 2004; Zeithaml, Bitner, & Gremler, 2009).

Market share. The number of rooms in a hotel calculated as a percentage of the total rooms in the hotel’s market set, that is, the total number of rooms available within a hotel’s market area. It also refers to the competitor's share of the target market (Shmidgall, 2006; Kotler, 2003).

Marketing strategy. Shim et al. (2004) defined marketing strategy as:

a comprehensive marketing methodology that is developed as a result of extensive marketing planning. A marketing strategy details the following factors: target markets, product line, product positioning, price, distribution channels, sales force, service procedures, advertising and promotion methodologies, product research and development expenditure targets, and marketing research. (p. 99-100)

Occupancy percentage. Occupancy percentages are the number of room sold divided by the total number of rooms available in a given period (Cote, 1991).

Market positioning. “Arranging for a product to occupy clear, distinctive, and desirable place relative to competing products in minds of target consumers” (Kotler & Armstrong, 2001, p. 245).

Market segmentation. “Dividing a market into distinct groups of buyers on the basis of needs, characteristics, or behavior who might require separate products or marketing mixes” (Kotler & Armstrong, 2001, p. 244).

Market targeting. “The process of evaluating each market segment’s attractiveness and selecting one or more segments to enter” (Kotler & Armstrong, 2001, p. 245).

PART TWO

Introduction

As highlighted in Part One, the focus of this research will be to use a marketing management approach to describe and analyze the decisions and policies made by the HACP management in serving two distinct markets, social and commercial, in the same location. In Part Two, a literature review was undertaken to provide a theoretical framework for the study.

Literature Review

Marketing Management Concepts

Marketing concepts are applicable in the business world and affect how the product is promoted, sold and bought by the customers. The principle of the marketing concept begins with the process of interaction and value exchange among the various products (goods, service, ideas,

place, people and organization) that make up a market. The marketing principle asserts that every marketing activity proposed should satisfy the needs and demands of potential customers. To successfully deliver the products and services to the customers who want them, the company has to choose its target market.

The marketing concept is one of the foundations of strategic marketing management process in every organization. Organizations operating from the marketing concept aim not only to sell a product, but to satisfy its customers with a product that has superior value to them, thus building a good relationship between customer and organization. Doyle (as cited in Tjiptono, 2007) stated that marketing is the process of maximizing profit for the shareholders by building a relationship with customers and creating a competitive advantage. In the hotel industry, marketing plays a crucial role. Here marketing management relies on the expertise of the marketing director in order to respond adequately to competitive pressures (Kotler, Bowen, & Makens, 2006).

What is Marketing Management?

According to Kotler and Keller (2006), “marketing management is the art and science of choosing a target market and getting, keeping and growing customers through creating, delivering, and communicating superior customer value” (p. 31). From the managerial perspective, marketing is often described as the art of selling a product, but this definition is inaccurate. The art of selling is only a small part of the marketing concept. Miller and Layton (as cited in Tjiptono, 2007) state that marketing is a business activity system by which companies plan the product, define the price, determine promotion and distribute the product in order to provide a service that can satisfy the market and achieve organizational goal

Marketing Concept Evolution

The evolution of the marketing concept has gone through five stages: production concept, product concept, selling concept, marketing concept and societal marketing concept. All must be implemented to some degree in successful business organizations (Kotler et al., 2006). The production concept is the business philosophy that offers superior value to the customers depending on their desires. Product concept posits that because customers desire the highest quality product, performance and features, the company should focus on developing the best product available. The selling concept suggests that customers will never buy a product the company does not promote, and focuses therefore on selling existing products at high revenue. The marketing concept, as discussed above, is the philosophy that a company should achieve company objectives by satisfying the existing needs and demands of customers. Finally, the societal marketing concept suggests that a business should not only concentrate on profit, but also consider the benefits of its actions to society as a whole (Kotler & Armstrong, 2001).

The hotel industry primarily implements the product, selling and marketing concepts, though many hotels also implement the societal marketing concept. The most common concept in the hotel industry is selling. The Hotel Atlet Century Park has implemented the product concept through product renovation, allowing it to offer a higher quality product to its customers.

Marketing in the Service Business

The service industry plays a crucial role in the business world. Service is defined as an exchange of non-tangibles between the producer who delivers the service and the customer who receives the service, with one or more activities to fulfill the customer's needs (Tjiptono, 2007). According to the Zeithaml, Bitner, & Gremler (2009), services include "all economic activities whose output is not a physical product or construction, is generally consumed at the time it is

produced, and provides added value in forms (such as convenience, amusement, timeliness, comfort, or health) that are essentially intangible concerns of its first purchase” (p. 4).

Four special characteristics differentiate the products of the service industry: intangibility, immediate production and consumption, perishability and inconsistency (Shim, Siegel, & Simon, 2004). For example, when guests arrive at a hotel, they experience the full service with the product purchased, i.e, the hotel room. Their experience is perishable because they can enjoy the services of the hotel only during their stay. Once they leave the hotel, they can no longer experience the service. Kotler and Armstrong (2001) define service as “any activity or benefit that one party offers to another that is essentially intangible and does not result in the ownership of anything” (p. 7). Service is varied, should be consumed in a short time, cannot be touched and cannot be separated from the service provider. The triangle of services described by Zeithaml et al. (2009) suggests that successful service delivery is based on three interrelated factors: company or management, providers or employees and customers.

Managing the marketing in the service sector is more complex than managing that of tangible products because of the difficulty of managing the service quality and service productivity (Shim et al., 2004). Service customers tend to be more demanding, measuring the quality of the service by five dimensions: reliability, responsiveness, assurance, empathy, and tangibles (Zeithaml et al., 2009). In the HACCP, responsiveness and empathy are a priority because guests would like to be treated by a staff consistently responsive to their desires. Service plays a key role in the hospitality industry. Hotels are hospitality organizations that offer both tangible and intangible assets to their guests. In Ritherford’s study (as cited in Yoeti, 2004), hotel marketing is the strategic part of strategic and operational activities designed both to inform clients about the hotel service and to encourage them to choose that hotel based on its marketing

message. In order to keep guests satisfied and to maintain an effective relationship with customers, the hotel has to decide on the nature of its services and how to extend them to customers. To be able to do this, the hotel should be constantly informed about changing customer preferences and willing to develop and design services that suit the market (Kamath, Bhonsale, & Manjrekar, 2008). The example of Ritz Carlton demonstrates that success in servicing guests is based on a hotel organizations' ability to implement the core identity and communicate the service culture, empowering people with trust, delivering the "wow" factor and finally leaving a memorable good impression (Michelli, 2008). Most hotels fail to communicate their core identity and service culture or to demand that their employees have a strong commitment to service delivery. When management does not have enough trust in the ability of its employees, staff creativity can be stifled, diminishing the quality and flexibility of service. From the time the guests enter the lobby until they leave the hotel, the "wow" factor has to be an integral part of the hotel's image, leaving a lasting impression on the customer's mind.

Marketing Planning

Marketing planning combines marketing analysis, planning, implementing and controlling marketing strategy. A company's marketing plan is part of its strategy to achieve organizational goals. It helps the manager to monitor and respond quickly to dynamic and environmental changes and helps reduce risk by providing more information by which the company can make its decisions. Kotler suggests that the basic ingredients of the marketing planning process are marketing management, strategic thinking and the marketing mix to implement the marketing strategy (as cited in Dibb, Farhangmehr, & Simkin, 2001). Marketing planning consists of strategic planning decisions that will help to achieve the company's objectives. Hoang (2007) described marketing planning as "a systematic process concerned with

devising marketing objectives and appropriate marketing strategies to achieve these goals” (p. 456).

A marketing plan has several objectives (Kotler, Bowen, & Makens (2006):

1. Providing a road map for all the marketing activities for the next year.
2. Ensuring that marketing activities are simultaneous with the corporate strategic plan.
3. Forcing marketing managers to think about the marketing objectives.
4. Allocation of the budgeting process to match with the resources.
5. Creating a process that matches the results.

Kotler and Keller (2006) stated that a marketing plan is “a written document that summarizes what the marketer has learned about the marketplace and indicates how the firm plans to reach its marketing objectives” (p. 58). A marketing plan should include a brief executive summary of the plan, the major activities related to the marketing strategy and overall conclusion. The areas of marketing planning include the marketing mix, the marketing budget and priority allocations, distribution methods, brand and packaging (Shim et al., 2004).

According to Aaker (1992), marketing planning consists of strategic and operational decisions. Segmenting, targeting and positioning are strategic decisions important to marketing planning. However, the seven Ps of the marketing mix are part of the internal analysis of the company (as cited in Hasan, 2008).

A marketing plan contains a number of sections (Kotler, Bowen, & Makens 2006):

1. Executive summary
2. Corporate connection
3. Positioning statement
4. Environmental analysis and forecasting

5. Segmentation and targeting
6. Next year's objective
7. Action plans: strategies and tactics
8. Resources needed to support strategies and meet objectives
9. Marketing control
10. Presenting and selling the plan
11. Preparing for the future (p. 767)

Strategic Aspect

Market segmentation. The strategy concept of marketing planning is implemented in segmentation, targeting and positioning. Increased competition has made these tasks an important part of the marketing strategy of a company. The market today is too complex and heterogeneous for companies to rely on and appeal to the same customers. Myers (1996) noted that “one of the most important strategic concepts contributed by the marketing discipline to business firms and other types of organization is that of market segmentation” (as cited in Bowen, 1998, p. 289). Companies will not be able to fulfill the variety of desires from customers if they do not focus on a particular segment of the market. Rather than serving many customers, a company should focus more on potential customers. Mazanec (2000) stated that “within the tourist industry priority market segmentation has become the most widespread strategic marketing concept practically applied” (as cited in Dolnicar, 2007, p. 3). Market segmentation could be used to analyze the market characteristics of the hotel guests.

Segmentation variables are tools used to identify the base of the market segment to aid in the development of market profiles. Kotler and Keller (2006) suggested segmentation based on geographic, demographic, psychographic and behavioral variables. In hotel segmentation, the

most common variables are geographic and demographic: the location of the guests and their nationality as well as the economic class or status of the guests largely determines guest preference based on hotel star ratings and prestige. The segmentation of the HACP market includes individuals and groups in the business, government, social organization and leisure markets. Through market segmentation, large heterogeneous companies are divided into smaller homogenous segments to be more effectively able to reach the products and services to match the needs and expectations customers will pay for (Uronen, 2008).

The process of market definition, segmentation and targeting is an overt recognition by the marketers that customers are different. The process of market segmentation starts by identifying a basis for segmenting the market and continues by developing market profiles (Kotler & Armstrong, 2001). A company may gain a competitive advantage through innovative market segmentation.

Targeting. Not all segments can be attractive and profitable for the company. The target market consists of the set of customers who have the characteristics and needs that the company can best serve. The two steps to targeting the market are (a) developing a measurement of segment attractiveness and (b) selecting the target segments (Kotler & Armstrong, 2001). In attracting the target market, a company should evaluate the overall attractiveness of the market and its suitability to the resources and objectives of the company. Decisions to target the market are based on market maturity, buyer diversity, needs and preferences, the strength of the competition and the volume of sales (Gould, 2008). The hotel should target the market based on its strengths and capability to serve that market. Hotels can choose from targets such as corporate, government and embassy, long-term guests, MICE association, aircrews, tour groups, sports groups or individual tours. Despite the broad range of corporate markets available, the

hotel has to choose the most profitable for the hotel. Targeting allows companies to focus more on the specific needs of the targeted segment with regard to price, desire, prestige and habits. In targeting the market, the hotel is less likely to make promises it cannot keep. The way to attract the perfect customer is to target those industries and companies that the hotel can best serve and to let that market know what the hotel can do for them (Adams, 2005).

Positioning. Once the company has selected its target market, it is necessary to decide what position to occupy in its target customers' minds in contrast to their competitors' products. Product positioning is the way in which a product is defined by consumers, the attributes consumers associate with it and the position it occupies in their minds relative to similar products (Bowen, 1998). While many hotels pursue the same position, each hotel has to find a means of differentiating itself in order to effectively position its product.

Positioning as a company strategy tells the world that the company's products are unique (Swerdlick, 2007). Hotel positioning can be based on specific product attributes (Kotler & Armstrong, 2001). The sense of uniqueness that results from successful positioning is essential to make potential buyers aware of the product. Compared to its competitors, the hotel should have different or distinctive products, such as meeting rooms, ballrooms, bars and restaurants. The hotel should create product differentiation from those competitors to gain a competitive advantage in areas such as physical distribution, service, personnel, location and image. Positioning is necessary to ensure that a product occupies a clear, distinctive and desirable place relative to its competitors (Kotler & Armstrong, 2001).

With the growth of the hospitality and tourism industry, a strong positioning strategy will help to develop a sustainable marketing strategy. Market positioning consists of two steps: developing positioning and developing the marketing mix for each segment (Kotler &

Armstrong, 2001). The positioning of the HACP is “to be a deluxe four-star business hotel servicing the guests and focusing on the customer needs based on the management and staff commitment.” The seven Ps marketing mix is the foundation from which the company is able to transmit the positioning message of the hotel.

Operational Strategy

Marketing mix. The marketing mix implements operational marketing planning and plays a major role in the marketing strategy. The marketing mix lies at the heart of marketing planning (Hoang, 2007) in that no marketing plan can work without the complete marketing mix. The traditional elements of the mix, 'the four Ps' of product, price, place and promotion, are used to support a company's marketing and business strategies (O'Donnell, 2005). A new era of marketing has led to an extended marketing mix that includes people, process and physical evidence and is called the seven Ps of the marketing mix. The seven Ps are commonly used in hotels and throughout the service industry.

Product. Product is the main object with which the company seeks to satisfy the customer. A product is anything that can offer the market use and consumption to satisfy the needs of customers (Kotler & Armstrong, 2001). In the service industry, both tangible and intangible products are offered. Tangible products support the positioning of the hotel. A good location adds value for the hotel guests. The products of the HACP that create the positioning statement include newly renovated rooms, hotel facilities, restaurants, sport facilities, meeting rooms, food and beverage products, lounges, Internet connectivity, a beauty salon and other facilities. The HACP is in the process of renovating its rooms to enhance customer satisfaction and clarify its positioning message. Hotel renovation is a strategic idea of the hotel management (Hassanien & Losekoot, 2002). While the food product in the sports hotel is based on special

healthy menus, the food product in the business hotel is based on popular dishes (Herstein & Jaffe, 2008). For guests to consume these tangible products requires the intangible product of service.

Price. The second P is price. Travelers today tend to be price-sensitive and value-conscious, comparing the price of any service received to its quality and seeking the best value for their money. Price is a flexible element of the marketing mix that can generate revenue. For the business market of a hotel the price strategy is usually based on flexible pricing. There is no policy or fixed rule about pricing; it can change at any time to accommodate high and low seasons, budget and non-budget markets, new market or repeat guests, travel agency involvement, websites or walk in guests. The pricing mix decision includes the average level of price, discounts, terms of payment and price discrimination between different groups of customers (Palmer, 2001). For the social market, the hotel usually employs cost-based pricing determined by raw materials, labor expenses and overheads (Zeithaml et al., 2009). Pricing plays an important role in marketing strategies; as a measure of perceived product quality it is a powerful sales promotion tool and one of the elements of competition.

Place (distribution). Kotler and Armstrong (2001) stated that “place is a set of interdependent organizations involved in the process of making a product or service available for use or consumption by the customer or business user” (p. 432). The hotel industry uses various marketing intermediaries: travel agents, tour wholesalers, hotel representatives, reservation systems and the Internet (Kotler & Keller, 2006). The HACP works particularly closely with direct marketing and travel agents. In direct marketing, salespeople either approach each of the clients' offices to sell the product on a person-to-person basis or use online systems to promote the hotel more widely. Direct marketing is direct communication with the customers and

receiving a direct response from them (Kotler & Armstrong, 2001). Whitford explained that a good marketing website can increase a hotel's competitiveness (as cited in Christodoulidou, Brewer, Feistein, & Bai, 2007) as well as increasing room sales. The role of service intermediaries is to assist in making the service available to customers through promotion and provision of information. Carroll and Siguaaw noted that to maximize the effectiveness of hotel websites, hotels need to gather information about customers and further enhance online marketing and sales efforts in promotions (as cited in Christodoulidou et al., 2007).

Promotion. Promotion is a marketing mix tool to express the communication between the hotel and the guests. In order to attract customers, the promotional messages should be clearly tailored to the target market (Zupanovic, 2007). The two methods of delivering the message are internal messages by word of mouth and media editorials and external messages from production channels such as front-line staff and service outlets (Palmer, 2001). The promotional mix in the hotel market consists of advertising, personal selling, sales promotion, public relations, and direct marketing (Kotler & Keller, 2006). Advertising in sports hotels is conducted through the sports media, newspapers and TV channels. In business hotels the advertising is related to general tourist and vacation media, TV vacation programs, newspapers and the radio. Moreover, public relations strategies in sports hotels are linked to the sports events that refer to the hotel's location. For business hotels the general events are linked to hospitality, pleasure and vacations (Herstein & Jaffe, 2008).

People. The fifth P is people. People are a vital element of service marketing, providing the service and delivering the guest experience (Morrison, 1989). Hospitality organizations should consider their employees to be their best assets. Although many hotels offer good rooms and facilities, without strong human resources it is impossible to provide a high level of service.

Excellent employees can deliver the “person to person” contact required in hotel service. The difference between a sports hotel and a business hotel is in the employees. Employees in sport hotels tend to be sports lovers, whereas the employees in business hotels do not necessarily have special interests (Herstein & Jaffe, 2008). People are “human factors who play a part in service delivery and thus influence the buyer’s perceptions, the firm’s personnel, the customer, and other customers in the service environment” (Zeithaml et al., 2009, p. 24). An outstanding team can make a difference simply by smiling at guests, serving and greeting them with warmth and efficiency.

Physical evidence. The sixth P is physical evidence. According to Zeithaml et al. (2009), “physical evidence means the environment in which the service is delivered and where the firm and customer interact, and any tangible components that facilitate performance or communication of the service” (p. 25). Physical evidence is present in facility interiors and exteriors, room design and other tangibles such as business cards, billing statements, employee dress, homepage and stationery. In the hotel industry, the design, furnishing, lighting, layout and decoration of the hotel, as well as the appearance and attitudes of employees, influence service quality and customer satisfaction. Physical evidence can help the hotel communicate its positioning to guests. For hotels that focus on sports, the architecture should reflect a sporting environment, while the architecture of a business hotel should have its own thematically-based décor (Herstein & Jaffe, 2008).

Process. Process is the method adopted by a company of providing service, “the actual procedures, mechanisms, and flow of activities by which the service is delivered” (Zeithaml et al., 2009, p. 25). Delivering good services and products requires an excellent service process. Process should be highly managed and constantly evaluated in order to support the marketing

effort (Nzekwue, 2008). Developing standard operating procedures helps in managing and controlling the process. For example, the check-in process is noticeably different in a budget hotel than in a four-star hotel, where the check-in process is much more personalized. Creating and managing the service process is an essential task for service firms.

Understanding the Market

A company should understand the characteristics of the market it serves. Understanding the market helps the company serve to customer expectations in order to create customer satisfaction. It is important to know the market: what kind of product the customer buys, where the customer buys it, how the customer buys it, when the customer buys it and why (Tjiptono, 2007).

An important part of understanding the market is determining how the customer chooses among similar product and the steps that lead to the decision to purchase particular products and services. The process of consumer choice follows a logical sequence: consumer choice (needs recognition, information search, evaluation of alternatives and purchase), consumer experience and post experience evaluation (Zeithaml et al., 2009). Schiffman and Kanuk (2004) (as cited in Tjiptono, 2007) state that the buying process consists of an input, process and output model. Nevertheless, consumers do not always follow a logical process.

There are significant opportunities in serving the sports market. As a business hotel which also serves the sports market, the HACP must choose where and how to allocate its resources and which segments to target. The characteristics of the business market will be described in this context. The HACP offers facilities that can serve the business hotel market such as nice rooms, good quality food and beverages, bars, a coffee shop, a drug store, a laundry and a business centre. A business market is more demanding than a social market because

businesses usually pay for the hotel out of their budget. Price is not an issue for them, provided that they get a good value for their money. Griffin and Ostrowski (as cited in Bowen, 1998) contended that “business travelers are more critical judges of service quality than leisure travelers” (p. 292). They prefer to have good, clean rooms full of amenities, nice bathtubs, working equipment, a fax, stationery and most importantly, a 24-hour internet connection. They pay a lot of money to stay in the hotel and after a hard day of work want to be treated well by a smiling, responsive hotel staff. According to McCleary and Weaver (as cited in Bowen, 1998), “business travelers need good quality towels, free newspapers, in-room safes and fax machines as the amenities that are significantly more important” (p.292).

The business markets in the HACP can be divided into the corporate customer market, the travel agent market and the government market. Common preferences of the corporate market regarding hotels are location, star ratings, facilities, new rooms, service, a good reputation and positive encounters from the marketers. For the travel agent and government market, price comparison is an important factor. Travel agents seek to make a profit by earning a commission from the hotel while providing reasonably-priced package deals for their clients. In contrast to sports hotels, Herstein and Jaffe (2008) noted that business hotels have a general identity. The customer types of a business hotel range from children to the elderly. The function of the business hotel is also to offer general enjoyment activities such as entertainment, sightseeing trips, plays, musicals, and games.

Renovation is costly but will ultimately generate revenue and enable the hotel to maintain a high occupancy level. “Hotel renovation is considered one of the most essential tools for product innovation in the hotel business” (Hassanien & Baum, 2007, p. 145). If the renovation of

the hotel is well planned, it can be a reliable means of product innovation. The business market favors new hotel rooms.

Decision Making Unit and Process in the Business Market

The two aspects that need to be discussed with regard to the Hotel Atlet Century Park are commercial and social. It is important to research the decision makers and influencers from the commercial and social market. As a consequence, commercial categories, buying centers and organizational buying behavior have to be analyzed.

Commercial Market Categories

A market is a place where buyers and sellers meet to conduct business, trade, barter and exchange products and services. Types of customers include private companies, individuals, businesses, government, institutions and non-profit organizations. The market related to organizations, business and government is called the industrial or commercial market (Hoang, 2007). According to Kotler & Keller (2006),

the business market consists of all the organizations that acquire goods and services used in the production of other products or services that are sold, rented, or supplied to others.

The major industries that make up the business market are agriculture, forestry and fisheries, mining, manufacturing, construction, transportation, communication, public utilities, banking, finance, and insurance, distribution and services. (p. 196)

Havaldar (2005) noted that “industrial marketing (business marketing), is the marketing of products and services to business organizations” (p. 1). Hotels have to fulfill the needs of the business market by understanding what the customer wants in terms of product and service quality, price, staff and other characteristics. This is supported by Havaldar (2005), who notes that “the important point in business marketing is to create value (benefit) for the buying

organizations (customers) with products and services that focus on buying organizational needs and objectives” (p. 2).

Buying Center

A decision-making unit within the organization called the buying center handles the purchase of the trillions of dollars of goods and services for any large company. This unit is the part of the industrial organization responsible for all the buying activity (products and services) in the business market. All members who play the role of taking purchasing decisions are considered part of a buying center. Havaladar (2005) asked, “who are involved in buying decisions in an industrial organization? It is defined as body of all the individuals or groups participating in the buying decision process and who have interdependent objectives and share common risks” (p. 43).

For business marketing, including hotels, understanding the buying center is important to building an effective marketing strategy. The buying center usually includes participants who differ in status, interest, authority and persuasiveness. Each buying center has different criteria and political interests that affect the decisions of the buyer.

The role of the buying center can be divided into six categories: initiators, buyers, users, influencer, deciders or gatekeepers (Havaladar, 2005). The size of the buying center depends both on a number of decisions and on the products purchased. Members of the buying center include top management, technical persons or functions, buyers or purchasers, accounting and marketing functions. Business buyers make the decision to buy a product based on personal motivations, perceptions and preferences influenced by age, income, education, job position, personality, attitudes toward risk and culture (Kotler & Keller, 2006). The buying center concept can therefore be a challenge for marketers.

Hotel marketing should understand the function of individuals or groups that play the crucial roles of deciders and influencers. This statement goes hand in hand with the explanation from Hood (2009) that for institutional marketing, one needs to find the decision maker. Most members of the commercial business market who stay in hotels play the roles of users, deciders and initiators. Some act as deciders, buyers and users when they decide by themselves and use their own budget to stay in a hotel of their choosing, but others are only users and sometimes influencers because the company, as the decider, prefers that they stay in a particular hotel. A social market, such as athletes, has no other choice because the athletes are neither initiators nor deciders. They are only users because they follow the desires of deciders or initiators within the sports organizations.

Organizational Buying Behavior

Marketers need to have key information about customers' buying behavior along with the ability to interpret and analyze the information. According to Schiffman and Kanuk (as cited in Tjiptono, 2007, p. 40), "customer behavior is behavior that is shown by the customers in looking, buying, using, evaluating and stopping product consumption, service and ideas." One factor of consumer buying behavior important to the hotel industry is that people often buy products not for what they do, but for what they mean, purchasing not only the product itself but the prestige, position and personality that goes with it.

In a study by Kotler and Armstrong (2001), business buying process means "the decision-making process by which business buyers establish the need for purchased products and services and identify, evaluate and choose among alternative brands and suppliers" (p. 212). The business process tends to be more formalized than the consumer market. The buying behavior of the business market is usually influenced by more detailed specifications with regard to writing the

purchase order and searching for a supplier (Kotler & Armstrong, 2001). In the business market, the product is customer needs. There is a strong relationship and interdependence between buyer and seller.

In the hotel market, some of the products that the hotel offers are close to the guests' needs. For instance, the variety of restaurants might include Japanese, Korean and international. The hotel provides rooms with or without a bathtub, recognizing that some Japanese guests prefer a room with a bathtub, while local guests (Indonesians) prefer a room without bathtubs. The buying behavior of organizations is different from that of individuals in that organizations require a greater use of facilities such as meeting rooms and telephones. Business buyers who decide to buy the product or service are influenced by factors both organizational and personal. Organizational factors (task-oriented objectives) include product quality and price, while personal factors (non-task objectives) include promotion and personal treatment (Havaladar, 2005). In hotel marketing, most hotels are more task-oriented in that they offer a hotel product with the same quality and relative price. Therefore, hotel marketers need to acquire an in-depth understanding of the organizational buying behavior.

According to Havaladar (2005), the Webster and Wind model is available to provide a comprehensive and integrated picture of the major factors that combine to explain organizational buying behavior. In the Webster and Wind model, the factors that influence organizational behavior are environmental, organizational and individual. Webster and Wind (as cited in Kotler & Keller, 2006) stated that “organizational buying is the decision-making process by which formal organizations establish the need for purchased products and services and identify, evaluate, and choose among alternative brands and suppliers” (p. 6).

According to Kotler and Armstrong (2001), the four factors that influence business behavior are environmental, organizational, interpersonal and individual. The business market is relatively sensitive to the four variables above. Identifying the decision maker in a business market is a difficult task because the decision maker has to collaborate with others to make the buying commitment.

A model of organizational buying behavior was developed by Sitar's study (2007) which suggested six factors that influenced the buying center structure. Sitar (2007) stated that:

we grouped the factors that impact the buying center structure into six main constructs; environmental characteristics, organization characteristics, purchase related characteristics, purchase phase, purchasing department characteristics and other participants characteristics. The main value added of four frameworks is that it is comprehensive and takes into consideration all factors that affect the buying center structure. All previous researchers took into considerations only two or three factors that influence they buying center structure. In addition, our framework contains a new construct. (p. 1206)

Marketing Performance and Evaluation

The process of marketing control consists of four steps: setting goals, performance measurement, performance analysis, and taking corrective action (Havaladar, 2005). Marketing evaluation needs to be conducted to understand the gap between what the management has planned and what the management has achieved in the performance.

The performance of the HACP can be analyzed by evaluating customer satisfaction and the performance of four direct competitors. The management of the HACP has identified four hotels in the surrounding location serving the business market as its direct competitors. The

HACP deals with complaints through regular meetings and distributes a questionnaire regularly to evaluate how well the hotel responds to customer satisfaction or dissatisfaction. For this study, the interview was conducted to seek feedback from the chosen respondents. This section will explain the performance measurement and evaluation in customer satisfaction and compare with the industry and competitors.

Customer Satisfaction

Customer satisfaction can be achieved if customer expectation is lower than the perception of the product or services that the customer receives. Engel et al. (as cited in Tjiptono, 2007) pointed out that customer satisfaction is the post purchase evaluation, where the alternative customer choice is equal to or above the customer's expectation. Dissatisfaction occurs when the outcome does not achieve the customer's desire. Fornell and Kotler (as cited in Tjiptono, 2007) stated that customer satisfaction is viewed as an indicator of future gain. Some companies focus on customer satisfaction rather than on attracting new customers because attracting new customers is more expensive than retention.

In the hotel industry, a guest will be satisfied if the hotel service in terms of product, service, price, room and staff matches his or her performance. Guests who are happy with the service they receive are likely to return as repeat guests, spread positive word of mouth to their friends, increase customer loyalty and retention, and as a result, maximize the hotel's profit. Langevin's studies (as cited in Tizt, 2001) suggested that meeting the expectations and needs of customers was the central issue in the perception of service quality. The hotel should be able to manage customers' expectations. Perceptions of service quality are based on the gaps between the expected level of service in each domain and the actual service.

A company should be aware of the level of customer satisfaction of the product and services by measuring it. The five drivers used by Irawan (2003) to measure how the degree to which a customer is satisfied with the products are product quality, service quality, emotional factors and pricing. Total customer satisfaction depends on the customer evaluation using each of the driver components. The grade of each of the four variables above is based on each customer. Although there is no consensus on the best way to measure consumer satisfaction, studies show that there are three important aspects to an accurate measurement. In the study conducted by Fornell et al., these are overall satisfaction, confirmation of expectations and comparison to the ideal (as cited in Tjiptono, 2007).

Hotels measure the level of guest satisfaction by conducting customer satisfaction surveys, by soliciting guest feedback or with questionnaires (Tjiptono, 2007). With this survey, the hotel will obtain a direct response from the guests and send a positive signal that the hotel focuses on the guests. Lentell (2000) suggested that there are four dimensions in measuring the customer satisfaction services: core services, staff quality, general facilities and secondary services. Guest feedback is a means of measuring the performance of customer satisfaction. There are five ways to manage customer feedback (Leahy, 2009): gather feedback through multiple avenues, respond to complaints promptly and be creative in making amends to the guests, set up a system to track responses, employing social media such as websites, blogs and public relations media and letting employees hear both the good and the bad. According to Reichheld, the strategic key to accurately measuring customer satisfaction is “whether the customer will recommend the product and the company to others” (as cited in Kartajaya, 2006).

Comparison with Industry or Competitors

Based on the marketing concept, the success of the company can be achieved by comparing and understanding the direct competitors that offer the same product to the same consumers with the same needs. For marketing strategic planning, a company should gather a great deal of data and information about its direct competitors. Kotler and Armstrong (2001) stated, “Competitor analysis is the process of identifying key competitors, assessing their objectives, strategies, strengths and weaknesses, and reaction patterns; and selecting which competitors to attack or avoid” (p. 682). The company should be compared in terms of product, price, channel and promotion for the industry.

In addition, a hotel should gather information about the quality of the service, the physical evidence, the skill of the staff, room facilities, restaurant, occupancy and pricing policy. A competitor analysis can help a company to understand its own potential strengths and weaknesses as well as those of the competition. Understanding direct competitors could provide a competitive advantage in satisfying the desires of the consumers more thoroughly and efficiently than the competitors can. David (2005) emphasized that there are three strategies for critical comparisons: “comparing the firm’s performance over different time periods, comparing the firm’s performance to competitors’ and comparing the firm’s performance to the industry average” (p. 317).

McDonald (2002) stated that “the importance of assessing and continually monitoring the competitive environment is recognized as a fundamental part of strategic marketing” (as cited in Dolnicar & Randle, 2007, p. 351). By performing competitor analysis, a hotel can gain sustainable competitive advantages. Having a sustainable competitive advantage enables the company to surpass its competitors in selling more products and services to customers.

Conclusion

Marketing management is the art and science of gaining market share and communicating superior value to potential customers. In this study, a marketing management approach is used to analyze the decisions and policies of the HACP. Hotels offer a service to their guests. The HACP uses the five dimensions of service quality to manage its service marketing. In servicing two markets, the Hotel Atlet Century Park has to understand the characteristics and behavior of each market, commercial and social, in managing both service and marketing aspects and in understanding the characteristics and behavior of both markets. The business market is more demanding and critical, while the social market in the HACP is sportive, energetic and full of motivation to win sports events. The athletes served by the social market cannot make any decisions on their own. Decisions regarding athlete accommodations are made by the sports organizations and occasionally the sponsors of individual athletes.

In managing the business and social markets, the hotel makes and implements strategic and operational decisions regarding the segmenting, targeting and positioning strategies. Operational strategies are implemented using the seven Ps marketing mix. A plan based on the marketing approach allows the HACP to help the management create an effective marketing strategy. In a competitive environment, it is important to have a positioning strategy. The HACP's positioning strategy allows it to target the market most likely to respond favorably to the hotel.

Marketing performance and evaluation are necessary to measure the gap between the marketing planning and the marketing objectives of the HACP. This is measured by comparison with direct competitors and by evaluating guest satisfaction. The hotel uses guest feedback to measure whether the hotel can meet the expectations of its guests.

PART THREE

Introduction

As highlighted in Part One, the purpose of the research was to describe and analyze both the strategic and operational decisions made by the management of the HACP. A marketing management approach was used to examine the decisions and policies made by the HACP

management to serve the two distinct markets, social and commercial. In Part Two, a review of literature relevant to the current study was undertaken to show the strategic and operational decisions made by marketing management in servicing the commercial and social market and to understand the positioning of the HACP from a theoretical perspective. Part Three presents the company background, methodology, case study analysis and summary as well as the conclusion and recommendation from the case study of targeting and positioning of the Hotel Atlet Century Park in serving two distinct markets, commercial and social.

Company Background

This case started from the strategic aspects of the HACP's establishment. Formerly an athletes' dormitory belonging to the government (Badan Pengelola Gelora Bung Karno/BPGS), the hotel was established in 1991 and occupies 1.7 hectares of land. When the government encountered difficulties in managing such a large property, a private company, PT. Lingga Hamparan Krida (PT. LHK) approached the government to discuss the possibility of converting the dormitory into a three-star hotel. The government agreed to collaborate with PT. LHK to develop a hotel that would serve two distinct markets: social and commercial. The land and the building continued to be owned by the government but PT. LHK contributed a significant amount of capital for the fixtures, fittings, and equipment necessary to compete in the commercial hotel market. In return, PT. LHK was given the opportunity to manage the hotel. The decision of PT. LHK to operate the hotel was based on its prime location in central Jakarta, where it would be surrounded by high-end offices and a shopping mall. There were few hotels of a similar standard at that time.

When a monetary crisis occurred in 1998 the HACP witnessed occupancy problems along with other Indonesian hotels. By 2001, there was an opportunity for the hotel to begin

recovery. Originally a three-star hotel with international standards, the HACP had enjoyed a high occupancy after opening. Renovation of the rooms and other facilities resulted in the decision to award the hotel a four-star status in 2005. PHRI (Perhimpunan Hotel dan Restoran Indonesia, also known as the Indonesian Hotel and Restaurant Association) performed the required inspection of the hotel and met with management. Based on the hotel's room capacity and new amenities such as sports facilities and meeting rooms, PHRI found that the hotel could serve the four-star hotel market.

The HACP is a unique hotel serving two distinct markets, social and commercial, with different characteristics, habits, behavior, needs and demands. Of its 600 rooms, 125 are used solely by Indonesian athletes, who occupy Floors 2 to 4. The remaining 475 rooms on the fifth floor and up are sold as commercial rooms. The athletes use the back door as their entrance to the lobby with separate elevators going to their floors. The check-in counter for the athletes is located in the second floor and the athlete's dining area in the third-floor lounge. Commercial guests use the ground floor lobby to check in. The hotel provides four elevators for commercial guests going to Floors 5 to 17. A coffee shop in the lobby serves breakfast for the guests occupying these floors, while the guests who occupy the 11th to 17th floors have their breakfast in the 12th and 16th floor lounges. Gym facilities and the semi-Olympic swimming pool can be used by commercial guests from 6 a.m. to 9 p.m. The athletes are allowed to use those facilities from 10 a.m. to 3 p.m.

The Products

The main product offered by the HACP is 475 commercial rooms and 125 athlete rooms. For the commercial market, the HACP provides superior, deluxe, executive club, grand executive club, executive suite, century and president rooms on the fifth floor and above.

Although local athletes who are recommended by KONI (Government Sport Institution) stay on Floors 2 to 4, foreign athletes are required to stay on the commercial floors and are treated as commercial guests.

The HACP has seven meeting rooms and two coffee shops (Senayan Coffee Shop and Sweet Corner). The meeting rooms consist of a grand ballroom for 500 guests, a medium-size meeting room for 120 guests, and five small meeting rooms for 15 to 40 guests. The lounges on every floor can also be converted into meeting rooms. The grand ballroom and small meeting rooms could cater for large events such as weddings, seminars, or product launches. The Senayan coffee shop in the lobby provides breakfast for commercial guests. During lunch and dinner, it serves local and international cuisine. Sweet Corner serves many varieties of coffee, juices, and snacks for the guests. Wi-Fi is available not only in the commercial rooms, but also in all areas of the hotel. There is a drug store, art and handicraft a traditional shop, a barbershop, and a travel bureau in the lobby. Other facilities include a fitness centre, a semi-olympic swimming pool, a massage center, and a sauna.

Methodology

This study is exploratory in nature. Both commercial unit analyses and social unit analyses are conducted in one case context (embedded multiple unit of analysis) (Yin, 2009; Brotherton, 1999). According to Gummesson (2000), “in the social sciences, the term triangulation is used for the application of two or more methods on the same research problem to increase the reliability of the results” (p. 143). Multiple sources allow for increased triangulation and increased internal validity (Connolly, 2005; Yin, 1994) (as cited in Christodoulidou, Brewer, & Connolly, 2006). In this study, the primary means of data collection, interviews, were

supplemented by collection and archival documents, secondary information, analysis of company websites and observations (Yin, 2009; Connolly, 2005).

To get reliable results from this study, interview questions were prepared and asked to the key persons in the HACP (the General Manager, the Director of Sales and Marketing, Financial Controller, Room Division Manager) regarding the strategy and policy of the hotel. In the second step, the interviews were conducted with each of the departments involved in servicing the business and social markets (Marketing Department, Finance Department, Room Division, Athlete Floor Department, Human Resources department, and Food and Beverage Department). In the third step, the interviews were conducted in the form of multiple interviews with general discussion groups that involved all members in steps one, two and three. In these steps, the interview results in each department were discussed which could result in an integrated result.

The following questions were asked to seek feedback from the chosen respondents (Appendix A). The aim of the guest interviews was to determine the perceived effectiveness of HACP's positioning by presenting the interview questions to selected guests. The guest interview sought guest's perceptions of the attributes of the HACP and the positioning of the HACP in comparison to its competitors. The method employed was purposive sampling, choosing three respondents who have stayed at least three times in the corporate hotel.

The reason for choosing the three from corporate guests was that an average of 51% of the HACP market comes from the corporate segment. Because corporate customers will evaluate several hotels before choosing one, these guests can be expected to know the condition both of the HACP and its competitors. The interviewed consisted of open questions in combination with a "helping card" listing the score value of HACP attributes as compared to the competitors. This

card helped the guests to determine the attributes they were asked to score. Guest interviews were conducted from May 26, 2009 to May 28, 2009.

The list of questions for the guests included demographic profiles of the respondents (occupation, country of origin), psychographic questions about their reasons for staying in the HACP, behavioral questions (traveler or non-traveler, length of stay, frequency of visits to Jakarta), and screening questions. Screening questions were asked before beginning the in depth interview to determine whether guests met the qualifications of the study.

Guests were asked about the positioning of the hotel, and the effect of the athletic component. They were asked to score the hotel's attributes using the Net Promoter Score (Zeithaml et al, 2008). Positioning aspects include the guest's primary impressions of the HACP and the guests' comparison of the HACP with its commercial competitors. Aspects of the athlete presence include the guests' awareness of the double function of HACP and the hotel brand name. The third part of the guest interview measured the degree of bonding between guests and the HACP using the Net Promoter Score from one to ten to gauge whether or not the guests would recommend the HACP to their friends. Guests who are satisfied with their stay in the HACP will recommend it to their friends.

Respondents within the company were asked a number of questions regarding the information on company background, mission and vision, product, market characteristics, consumer profiles and the marketing mix for both business and social markets. Biased responses (Yin, 2009; Gummesson, 2000) were minimized by using multiple interviews and triangulating the findings using three-step interviews, reference literature, company documents and brochures, analysis of company websites, observation and final checks with the key personnel of the HACP:

the General Manager, the Director of Sales and Marketing, the Financial Controller and the Room Division Manager.

Results

The study results were presented according to the following manner:

1. Buying behavior and customer decision making process of the HACP market
2. Consumer profiles of the HACP market
3. The HACP`s performance in servicing the commercial and social markets
4. Synergy of function from serving commercial and social markets
5. Strategy and marketing mix of the HACP
6. The HACP performance compared with direct competitors
7. Customer satisfaction and evaluation
8. The HACP`s positioning based on customer impressions

Buying Behavior and Customer Decision Making Process of the HACP Market

The HACP serves two distinct markets, commercial and social, each of which has different buying behavior and decision making processes. There are three steps in the HACP decision-making process; input, process of buying the products, and output. For commercial travelers from the corporate segment, companies' budget and policy, government regulations (i.e. travel warnings, tax regulation, air traffic), political climate, economic climate, price war within the industry, advertising, location and attractions surrounding the hotel may influence traveling expenses. The same factors affect individual and group leisure guests. Government groups tend to be more stable as their continued use of the facility is based on prior history and proximity to government buildings in central Jakarta. Electronic media influences the choice of

the markets. The recommendation of friends` consumer choice is also supported by social class and prestige.

Individual leisure travelers make their own decisions and pay out of pocket, usually through a travel agency or other package system, but not always. Business travelers` expenses are paid by the companies and the hotel is selected based on company policy. The athlete market, on the other hand, does not have any choice except when athletes are permitted by sponsors to stay on the commercial floors, in which case they will still provide revenue for HACP.

Decisions are made by KONI, sports organizations and the Ministry of Sports and Youth Affairs.

It is not necessary for athletes staying on the athlete floors to find the hotel or make arrangements as all practical matters are handled through the various sports organizations. No alternative to the HACP is offered to athletes as the hotel is appointed by the government. In the commercial market, business and leisure travelers need to find and make decisions about the hotel that suits their purposes. This is done by companies, government officials, travel agents and through the Internet; promotion and visibility is provided for the HACP via websites, website booking engines, on-line reservations systems, advertising, word-of-mouth recommendation. Alternatives are evaluated for suitability of location, distance, price, product, facilities, services, food, reputation and prestige, depending on the needs and priorities of the consumer.

Guest evaluations found that customers staying on the commercial floors remember a positive experience with the HACP, noting the warm service, good quality food, newly-renovated rooms, friendly staff, security and top-notch treatment, all of which made guests feel comfortable and at home. The presence of repeat guests is evidence that many guests are satisfied with the hotel. Most guests seemed happy with the recent renovations. While the

athletes staying on the social floors have no choice in the matter, they have said that they enjoy staying at the HACP because of its location convenient to sports venues in Jakarta.

Consumer Profiles of the HACP Market

In selling the hotel to the customers, the HACP has to understand the consumer profiles of the target markets, commercial and social. The commercial market serves several segments. The business individual category includes individual corporate employees, government and embassy employees and long-term guests staying in the hotel for business reasons. Business groups include corporate and government groups, associations and air crews. The leisure individual and leisure group segments include individual and group tours arranged by travel agents, individuals and groups on hotel or airline package tours, hoteliers and agents, and visiting sports groups. The primary target markets are business and government individuals, MICE, travel agents, leisure groups, weddings and corporate parties.

Corporate individuals, corporate groups and long-term guests who are corporate consumers represented 51.38% in 2007 and 49.33% in 2008. Travel agent individuals and groups crews represented 15% in 2007 and 17.86% in 2008. Government individuals and groups, represented 12.88% in 2007 and 17.86% in 2008. Hotel Packages represented 8.12% in 2007 and 8.49% in 2008. Sport contributed 7.76 % in 2007 and 6.30% in 2008, MICE 4.59% in 2007 and 5.43% in 2008 and airlines represented 0.29% in 2007 and 0.41% in 2008.

Corporate consumers (foreign and local) are mainly booked from the companies within the regional from the hotel location, often at the last minute. A few booked directly on the on-line reservations system or as walk-in guests. The government market is comprised mainly of groups from the government offices close to the hotel location and is a reliable, seldom-changing source of business. Most of the support for travel agent markets comes from the six main Indonesian

travel wholesalers, namely KAHA, MG Holiday, Dunia Wisata, Haryono, Pasopati and Indotel, and some small wholesalers such as Nusantara and Bayu Buana.

Commercial customer behavior. Corporate consumers tend to be most concerned about location, efficiency, security, good service, facilities, good food, comfort and prices, in that order, whereas government markets express concern about prices, benefits, location and commission. Consumers from travel agents are mostly budget conscious, expecting low rates but also good rooms and service. Their accommodation is usually bought as a package with air tickets.

Social market characteristics. The athletes on the designated athlete floors include long stay athletes in government programs, athletes from PELATNAS and those arranged for by KONI for special events such as PON, SEA Games, ASIAN Games and Olympic Games, and athletes from PAL (athletes arranged by the Ministry of Sports and Youth Affairs). It also includes short stay athletes: those involved in regular sporting activities, local events and competitions, athlete meetings and conferences. Unlike the commercial market, the market for athletes is not targeted. The athletes who stay on athlete floors should have the government's recommendation from the Ministry of Sport and Youth Affairs. These are national athletes with a low budget and no strong demand for four-star amenities. They are mostly well-organized and behaved, but some are not disciplined or properly dressed because most of them are teenagers. They often bring food from outside if they do not like the food provided by the hotel.

The HACP's Performance in Serving the Commercial and Social Markets

The performance of the HACP in servicing commercial market and social market has both a positive and negative impact. In the commercial market, the HACP enjoys a high occupancy and good rates improved by the recent renovation of some floors and the premium

prices commanded by the executive floors. On the other hand, guests may have a negative image of the HACP because it serves the athlete market. presuming that the HACP is a budget hotel and that all of its accommodations are like athletic dorms. These negative perceptions are often eliminated only when commercial guests use the hotel themselves. Performance of the HACP in servicing two distinct markets can be shown by market share, market segment, room pricing and occupancy and the number of repeat guests.

Market share. The performance the market share of the HACP is shown in the following table:

Table 1

Number of Rooms of Four Star Hotels in Jakarta (2006-2008)

Year	2006	2007	2008
Number of rooms	8350	8350	8704
Number of 4-star hotels	28	28	29

From the above total numbers of rooms, the HACP has contributed 475 rooms in each year.

Table 2

Performance of Market Share of the HACP (2006-2008)

Hotel name	Room number	% Market share based on number of room (a)			
		2006	2007	2008	Average
HACP	475	5.69	5.69	5.46	5.61

Hotel name	% Market share based on actual room number sold (b)				Ratio of market share = (b)/(a)
	2006	2007	2008	Average	
HACP	12.31	12.22	11.39	11.97	(11.97)/(5.61)=2.13x

Table 2, shows that the performance of market share based on actual number room sold is 11.97% or 2.13 times from the ratio of market share.

Market segment. There are five main market segments that the HACP serves; commercial, government, travel agents, others and athletes in commercial rooms.

Table 3

Performance of Market Segmentation of the HACP (2006-2008)

Year	% of Market segment					
	Corporate	Government	Travel agents	Other	Athletes in commercial room	Total
2006	50	15	17	13.46	4.52	100
2007	51	13	17	11.20	7.8	100
2008	52	18	16	7.7	6.3	100
Average	51	15.33	16.67	10.79	6.21	100

The table above shows that biggest segment (51%) of the HACP's guests comes from the corporate market.

Room pricing and occupancy. The performance of the occupancy and room pricing of the HACP for the year 2006-2008 is shown in the following table

Table 4

Room Pricing and Occupancy of the HACP (2006-2008)

	2006	2007	2008	Average
Room pricing	xRp.	(xRp. +10.38%)	(xRp. +24.91%)	
Occupancy	70.21%	75.32%	74.01%	73.18%
Room condition	Existing room (475)	Existing: 435 new room: 40 (renovation)	Existing: 395 New room: 80 (renovation)	

The above table shows that the increase of the price of the renovated rooms in 2007 and 2008 was in line with occupancy performance. Occupancy increased from 2006 (70.21%) to 2007 (75.32%) and dropped slightly in 2008 (74.01%) as a result of the global monetary crisis.

Repeat guests. The performance of the HACP in serving the commercial market, especially repeat guests, is shown in the following table:

Table 5

Number of Guests and Repeat Guests in the HACP (2006-2008)

2006			2007			2008		
Guest numbers	Repeat guests	%	Guest numbers	Repeat guests	%	Guest numbers	Repeat guests	%
29.121	2748	9.44	27.977	2635	9.42	31.618	2595	8.21
Existing rooms			Room renovations in progress			Room renovations in progress		

It is shown that during 2006-2007 the percentage of repeat guests was relatively stable, indicating that the HACP has a significant number of loyal guests. There was a decrease of 9.42% to 8.21% or 1.21% in 2008. The 24.91% price increase between 2006 and 2008 in combination with global economic conditions might have influenced the decrease in 2008. In

response to a contracting economy, many companies are taking steps to cut nonessential costs, including employee travel expenses. It is possible that many of the corporate guests previously staying in the HACP moved to a three-star hotel or one with lower room rates. Perhaps for the same reason, some businessmen moved from five-star hotels to the HACP.

Synergy of Function from Serving Commercial and Social Markets

Serving athletes as a social market makes people aware that the HACP is a hotel for athletes. The 2nd, 3rd, and 4th floors are for national (Indonesian) athletes only. Whenever there is an international event, athletes from many countries will stay in the HACP. However, they are not allowed to stay on athlete floors. They have to stay on commercial floors, which means adding guests on commercial floors, leading to higher occupancy for the commercial floors of the hotel. Because the sports venue is opposite the hotel, it is a convenient location for both the athletes and the sports organizations. When demand for the athlete floors is high, some national athletes will stay on the commercial floor and pay full commercial rates. Sports meetings, congresses and seminars held in the hotel will result in the delegations staying on the commercial floors. These events are often attended by ministers, popular athletes and other prominent people, and are often covered by the press, providing good publicity for the hotel.

The parents of children who take part in sports events are required to stay on the commercial floors while their children stay on the athlete floors. This creates synergy in both the commercial and social markets. Part of the profit from the commercial floors is used to subsidize the low rates of the athlete floors. The following tables show evidence in leverage the synergy by the HACP in serving the two distinct markets.

Table 6

Percentage of Occupancy for Commercial and Athlete Floors (2006-2008)

	2006	2007	2008	Average (2006-2008)
Occupancy of athlete floor	47.76%	74.85%	43.44%	55.35%
Occupancy of commercial floor:				
Commercial guests	67.02%	69.48%	69.35%	68.62%
Athletes	<u>3.19%+</u>	<u>5.84%+</u>	<u>4.66%+</u>	<u>4.56%+</u>
Total	70.21%	75.32%	74.01%	73.18%

Table 7.

Percentage of Subsidized Rooms for Social (Athlete) Market (2006-2008)

	2006	2007	2008	Average
% Subsidy for athlete	29.49%	35.18%	32.03%	32.23%
Percentage subsidy to				
Total Revenue of the hotel	5.00%	3.36%	2.55%	3.63%
Percentage subsidy to				
Gross Operating Profit (GOP)	6.00%	6.93%	5.89%	6.27%

It is shown in Table 7 that the HACP had given a subsidy of 32.23% per athlete and a total of 3.63% from the total revenue of the hotel or 6.27% from the Gross Operating Profit (GOP). It should be noted that some athletes occupied the commercial floors at the expense of a sponsor, in which case they paid the same full rates as other commercial guests. The average occupancy of athletes in commercial rooms for 2006-2008 was 4.56%. The presence of these corporate-sponsored athletes on the commercial floors provided opportunities for the hotel to

network with international companies such as Nike, Adidas and Yonex as well as a large cigarette companies such as Djarum and Sampoerna (Phillip Morris).

Strategy and Marketing Mix of the HACP

To differentiate between customer strategies, the HACP should implement a Seven Ps marketing mix as part of the operational marketing planning in order to reach both target markets. An assessment of the HACP's marketing strategy reveals that the bulk of the marketing and positioning effort goes toward proving the commercial floors consistent with international four-star hotel standards. Therefore the primary strategy is product separation. Different floors, separate elevators, and separate dining and lounge accommodations mean that the HACP operates effectively as two hotels under one roof.

Hotel product for commercial market. The room product consists of 475 rooms, with 220 superior rooms, 40 deluxe rooms, 120 executive club, 80 grand executive club, 12 junior suites, 1 executive suite, 1 century suite and 1 presidential suite. All rooms have internet access. Each floor has a lounge, including one executive club lounge and one grand executive club lounge. Food products are represented by Senayan Cafe restaurant, Sweet Corner Coffee Terrace, Gazebo Pool bar, room service and mini bar, while other products include the Kridangga ballroom, 5 boardrooms, 4 commercial elevators, one fitness center, two tennis courts and a semi-olympic swimming pool.

The smaller social market consists of 125 standard rooms on three athlete floors, one front desk, two dining floors and a lounge, one athlete elevator, laundry and swimming pool. Product separation allows the HACP to avoid the problems caused by serving commercial and social markets. Regulation is agreed on by the hotel and sports organizations through regular meetings with PIC and sport organizations.

Hotel promotion. The social floors of the hotel are not directly promoted. Their occupancy is arranged for by the Indonesian government. Any problems or changes are dealt with via regular meetings with sports organizations, KONI and the Ministry of Sport and Youth Affairs. The commercial floors are promoted through direct marketing by updating the HACP website, working with leading website hotel booking engines (on-line reservations system), email and mailing campaigns and word of mouth. The hotel employs paper, billboard and banner advertising as well as publicity in the electronic media and selling directly to potential and established clients by visiting client offices.

Hotel positioning and message. The HACP positions itself as a deluxe four-star hotel with international standards aimed at business and individual travelers. To deliver this message to current and potential customers, its employees are expected to provide a high standard of service, high-quality products, good facilities, good food, cleanliness, good security, friendly staff, care and attention to the details that allow guests to feel satisfied and comfortable. The social floors are considered a passive market as they rely heavily on support from sports organizations, KONI, the Ministry of Sport and Youth Affairs. The basic criteria to occupy athlete floors is recommendation from the individual sports organizations, sponsors and event organizers, who will need a recommendation from KONI, BPGBK or the Ministry of Sport and Youth Affairs. The marketing team assigns one person in charge of handling sporting and event organizations on the commercial floor. This employees' primary job is encouraging sports clients with a sizeable budget to stay on the commercial floors.

Pricing strategies. The pricing strategy for commercial markets is flexible due to the market being controlled by the customers. Pricing is based on competitors' pricing analysis, buying power of the customers based on last year's pricing analysis, target occupancy and

revenue to achieve, inflation rate, market situation and overall cost of benefits in the pricing. During the off season and low occupancy periods, the HACP team creates new packages targeted at budget customers. In addition, HACP employees monitor and compare the HACP's prices with those of its near competitors, conduct market surveys and extend preferred rates to potential customers. The pricing of the social floors is kept low by government subsidy and is also partly subsidized by commercial profits. The goal of the commercial hotel with regard to the athletic floors is therefore to maximize commercial market revenue by operating efficiently without reducing the guest satisfaction.

A cost analysis for each athlete per day is performed by the Rooms Division Manager, Cost Control and Financial Controller, with food and beverages cost analysis carried out by the Food and Beverage department. Room prices for athletes are therefore determined based on these cost analyses and approved by KONI.

Channel distribution. Promotion to the wider commercial market is achieved by appointing local and overseas travel agents to include the HACP in travel packages, placing the HACP on leading on-line reservations systems (booking engines), employing hotel representatives in airports, train stations and bus stations and collaborating with airlines to create hotel packages. Channel distribution used by the Hotel to attract the social (athlete) market is limited to the national sports organizations, KONI and the Ministry of Sport and Youth Affairs. The social market is based entirely on these agencies' recommendations.

Criteria for hotel staff. There is no differentiation in criteria for hiring, recruiting and training staff. All staff are treated equally and have the same standard hotel policy and procedure, with adjustments to meet individual guests' needs. Service in all markets must be detailed, careful, courteous, friendly, polite and prompt. Employees in either component are required to

have graduated from hotel school and to stand at least 160cm high for men and 155cm for women. Both markets are served by the same human resource department and employees of both are treated the same. All employees are expected to be smart, patient, friendly, active, attentive, suitably attired and well trained. Special knowledge of the characteristics of each market is achieved through in-house training and the experience gained by working directly with the two markets.

Service delivery. Despite the unity of the staff and service policy, services are clearly separated between social and commercial markets. Service on the social floors tends to be more relaxed and informal as the demands of commercial customers are significantly higher and more stringent than those of athletes. Both markets work continually to provide more personalized and friendlier approaches with care and attention to detail. Customers are involved through guest comments in the commercial market, and through meetings with KONI and comments from athletic coaches in the social market.

Commercial guests expect clean rooms, bright reading lamps, properly working air conditioning, a desk, lounges on each floor and complete room amenities. Commercial floors provide physical evidence of their service in the form of plush reception desks, comfortable bedrooms, luxurious lounges, a variety of room types to meet a range of needs and preferences, good restaurants, a business center, nice uniforms for staff and superior equipment. Business cards, brochures, calculators, note pads and ballpoint pens are provided.

For the social market, there is no special request except for clean standard rooms. Rooms on the athlete floors have no TV, no telephone, no bedcovers, no furniture and limited bathroom amenities. Television and public telephones are provided in the lounges on each floor. Athletes

are also guaranteed a place to hang clothes, shoe racks, two separate showers and a clock and dispenser in each room.

The HACP Performance Compared with Direct Competitors

The management of the HACP has identified four hotels in the surrounding location serving the business market as its direct competitors. For the sake of confidentiality, their names are given as Hotel P, Hotel C, Hotel S and Hotel M.

The performance of the HACP was analyzed by comparing its achievement in occupancy, market share, market segment, room pricing and pricing flexibility with its direct competitors.

Table 8

HACP's Occupancy and Direct Competitors (2006-2008)

Hotel name	Year			Average
	2006	2007	2008	2006 to 2008
HACP	70.21	75.32	74.01	73.18%
Hotel P	73.29	74.72	72.55	73.55%
Hotel C	70.01	73.37	78.46	74.25%
Hotel S	47.49	65.04	74.44	62.32%
Hotel M	64.15	70.34	72.83	69.11%
Four-star hotel average	62.37	68.14	71.83	67.79%

Table 8 shows that the average occupancy of the HACP is 73.18% (2006-2008) which ranked third. Hotel C was the number one with 74.25%.

Table 9

HACP's Market Share and Competitors (2006-2008)

Hotel name	Room number	% Market share based on			
		number of rooms (a)			
		2006	2007	2008	Average
HACP	475	5.69	5.69	5.46	5.61
Hotel P	387	4.64	4.64	4.45	4.58
Hotel C	327	3.92	3.92	3.76	3.87
Hotel S	275	3.29	3.29	3.16	3.25
Hotel M	400	4.79	4.79	4.6	4.73
Other 4-star hotel		77.67	77.67	78.57	77.96
Total		100	100	100	100

Hotel name	% Market share based on				Ratio of market share = (b)/(a)
	actual room number sold (b)				
	2006	2007	2008	Average	
HACP	12.31	12.22	11.39	11.97	(11.97)/(5.61)=2.13x
Hotel P	10.51	10.09	9.2	9.93	(9.93)/(4.58)=2.17x
Hotel C	8.82	8.57	8.57	8.65	(8.65)/(3.87)=2.24x
Hotel S	4.83	6.27	6.9	6.00	(6.00)/(3.25)=1.85x
Hotel M	9.49	9.68	9.89	9.68	(9.68)/(4.73)=2.04x
Other 4-star hotel	54.1	53.17	54.05	53.77	(53.22)/(77.96)=0.69x
Total	100	100	100	100	

Table 9 depicts the performance market share of the HACP as the greatest, at 11.97%, among comparable four-star hotels and its ratio of market share as the third largest at 2.13 times.

The biggest ratio of market share is hotel C at 2.24x.

Table 10

HACP's Market Segmentation and Direct Competitors (2006-2008)

Hotel name	% Corporate				% Government			
	2006	2007	2008	Average	2006	2007	2008	Average
HACP	27.29	28.35	26.69	27.44	23.30	22.59	18.48	21.46
Hotel P	20.49	19.86	19.75	20.03	12.82	13.61	12.77	13.07
Hotel C	26.41	24.15	25.37	25.31	16.28	15.62	17.57	16.49
Hotel S	7.82	8.39	8.53	8.25	11.66	17.63	22.07	17.11
Hotel M	17.99	19.25	19.65	18.97	35.95	30.56	29.11	31.87
Total	100	100	100	100	100	100	100	100

Hotel name	% Travel Agents				% Other			
	2006	2007	2008	Average	2006	2007	2008	Average
HACP	24.36	22.74	25.90	24.33	28.40	15.26	17.36	20.34
Hotel P	35.97	35.04	35.26	35.42	23.35	22.67	15.04	20.35
Hotel C	12.57	10.42	10.78	11.26	16.97	12.12	6.90	11.99
Hotel S	7.40	7.78	11.00	8.73	23.16	35.55	35.75	31.51
Hotel M	19.69	24.01	17.05	20.26	8.12	14.40	24.94	15.81

Total	100	100	100	100	100	100	100	100
<hr/>								
Hotel name	%Athletes in Commercial Room							
	2006	2007	2008	Average				
HACP	100	100	100	100				
Hotel P	-	-	-	-				
Hotel C	-	-	-	-				
Hotel S	-	-	-	-				
Hotel M	-	-	-	-				
<hr/>								
Total	100	100	100	100				
<hr/>								

Table 10 shows the position of the market segment in the HACP as compared to its direct competitors. In the corporate market, the HACP remained in first position with 27.44%. It remained in second position in the government market with 21.46%, below hotel M's 31.87%. In the travel agent market segment, the HACP remained in second place with 24.33% to Hotel P's 35.42%. In the other market segment, the HACP remained in third position with a share of 20.34% while the market leader, Hotel S, held 31.51%. However, in the market for athletes staying on the commercial floors, the figure was 100%. There are no hotels in direct competition that serve the athlete market.

Table 11

Room Pricing of The HACP and Direct Competitors (2006-2008)

Hotel name	Room rate in (Rp.)	Room rate in (Rp.)	Room rate in (Rp.)	% difference to
<hr/>				

	2006	2007	2008	HACP in 2008
HACP		$(x+10.38\%)=$	$(x+24.91\%)=$	
	x	1.10x	1.25x	
Hotel P		$(1.21x+4.77\%)=$	$(1.21x+14.44\%)=$	$(1.38/1.25x100\%)-100\%$
	1.21x	1.27x	1.38x	$=+10.4\%$
Hotel C		$(1.05x+8.66\%)=$	$(1.05x+20.72\%)=$	$(1.27/1.25x100\%)-100\%$
	1.05x	1.14x	1.27x	$=+1.6\%$
Hotel S		$(0.99x+1.05\%)=$	$(0.99x+3.35\%)=$	$(1.03/1.25x100\%)-100\%$
	0.99x	1.00x	1.03x	$=-17.6\%$
Hotel M		$(0.74x+9.02\%)=$	$(0.74x+29.61\%)=$	$(0.95/1.25x100\%)-100\%$
	0.74x	0.81x	0.95x	$= -24\%$

Table 11 shows that the HACP room rate in 2008 remained in third position following a rate increase of 24.91% from 2006. The rate was 10.4% below than Hotel P and 1.6% below than Hotel C in 2008. Hotel P stayed in the first position after increasing rates by 14.44% from 2006. On the other hand, Hotel C stayed in the second position after increasing the rate by 20.72% from the same year. Of the three hotels above, the HACP has the highest increasing room rate from the year 2006 to 2008 of 24.91% compared to Hotel C of 20.72% and Hotel P of 14.44%. The rate increase of the HACP was due primarily to the 80 newly renovated rooms finished in April 2008 and other room renovations still in progress.

Table 12

Pricing Flexibility of the HACP and Direct Competitors (2008)

Hotel	Ratio of Pricing Flexibility=
Name	(Publish Rate) / (Corporate Rate)
HACP	1.98x
Hotel P	1.67x
Hotel C	1.22x

Hotel S	3.42x
Hotel M	3.5x

Ratio of pricing flexibility is the comparison between the published rate and the corporate rate. The higher the ratio, the greater the rate flexibility in deciding the pricing policy. Table 12 shows that the HACP stayed in third position with regard to pricing flexibility. The first position was occupied by Hotel M at 3.5x and the second position by Hotel S at 3.42x.

Customer Satisfaction and Evaluation

The HACP management does not perceive any significant competitors as it is the only hotel in Jakarta that serves the athletic market. Although the HACP does not have a system to monitor consumer satisfaction periodically, customer complaints are dealt with through regular meetings. A questionnaire is conducted to evaluate how the hotel responds to customer satisfaction or dissatisfaction. The questionnaire is discussed by the HACP management and then summarized with the positive and negative feedback together with action that needs to be taken.

Positive comments and responses. Positive comments are as deserving of relevant responsive action as negative comments. When customers note that hotel staff deliver a good service and a positive attitude toward guests, the comment is added to the employee's Human Resources file for future promotion and selection of Employee or Supervisor of the Month and Year awards. Comments on the attentiveness and responsiveness of staff encourages the HACP to continue to improve employees' ability in this regard by conducting training and continuing to improve the existing reward program.

Guests have positive things to say about the hotel's primary product, its rooms. Renovations have drawn praise, as have the comfortable sofa beds and clean, inviting lounges. The variety of food and beverage available through the cafe-restaurant, coffee shop, and

breakfast lounges also comes in for particular praise by satisfied guests. The HACP is committed to a continual improvement of service quality and food variety, and works to maintain cleanliness and quality in all areas. In particular, the Food and Beverage department continues to learn new recipes to add the variety of food and beverages, and encourages innovation among the FB staff.

Guests appreciate the complete hotel facilities that make them feel comfortable and supported. In addition to its ongoing renovations, the hotel will maintain and improve existing facilities such as the semi-olympic swimming pool, sauna, tennis courts, travel agents and beauty salon. Women in particular appreciate the security standing by on every floor. A current training objective for the HACP security team is to be more attentive, friendly and helpful toward hotel guests while maintaining a high level of vigilance. Guests in the Executive Club and Grand Executive Club rooms appreciate the private lifts, which should be kept well-maintained and clean. Lift guards are instructed always to be helpful and attentive to Executive and Grand Executive Club guests.

Guests also appreciate the exclusive lounges on the 12th and 16th floors, the housekeepers and other staff who reliably remember their names, and the shuttle services and voucher discounts available to surrounding shopping malls and department stores. It is important that the hotel maintain good ties with Jakarta retailers in order to retain and improve this benefit.

Negative comments and responses. The HACP is committed to finding creative solutions to any problems that might arise for its guests. In response to complaints that parking spaces were insufficient for a wedding party, the hotel is working with neighboring buildings to use their parking space for special events, offering use of their valet service in return. There have also been complaints that checking in at the front desk takes a long time, especially when a large

number of groups are checking in such as for meetings or events. To deal with this issue, front desk employees are being trained to speed up check in during busy times and seasons. To handle high occupancy, a separate check in desk has been established in the lounge for busy seasons and special events. The front office is also sending letters to alert guests that check out time is strictly at 12 noon. In order to maintain a smoother transition between departing and arriving guests, Housekeeping is rearranging the schedule of room boys to ensure that they have enough time to clean the rooms to be ready for the next guests. Similarly, long breakfast queues are helped by separating the breakfast among several lounges and the cafe, and adding part time staff to help out during periods of high occupancy.

Most of the complaints have to do with the current physical facilities of the hotel. Some of the bathrooms, for example, have drawn complaints for being old. The ongoing room renovation is a response to that, but because the hotel is still operating at a high occupancy, the solution is not immediate. Business equipment, too, is in the process of being replaced, but not quickly enough to escape complaints from a few corporate customers. In the meantime, existing equipment is being maintained to minimize inconvenience. In response to complaints that Internet access is sometimes slow, the EDP department is in the process of upgrading the internet connection on each floor. Because CCTV is not yet present on every floor, security is standing by 24 hours a day as replacement.

There is no bathtub in Executive Club rooms. If a bathtub is required, front desk receptionists will automatically upsell to the Grand Executive floor. In addition, the smoke detector in the rooms is too sensitive, ringing when guests boil water or take a bath with the door open. Engineering is on schedule to clean the smoke detectors so that they will be less sensitive to ordinary heat and steam. In the meantime, the hotel has placed announcements on the

bathroom doors warning guests to close the door when bathing to avoid setting off the smoke detector.

Guests on Executive floors have also complained that the elevators are too slow. In response, elevator no. 5 was assigned to accommodate solely the guests on executive floors while elevator no. 6 is shared with other guests in Superior and Deluxe rooms. After the renovation of the 16th floor, elevator no. 6 will be assigned wholly to executive Floor guests together with elevator no. 5., ameliorating the elevator backup from the other floors.

The HACP's Positioning Based on Customer Impressions

The results of the interview can be seen in Appendix B, Appendix C and Appendix D. Based on the data from the HACP management, the hotel's guests during 2006-2008 consisted of Indonesia 61.44%, Asia 21.37%, Europe 3.21% and Others 13.98%. From this data, it is apparent that the largest number of hotel guests is from Indonesia. Of the three corporate respondents chosen for the survey, one was from Indonesia, one from Singapore and one from Japan (the biggest contributor from Asia for the HACP). Following are the results of the interview:

Positioning aspect. The three respondents have a good impression of the HACP and they consider hotel P and Hotel C to be the HACP's competitors. With regard to location, the quality of the executive rooms, friendliness of its personnel and its swimming pool the respondents gave the HACP a higher score than the competitors. For quality of service, value (benefits of pricing), check in speed, food and beverage quality, meeting rooms and its coffee corner the HACP received the same score as the competitors. Respondents gave the HACP a lower score than its competitors for internet, elevator and restaurant.

Athlete aspect. The three respondents are aware that they stay in the same building with athlete and they do not consider this to be a problem. They ignore the name “ATLET” in the brand name HOTEL ATLET CENTURY PARK.

Bonding between guests and the HACP. All three respondents gave the HACP a high score of 8 to 9, meaning they have recommend the HACP to others. From the above data, it can be concluded that the strong points of the HACP are its location, room quality, friendly personnel and swimming pool. The HACP is located in the heart of Jakarta’s Central Business District and only steps away from the most prestigious shopping centers. Their newly renovated Executive Rooms are well designed with good amenities in the bathroom, and the room size (36 m²) is bigger than that of the HACP’s competitors. The hotel’s semi-olympic size swimming pool is also bigger than the competitors’. The Internet system and the elevators were rated as worse than the competitors, as was the restaurant, of which the HACP has only one.

Discussion

In serving the two markets, the HACP has to understand the consumer profiles and characteristic of each. A thorough knowledge of each of the markets makes it easier for the HACP to target those market segments that are most likely to respond favorably to the HACP. The commercial and social markets have different buying behaviors and decision-making processes where the three steps are input, process and output process.

Serving two distinct markets created a synergy for the HACP. In serving the social market the HACP has to subsidize the athletes, with an average contribution in 2006-2008 of 3.63% from the total revenue of the hotel, or 6.27% of the gross operating profit with the athlete floor occupancy of 55.35%. The contribution of subsidies to the athlete market will only grow if the occupancy of athlete floors increases.

On the other hand, serving the social market also provided lucrative networking opportunities for the HACP. Large-scale company sponsors such as Nike, Adidas, Philip Morris and Sampoerna are willing to pay for commercial rooms for the athletes who work for them. The contribution of sponsored athletes in commercial rooms was 4.56% of the total average occupancy in 2006-2008 (table 6). Perhaps more importantly for the long run, networking with the big companies allowed HACP access to decision makers within those companies, providing an opportunity to market their commercial floors to the company for other business needs. Many officials and principals have stayed in the commercial floors as a result of learning about the product through athlete sponsorship.

The hotel's strategy in serving two distinct markets appears successful. However, it is strongly suggested that the hotel try to increase its market share in order to improve on 2006-2008's average occupancy of 73.18%. A significant increase over the next few years would put the HACP ahead of its closest competitor's occupancy rate of 74.25%.

The ongoing floor by floor renovation of HACP's rooms and the accompanying rate increase did not negatively influence the market share, market segment or occupancy of the hotel. This shows that the room renovation and the room rate increase have been accepted by the market. The summary data of customer satisfaction from the guest questionnaire shows positive comments, while negative comments are largely being addressed by the ongoing renovations and are not of great significance. Nevertheless, it is necessary for the hotel to evaluate negative comments from their guests to enable the hotel to maintain and to improve existing conditions while minimizing negative impressions.

The HACP serves mixed market segments; corporate, government, travel agents, athletes and others. The HACP has the highest corporate market segment, while the HACP position in

government, travel agent, athletes and others remained in the middle position compared to its direct competitors. This position has additional value for the HACP in that it allows the hotel to operate without a significant dominant market segment. The dominance of one market segment can result in devastating losses if it disappears. For instance, when the monetary crisis occurred, the corporate market segment shrank and the seemingly stable government market declined as officials cut their meetings budget and instead used their own offices.

The HACP has implemented its marketing strategy from two different points: strategic aspects by segmentation, targeting and positioning strategy to occupy the positioning message of the HACP into the customer minds, and operational aspects implementing the Seven Ps marketing mix to reach the target segment of the HACP. That the hotel's strategy is on the right track does not mean that the management will cease their efforts. The declared vision of the HACP management is "To be the first choice of business four-star hotels with international standards". The management will continue to evaluate its actions and to improve its marketing strategy in order to reach their goal of being first in the market: "The first choice means the best choice and to be the best is our promise to work harder and harder".

Similarly, the mission statement of the HACP is as follows:

1. To continue the renovation of the hotel rooms and other facilities to compete with other hotels and to meet the customer needs and satisfaction.
2. Carrying on value for money service and strengthening guest loyalty to have our hotel as their second home.
3. To maintain the employee's team work and trust in each other by constant internal and outside training, providing job security, promotion within, rotation of staff to gain more knowledge and empowerment.

4. To continue efforts to maintain and achieve high revenue and profits through positive and honest management and operation of the hotel.

It is an important goal of the management to improve their marketing strategy to achieve the highest ratio of market share among the four-star hotels. To this end, improvement of the market share should be focused on the areas in which performance is lower than that of the HACP's direct competitors: government, travel agent and other.

As the three respondents to the survey demonstrate, the location of the HACP in the heart of Jakarta's Central Business District provides the most opportunity for the hotel to serve the corporate market. Services for the corporate segment should continue to be maintained and improved. The quality of the executive rooms will be more appealing if it is equipped with facilities for the corporate market such as a faster Internet connection. The management has to evaluate and to understand the needs of the corporate and government markets in order to attract them to the hotel. It is also a priority for the corporate and government markets to have meeting rooms available in the hotel as most of their activities are seminars, meetings and press releases.

As most of the time the HACP enjoys high occupancy (at an average of 73.18% for 2006-2008), it is crucial to consider the speed and efficiency of the elevators. It is also important for the hotel to minimize the negative image of the athlete's dormitory as their brand is the Hotel Atlet Century Park. In this case, the hotel might redesign its signs to make the word ATLET smaller than the CENTURY PARK, so that the CENTURY PARK will catch the eye first.

Conclusion

The purpose of this case study was to explain and to learn from the HACP's experience of serving two potentially contradictory markets and how the hotel developed its strategy to separate the two in order to avoid a negative impact on the commercial market. The important

lesson from the case study shows the appropriate implementation of the marketing strategy in the HACP in strategic and operational aspects which lead to a good performance that can generate revenue and be the leading four-star hotel compared to direct competitors despite serving two incongruent markets simultaneously.

From a strategic standpoint, the hotel is located in a prime area opposite a sports center (Gelora Bung Karno) and in proximity to the high-end offices of the CBD (Central Business District). Its location grants HACP ample opportunity to branch into both the social and commercial markets. HACP management is strongly committed to the cross subsidy strategy and has the confidence to apply the right marketing activities to two distinct markets. These actions have all resulted in the expected high performance.

Recommendation

In this case study, the HACP has provided specific examples of serving two distinct markets. This was done to evaluate and to understand customers' needs and satisfaction especially for the corporate and government market. In the latter the HACP has a lower number of guests in this segment compared to its direct competitors (table 10). For example, the hotel has added meeting rooms and a ballroom as it is a priority for the corporate and government markets to require them for their seminars. The hotels with a high corporate and government segment have more meeting rooms than the HACP. Hotel C, in second place, has 17 more meeting rooms than the HACP. Hotel M has the biggest government market because they have the highest flexible pricing policy (table 12) and substantially more meeting rooms. To meet the demand for meeting spaces, it is suggested that the HACP convert the lounge in some of the lower corporate floors (5th to 10th) to serve as meeting rooms while the lounge in the executive floors should

remain as it is, a source of added value for the executive guests. The lounges are one of the hotel's strengths as other competitors do not have comparable lounges on every floor.

The HACP must act to attract new markets in keeping with the renovations already completed, especially from those segments who would otherwise stay in five-star hotels but are required to cut travel costs in light of the global monetary crisis. This is in response to the slight decrease in the number of repeat guests between 2007-2008. Similarly, the hotel should constantly evaluate its prices with reference to the product and facilities. Looking at the results of the questionnaire, the renovation should be done comprehensively, meaning not only the product, but facilities such as faster internet and faster and better elevator should be improved immediately. The restaurant has to be more innovative in its menu selection to enable the hotel guests, especially those who stay for longer than three days, to enjoy a wider variety of food.

Facilities should be always maintained and added if necessary to be in line with the price increase, as high-quality facilities are an added source of value for guests. Management should evaluate the increase of room rates in 2009 and for the coming year in response to the HACP's room renovation process that will eventually renovate all rooms in the hotel. With the room rate increasing, the management hopes to have a higher room rate than Hotel P, the current market leader, whose rates averaged 10.4% higher in 2008 than those of HACP.

It is suggested that the HACP continue to maintain the renovated rooms and the service as specified in each category, e.g. junior suite, grand executive, and executive floors, to give guests and potential guests the impression that the HACP is the best hotel in the four-star category. For example, management should take care to maintain the executive lounge, including maintaining a butler who is always ready to provide service to executive guests. Staff training

should be provided regularly so that everyone on staff will contribute toward reaching the hotel's vision: to be the first choice of business four-star hotel with international standards.

The HACP should also continue to monitor closely all guest complaints and build a robust system to enable the management to take immediate action based on the guests' feedback. All guest complaints are currently being discussed in a special weekly meeting every Friday. If something urgent arises, such as no hot water in the bathroom, no airconditioning in the room or a pipe leaking in the shower, the management will take action immediately.

By improving collaboration with travel agents by giving attractive commission, HACP might overcome its second-place status in the travel agent market segment. Under the suggested system, the management and travel agents would agree on room allocation for a year and the travel agent would be awarded a greater commission for reaching the agreed number. The hotel might also sponsor travel fairs and other travel agent meetings by providing rooms. Travel fairs are very common, especially leading up to the holiday season, and hosting them in the hotel would provide additional publicity for the HACP.

With the above recommendations, its renovated rooms, and its strategic location, Hotel Atlet Century Park is ideally positioned to maximize the mix market segment, beat out its competitors and achieve the goals of its mission statement and vision.

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Appendix A

Feedback of Selected Guests Regarding the HACP's Positioning

Introduction

For my final research project in preparation for my MHA degree from UNLV, I would like to ask you to share your impressions of the attributes and positioning of Hotel Atlet Century Park (The HACP) compared to the other hotels you have stayed in. I understand that you are very busy and hope this interview will not take up too much of your time.

A. Screening Questions

1. Do you stay in the HACP?

Yes

No

2. What is the purpose of your stay?

Corporate

Leisure

Government

Other

3. Is this your first time staying with the HACP?

Yes

No

B. Guest Profile

1. Demographic

- 1). What is your occupation?
- 2). Where are you from?

2. Psychographic

- 1). Do you like to stay in the HACP?
- 2). Why did you choose the HACP?

3. Behavior

- 1). How frequently do you travel to Jakarta and stay in the HACP?
- 2). Where did you stay the last time you visited Jakarta?
- 3). How long do you usually stay in Jakarta?

C. Positioning

1. What is your impression of the HACP?
2. Which hotels do you think are direct competitors of the HACP (4 star class)
3. Could you compare the HACP with its closest rival?
4. Have you ever stayed in a grand executive or executive club room at HACP?

Yes

No

5. If yes, what is your impression of the grand executive or executive club rooms in HACP compared to executive club rooms in competitor hotels?

6. What do you think of the executive lounge facilities? How do they compare to similar 4 star or even 5 star hotels?

D. Presence of Athletes

1. Are you aware that you stay in the same hotel with athletes?

Yes

No

2. If yes, what makes you aware?

- Is it because you see the athletes in the lobby?

- Is it because of the "Athlete" name?

- Other _____

3. Does the hotel brand name influence your decision to stay with the HACP?

E. Measuring the bonding between guests and the HACP by Net Promoter Score

1. Would you recommend the HACP to your friend or colleague?

Please circle your score

1 2 3 4 5 6 7 8 9 10

Note:

1 – Would not recommend the HACP

6 – Fair/Unsure

10 – Definitely would recommend the HACP

Helping Card for The Guests

	Attributes	HACP Score				Competitor Score				Remarks
		Less than average	Average	Good	Very Good	Less than average	Average	Good	Very Good	
1	Convenience of the location									
2	Quality of service									
3	Quality of room									
4	Value (Benefits of pricing)									
5	Friendliness of personnel									
6	Check in speed									
7	Quality of the food and beverage									
8	Hotel facilities									
	a. Swimming pool									
	b. Coffee corner									
	c. Meeting room									
	d. Internet & business center									
	e. Restaurant									

NOTE :NOTE:

- Please mark (x) in the score box
- Please explain your reasons and the name of the HACP's competitor in the remarks box

Appendix B

Feedback of Selected Guests Regarding the HACP's Positioning (INDONESIA)

Introduction

For my final research project in preparation for my MHA degree from UNLV, I would like to ask you to share your impressions of the attributes and positioning of Hotel Atlet Century Park (The HACP) compared to the other hotels you have stayed in. I understand that you are very busy and hope this interview will not take up too much of your time.

Screening Questions

1. Do you stay in the HACP?

Yes

No

2. What is the purpose of your stay?

Corporate

Leisure

Government

Other

3. Is this your first time staying with the HACP?

Yes

No

Guest Profile

Demographic

1). What is your occupation?

I am a photographer. I am the owner of the Photography school in some cities, Jakarta, Medan, Yogyakarta, Solo and soon I am going to open the one in Bandung.

2). Where are you from?

I am from Yogyakarta, Indonesia

Psychographic

1). Do you like to stay in the HACP?

Yes, I like the hotel.

2). Why did you choose the HACP?

I have to visit Jakarta once in a week, as I have to teach in my school. It is in the Permata Hijau area which is near to the hotel and it takes about 20 minutes by car. Besides, I like shopping and after office hours I always go to the shopping mall which is in walking distance or I use the shuttle service prepared by the hotel. Price is reasonable.

Behavior

1). How frequently do you travel to Jakarta and stay in the HACP?

Once a week

2). Where did you stay the last time you visited Jakarta?

Last time I always stayed in Peninsula or Santika Hotel which are in Slipi. My secretary was the one who arranged for me. I have tried also to stay in Acasia hotel in Matraman.

3). How long do you usually stay in Jakarta?

I stay for 3 days because I have to teach in my school and sometimes there is a seminar in which I have to give a speech.

Positioning

1. What is your impression of the HACP?

Well, overall, this HACP is a good hotel. In term of location, I have to say this hotel has the best location among other four star hotels. Price is reasonable. The superior

and deluxe rooms are average but the grand executive and executive club rooms are very good. Bathrooms are clean and I have seen the management use the ribbon for the towels which I think is something different. As a photographer, I am interested in the way the hotel arranges the bathroom, a good sample especially for the brochure.

2. Which hotels do you think are direct competitors of the HACP (4 star class)

In my opinion, Peninsula and Santika could be their competitors. But the HACP has the best location. The superior and deluxe rooms are similar to Peninsula, Santika has better superior rooms, they were renovated recently. Once I stayed in the executive club room in HACP, I always choose this hotel rather than the others. I am a heavy smoker, I like to have coffee with some friends in the coffee terrace; it has good live music.

3. Could you compare the HACP with its closest rival?

Well, as I said, if I compare the superior and deluxe rooms, they are similar, but grand executive and executive club rooms in HACP are the best.

4. Have you ever stayed in a grand executive or executive club room at HACP?

Yes, it started a year ago when I found out for the first time that HACP has grand executive and executive club rooms. From that day, I always stay either in the grand executive or executive club room.

Yes

No

5. If yes, what is your impression of the grand executive or executive club rooms in HACP compared to executive club rooms in competitor hotels?

HACP has the best.

6. What do you think of the executive lounge facilities? How do they compare to similar 4 star or even 5 star hotels?

As I said, the executive lounge is indeed nice.

Presence of Athletes

1. Are you aware that you stay in the same hotel with athletes?

Yes

No

2. If yes, what makes you aware?

- Is it because you see the athletes in the lobby?

- Is it because of the "Athlete" name? Yes

- Other _____

3. Does the hotel brand name influence your decision to stay with the HACP?

No, I do not care.

Measuring the bonding between guests and the HACP by Net Promoter Score

1. Would you recommend the HACP to your friend or colleague?

Please circle your score

1 2 3 4 5 6 7 8 10

Note:

1 – Would not recommend the HACP

6 – Fair/Unsure

10 – Definitely would recommend the HACP

Helping Card for The Guests

	Attributes	HACP Score				Competitor Score				Remarks
		Less than average	Average	Good	Very Good	Less than average	Average	Good	Very Good	
1	Convenience of the location				X		X			Very Good location of HACP
2	Quality of service				X			X		
3	Quality of room				X		X			Nice design of room and bathroom in HACP
4	Value (Benefits of pricing)			X			X			Good price
5	Friendliness of personnel				X			X		Friendly Staff in HACP
6	Check in speed			X				X		
7	Quality of the food and beverage		X				X			
8	Hotel facilities									
	a. Swimming pool			X			X			
	b. Coffee corner				X		X			Terrace cafe good for smokers
	c. Meeting room			X					X	
	d. Internet & business center		X					X		
	e. Restaurant		X					X		

NOTE:

- Please mark (X) in the score box
- Please explain your reason and the name of the HACP's competitor in the remarks box

Appendix C

Feedback of Selected Guests Regarding the HACP's Positioning (SINGAPORE)

Introduction

For my final research project in preparation for my MHA degree from UNLV, I would like to ask you to share your impressions of the attributes and positioning of Hotel Atlet Century Park (The HACP) compared to the other hotels you have stayed in. I understand that you are very busy and hope this interview will not take up too much of your time.

Screening Questions

1. Do you stay in the HACP?

Yes

No

2. What is the purpose of your stay?

Corporate

Leisure

Government

Other

3. Is this your first time staying with the HACP?

Yes

No

Guest Profile

Demographic

1). What is your occupation?

I work in a trading company, and I am the Manager.

2). Where are you from?

I am from Singapore

Psychographic

1). Do you like to stay in the HACP?

Yes, certainly, I like it very much

2). Why did you choose the HACP?

The staff are friendly and it is convenient to stay here

Behavior

1). How frequently do you travel to Jakarta and stay in the HACP?

I travel every month to Jakarta

2). Where did you stay the last time you visited Jakarta?

I stayed in the HACP, but a long time ago I have stayed in other hotels like Four season, Crown Plaza, Peninsula.

3). How long do you usually stay in Jakarta?

Usually I stay for a week unless our partner from the USA visits Jakarta, then I stay longer.

Positioning

1. What is your impression of the HACP?

Very good, I see the hotel always tries to renovate the rooms and facilities.

Location is the best, price is reasonable. Nice room and excellent lounge, especially on the 16th floor, but I usually use 12th floor lounge because it is non-smoking. It is a nice lounge. You have cocktails and it's good to be there when you have a small meeting.

2. Which hotels do you think are direct competitors of the HACP (4 star class)

I don't think this hotel has a competitor in this area. Hotel Mulia is different. Peninsula is four star, I have stayed there, but it is different, location, product, it is different.

3. Could you compare the HACP with its closest rival?

I cannot compare it, but as I said, Peninsula might be the rival, as both the HACP and Peninsula are in the 4 star class. To me, this HACP is much better. When I have so much stuff, I put it in my room. The room is big and with the writing desk you will be able to work, especially when I need to communicate with clients from many countries, but please, please the management has to improve the Internet system. Make it faster. Also the elevator, especially in the morning when guests have to leave the hotel for their meetings, there is a long queue.

4. Have you ever stayed in a grand executive or executive club room at HACP?

Yes

No

5. If yes, what is your impression of the grand executive or executive club rooms in HACP compared to executive club rooms in competitor hotels?

As I said, the grand executive and executive club rooms are good. Nice design, also the colour.

6. What do you think of the executive lounge facilities? How do they compare to similar 4 star or even 5 star hotels?

No doubt, lounges on the 12th floor and 16th floor are excellent. Good facilities and friendly personnel. I understand this hotel is not managed by an international chain, but still, this hotel is good.

Presence of Athletes

1. Are you aware that you stay in the same hotel with athletes?

Yes

No

2. If yes, what makes you aware?

- Is it because you see the athletes in the lobby?

- Is it because of the "Athlete" name? Yes

- Other _____

3. Does the hotel brand name influence your decision to stay with the HACP?

No, I do not think so

Measuring the bonding between guests and the HACP by Net Promoter Score

1. Would you recommend the HACP to your friend or colleague?

Please circle your score

1 2 3 4 5 6 7 9 10

Note:

1 – Would not recommend the HACP

6 – Fair/Unsure

10 – Definitely would recommend the HACP

Helping Card for The Guests

	Attributes	HACP Score				Competitor Score				Remarks
		Less than average	Average	Good	Very Good	Less than average	Average	Good	Very Good	
1	Convenience of the location				X			X		HACP has the best location
2	Quality of service				X		X			
3	Quality of room				X		X			
4	Value (Benefits of pricing)			X			X			
5	Friendliness of personnel				X			X		Most staff in HACP are friendly
6	Check in speed		X				X			
7	Quality of the food and beverage			X				X		
8	Hotel facilities									
	a. Swimming pool			X			X			
	b. Coffee corner		X				X			
	c. Meeting room		X					X		
	d. Internet & business center	X						X		Internet very lousy needs to improve ASAP. Elevator very slow
	e. Restaurant		X				X			More Menu

NOTE:

- Please mark (x) in the score box

- Please explain your reason and the name of the competitor in the remarks box

Appendix D

Feedback of Selected Guests Regarding the HACP's Positioning (JAPAN)

Introduction

For my final research project in preparation for my MHA degree from UNLV, I would like to ask you to share your impressions of the attributes and positioning of Hotel Atlet Century Park (The HACP) compared to the other hotels you have stayed in. I understand that you are very busy and hope this interview will not take up too much of your time.

Screening Questions

1. Do you stay in the HACP?

Yes

No

2. What is the purpose of your stay?

Corporate

Leisure

Government

Other

3. Is this your first time staying with the HACP?

Yes

No

Guest Profile

Demographic

1). What is your occupation?

I work in the office of the furniture company in Japan. My company has a partner in Jakarta.

2). Where are you from?

I come from Tokyo, Japan

Psychographic

1). Do you like to stay in the HACP?

Yes, during my visit to Jakarta, I stay in this hotel. I like this hotel even though it is a bit far from my partner's office.

2). Why did you choose the HACP?

The rooms are big and also the bathroom with the bathtub where I always use after office hours. The price is so reasonable for me, I can say I have value for my money, as Mr.Ario the sales person from the hotel always told me.

Behavior

1). How frequently do you travel to Jakarta and stay in the HACP?

About two to three times in a year and I stay for two weeks in one visit.

2). Where did you stay the last time you visited Jakarta?

I have tried several hotels like Ambara, Crown Plaza, Ciputra, Peninsula, Meridien and Sari Pan Pacific

3). How long do you usually stay in Jakarta?

About 2 weeks.

Positioning

1. What is your impression of the HACP?

HACP has a very good location and the hotel staff are friendly. Overall I have a good impression about HACP.

2. Which hotels do you think are direct competitors of the HACP (4 star class)

I do not know much about their competitors, but in my experience, Hotel Peninsula in the Slipi area and hotel Ciputra in Grogol might be the HACP competitors.

3. Could you compare the HACP with its closest rival?

Well, the executive rooms in the HACP are nicer with its nice lounge, I did not find such lounges elsewhere. The shopping area surrounded the HACP are high end while closed to Ciputra the shopping mall I think is in the middle level. Location wise, Ciputra and Peninsula hotels are not as good as the HACP. You always find a traffic jam in those two areas.

4. Have you ever stayed in a grand executive or executive club room at HACP?

Yes

No

5. If yes, what is your impression of the grand executive or executive club rooms in HACP compared to executive club rooms in competitor hotels?

I have a good impression of the HACP, their newly renovated rooms I can say is reaching to five star product. I like the design of the room and bathroom, and most of all the lounge in 16th floor where I enjoy green scenery while I have my breakfast. The personnel in the lounge are friendly and helpful. My note is to have more of a variety of food for breakfast and cocktails in the evening. Also, the Internet system should be improved as I always use the Internet to communicate to Japan for my work and family.

6. What do you think of the executive lounge facilities? How do they compare to similar 4 star or even 5 star hotels?

As I informed you just now, executive lounge design, ambience and personnel are excellent. Please inform your General Manager of my note about food variety and Internet.

Presence of Athletes

1. Are you aware that you stay in the same hotel with athletes?

Yes

No

2. If yes, what makes you aware?

- Is it because you see the athletes in the lobby?

- Is it because of the "Athlete" name? Yes

- Other _____

3. Does the hotel brand name influence your decision to stay with the HACP?

Not at all

Measuring the bonding between guests and the HACP by Net Promoter Score

1. Would you recommend the HACP to your friend or colleague? Yes

Please circle your score

1 2 3 4 5 6 7 9 10

Note:

1 – Would not recommend the HACP

6 – Fair/Unsure

10 – Definitely would recommend the HACP

Helping Card for The Guests

	Attributes	HACP Score				Competitor Score				Remarks
		Less than average	Average	Good	Very Good	Less than average	Average	Good	Very Good	
1	Convenience of the location				x			x		Good location
2	Quality of service			x				x		
3	Quality of room				x		x			
4	Value (Benefits of pricing)			x			x			Reasonable price
5	Friendliness of personnel				x		x			very friendly staff
6	Check in speed			x				x		
7	Quality of the food and beverage		x				x			More food variety
8	Hotel facilities									
	a. Swimming pool			x			x			swimming pool good for exercise, semi olympic size
	b. Coffee corner		x				x			
	c. Meeting room		x					x		
	d. Internet & business center	x					x			Internet needs to be improved immediatelly
e. Restaurant		x				x				

NOTE:

- Please mark (X) in the score box

- Please explain your reason and the name of the competitor in the remarks box