

COMPETITIVE STRATEGY OPTIMIZATION IN THE ACCOMMODATION SERVICES INDUSTRY USING THE SWOT AND STP APPROCHES

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Abstract

This study examines competitive strategy within industrial environments through the Analysis of STP, SWOT Analysis and Porter's Five Forces framework. The study aims to provide a comprehensive understanding of how these strategic tools can be integrated to enhance competitive advantage. This study provides a fundamental viewpoint on strategic positioning by employing SWOT analysis to identify external opportunities and threats in addition to internal strengths and weaknesses. By emphasising market segmentation, targeting, and positioning tactics catered to particular client demands, the STP strategy further refines this. At last, Porter's Five Forces model is utilised to evaluate the industry's competitive dynamics by examining elements like the risk of new competitors, the ability of suppliers and buyers to negotiate, the possibility of replacement products, and the intensity of competition. Through a comprehensive analysis of various frameworks, the journal suggests a comprehensive approach for businesses to successfully traverse intricate industrial contexts and maintain a competitive edge.

Key Words : Competition Level, Internal Environment, Eksternal Environment, STP Analysis, Analysis Porter 5s Forces, SWOT Analysis.

Introduction

Brisbane, as one of Australia's top destinations, is no exception to this trend. The highest number of international visitors in the Queensland region in 2023 was occupied by the city of Brisbane, which reached 8.6 M Visitors. Of course this has a very good impact on the Brisbane area. This can be seen in table 1.1

Queensland City	International	Interstate/Intrastate	Total
Brisbane	1.2M	7.4M	8.6M
Fraser Coast	1M	0.8M	0.9M
Gold Coast	0.7M	4.1M	4.8M
Sunshine Coast	0.35M	4.2M	4.55M
Mackay	0.05M	1M	1.05M

Data Source: Tourism & Events Queensland, 2023

Based on data taken from Maxcapgroup, Queensland ranks second in the number of accommodation rooms after NSW, because Queensland is widely considered a domestic holiday destination for Australia because this state has warmer weather. This accommodation growth can be seen in table 1.2.

States & Territories	Hotels/ Motels	Resorsts/	Serviced Apartments and Holiday Park	Total Accommodation
Australian Capital Territory	4.803		1.928	6.731
New South Wales	67.761		19.826	87.587
Queensland	47.876		35.917	83.793
Victoria	35.055		15.463	50.491
Western Australia	21.371		5.728	27.099

Data Source: Maxcapgroup

Globalization chooses people who will continue to exist, thus businesses must be ready to adapt to market situations and deliver what clients need (Adhistry, 2022). SWOT analysis is a versatile tool that can be applied to various aspects of a business, including marketing strategy, product development, financial planning, and overall business operations (Nilplengsang & Pankham, 2023). Dr. Yoesoep Edhie Rachmad, S.E., M.M., Ph.D., CIPA. Et al (2022) defines marketing as a social and management process where individuals and groups acquire desired products, services, and value by developing and trading them with others. One of the marketing strategy tools is the marketing mix, which consists of product, price, location and promotion. To utilize them properly, companies must understand how to combine these elements to maximize the results of their marketing campaigns (Giri Dwinanda and Yuswari Nur, 2020).

STP Analysis

To achieve competitive advantage, they need to design effective marketing strategies. One approach that is widely applied in this context is the concept of Segmentation, Targeting and Placement (STP) (Handayani et al., 2023)

Segmentation

They can consider aspects related to the demographic data. Because conditions can change over time, companies usually need a lot of research and analysis to obtain this data. Psychographic segmentation based on social status, for example, classifies society into elite class, middle class, and lower middle class.

Targeting

In determining the market segment to be targeted, the company must meet three main requirements: first, the market segment must be large enough and have predictable profit potential; second, the targeting strategy must be based on the company's competitive advantages to ensure dominance in the market segment and provide added value to consumers; third, the selection of market segments must take into account the existing competitive situation, including the strengths and weaknesses of competitors and untapped market potential or unmet consumer needs.

Positioning

Always follow changes that occur in the market. By knowing the trends and dynamics occurring in the market, companies can design flexible and responsive positioning strategies to differentiate themselves from competitors and maintain their competitiveness in an ever-changing market.

Porter 5's Forces

Goyal (2020) explains that competition becomes sharper when companies in the industry are unable to understand market signals from their competitors well. This intense competition can affect profit margins and force companies to find new ways to maintain competitiveness. The entry of new entrants can trigger more intense price competition and force existing companies to increase efficiency and innovation.

SWOT Definition

SWOT is an analytical instrument for strategy used in numerous management disciplines such as sustainable tourist development and urban solid waste management.

SWOT Purpose

Through SWOT analysis, strengths, weaknesses, opportunities, and threats can be effectively evaluated to guide the decision-making process (Puyt et al., 2023)

SWOT Matriks

Puyt et al., (2023) state that the SWOT matrix is a strategic planning tool that emphasizes the importance of creativity and stakeholder input in the decision-making process, ensuring that organizations consider multiple perspectives before setting corporate strategy.

<p>IFE</p> <p style="text-align: right;">EFE</p>	<p>STRENGTHS (S) Elements that are currently functioning well in the company's operations and need to be protected to maintain satisfactory performance.</p>	<p>WEAKNESSES (W) Deficiencies or problems in current operations that need to be corrected to improve company performance.</p>
<p>OPPORTUNITIES (O) New opportunities that can be utilized in the future to improve the company's performance and competitive position.</p>	<p>Strategi SO Utilizing the company's internal strengths to capitalize on external opportunities. For example, using existing resources to explore new markets or develop new products.</p>	<p>Strategi WO Overcoming internal weaknesses to be able to take advantage of external opportunities. For example, improving internal skills or technology to be able to compete in an emerging market.</p>
<p>THREATS (T) Threats or risks that may affect the company's future operations that need to be addressed or avoided.</p>	<p>Strategi ST Using internal strengths to overcome or reduce the impact of external threats. For example, strengthening defenses against new competitors or addressing regulatory changes with technological innovations already in place.</p>	<p>Strategi WT Reduce internal weaknesses and avoid external threats. For example, restructure the organization to reduce risks from market changes or unstable economic conditions.</p>

Problem Delimitation

The study will focus on conducting a comprehensive SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis and applying the STP (Segmentation, Targeting, Positioning) framework for Airport Motel Brisbane, situated in Brisbane, Australia. The investigation will span on March 2024, examining the strategic aspects that influence its market positioning and operational effectiveness within the local hospitality industry.

Analysis and Discussion

Internal Environment Analysis

In terms of human resource management, Airport Motel Brisbane is in the process of strengthening their employee development strategy. In addition, management routinely monitors operational expenditures closely to ensure efficiency and optimal management of every dollar invested. Operational management at Airport Motel Brisbane is supported by a leading property management system that helps in monitoring and managing all operational aspects more efficiently.

Eksternal Environment Analysis

In an era where data security is a major issue, it is important for Airport Motel Brisbane to ensure that all its systems are secure and able to protect guests' personal information. This has certainly had a positive impact on Airport Motel Brisbane. Even though current conditions show a steady recovery, this motel is not free from external risks that need to be watched out for in the future. By implementing this system, Airport Motel Brisbane contributes to environmental protection efforts by reducing the amount of waste that goes to landfill.

Competition Level of Airport Motel Brisbane

The hospitality industry in Brisbane, Australia, is a highly competitive market, especially in strategic areas such as Brisbane Airport. Airport Motel Heritage, Pullman Brisbane, Hilton Brisbane, and The Calile Hotel. Pullman Brisbane Airport, on the other hand, offers a luxurious experience with facilities such as a spa and gourmet restaurant, which appeals to those looking for luxury and premium service.

STP Analysis

1. Segmentation

a. Demographic

Additionally, they direct their marketing towards individuals with upper-middle incomes, who are more likely to be able to afford slightly higher accommodation costs for added comfort.

b. Geographic

In its geographic segmentation strategy, Airport Motel Brisbane focuses on attracting attention from visitors who come to Brisbane from outside the city or country, either for transit purposes or to attend business events or conferences. They identified that such visitors often seek accommodation within easy reach of the airport to make their journey easier, and as a convenient temporary stopover.

c. Psychographics

In terms of psychographics, Airport Motel Brisbane groups travelers based on their values and preferences. They specifically target visitors who value comfort and convenience, especially a strategic location near the airport that can help reduce travel stress. In addition, they also attract highly efficiency-oriented visitors, who want to make the most of their time by choosing accommodation that is not far from the airport, thereby saving their travel time.

d. Behavior

One of the main segments they focus on is business visitors who frequently travel to Brisbane. In addition, their segmentation also includes short holiday visitors who visit Brisbane for recreational purposes or short visits. Not only does this reduce travel stress, but it also provides incredible ease of access for visitors who may have tight travel schedules.

2. Targeting

Airport Motel Brisbane targets key visitor segments, including business travelers, transit passengers, and short-term holidaymakers. For business visitors, the motel offers convenient, comfortable accommodations close to the airport, aiding efficient travel and rest. Transit visitors benefit from its proximity to the airport, providing a comfortable stopover between flights. Additionally, the motel caters to short holiday visitors by offering practical and affordable lodging near the airport, allowing them to enjoy their time in Brisbane without lengthy commutes.

3. Positioning

Airport Motel Brisbane positions itself as a convenient, comfortable, and cost-effective option for travelers. They focus on providing practical, well-equipped rooms near the airport, ensuring easy access and reducing travel stress. Their competitive pricing and high-quality service enhance value for visitors. Additionally, their attentive customer service aims to deliver a pleasant experience from arrival to departure. This strategic positioning helps them attract their target market, stand out from competitors, and effectively allocate resources.

Porter 5's Forces Analysis

Porter's Five Forces analysis is a strategic tool used to understand competitive forces within an industry or market. This helps Airport Motel Brisbane to evaluate the potential profitability of the market and design appropriate strategies.

a. Rivalry Among Existing Competitors:

Players in this industry compete to attract the attention of potential visitors by offering competitive prices, attractive promotional packages, or profitable additional services such as free airport transportation or breakfast facilities. Quick pricing decisions by competitors can have a significant impact on the profitability of an airport accommodation such as Airport Motel Brisbane.

b. Threat of Substitute Products :

The threat of Substitute Products or Services in the airport accommodation industry can be significant given the variety of options available to the modern prospective visitor. Apart from Airbnb, hotels located in city centers can also be serious competitors to airport motels. This interest could have a significant impact on demand for airport motels, especially in areas where direct access to the airport is not a top priority.

c. Bargaining of Customers :

Potential Visitors in the airport accommodation industry have significant bargaining power, supported primarily by the wide availability of information via the internet. This capability forces accommodation providers to remain competitive not only in terms of price, but also in the quality of the services they offer. This places additional pressure on accommodation providers to maintain high levels of customer satisfaction and to continually improve their stay experience.

d. Bargaining Power of Suppliers :

The bargaining power of suppliers plays an important role in maintaining the daily operations of airport motels. Suppliers, such as food and beverage providers, as well as providers of amenities such as linens, bathroom fixtures, and other amenities, contribute directly to guest comfort and experience. By partnering with these suppliers, Airport Motel Brisbane can ensure that every aspect of the stay meets or even exceeds customer expectations, making them the top choice for potential visitors choosing accommodation at Airport Motel Brisbane.

e. Threats of New Entrants:

This licensing process involves local and national authorities, which often takes additional time and costs to complete, slowing the pace of entry of new competitors into the

market. However, with the global tourism market continuing to develop dynamically and with greater mobility, there remains an opportunity for new entrants to enter the market with innovative strategies or effective marketing approaches. These opportunities can be enhanced by deeply understanding emerging market needs and identifying gaps in existing offerings, for example by focusing on services or facilities that are not yet available or not fully met by existing competitors in the market.

SWOT Analysis

Before creating the strategic business plan, it is necessary to understand the internal environment (Strengths and Weaknesses) and external environment (Opportunity and Threat) of the company. The following is the SWOT analysis of Airport Motel Brisbane.

1. Strengths

a. Strategic Location

This location also allows them to target the business market, tourists and travelers who prefer to live near the airport for convenience and quick accessibility.

b. Rates

Offering competitive rates in the airport motel category, Airport Motel Brisbane can attract budget-sensitive customers. This gives them an edge in responding to requests from visitors looking for affordable temporary accommodation.

c. Reputation

Airport Motel Brisbane has built a good reputation among previous guests. Positive reviews from customers regarding service, cleanliness and comfort can increase customer trust and loyalty. This can be seen on Google. Airport Motel Brisbane has the same rating as its competitors, namely 3.6/10 even though its competitors have 4 star Motel accreditation. Of course, this reputation can influence potential guests' decisions to choose them compared to their competitors.

2. Weakness :

a. Dependence on Airport Traffic

While being close to the airport is a big advantage, Airport Motel Brisbane is also dependent on the volume of airport traffic. By initiating a structured training program, Airport Motel Brisbane can overcome these challenges by increasing employee competency, increasing guest satisfaction and building a reputation as a friendly and professional accommodation destination.

b. Don't Have Social Media

This hinders their efforts in building brand awareness effectively and leveraging digital marketing to promote special offers or respond to customer feedback directly. A social media presence not only provides the opportunity for more direct and personalized interactions with guests, but also makes it possible to monitor industry trends, respond to reviews, and address issues responsively.

c. No training for employees:

Without a structured training program, employees may not receive consistent and thorough skills development. This can hinder the quality of service provided to guests, as employees may not have sufficient knowledge or skills to effectively handle the situation or guest request.

3. Opportunities

a. Industry Growth

Brisbane continues to grow as an international tourist destination and business hub, positively impacting visitor numbers. More and more environmentally conscious consumers are seeking eco-friendly accommodation.

4. Threats :

The intense competitive environment around airports can be a major challenge. There are many accommodation options in the area, including large hotels, motels, and other accommodation services offering a variety of amenities and prices. Changes in airline policies or airport infrastructure can have a direct impact on the number of guests staying at a motel.

Conclusion

In this study, an in-depth analysis has been conducted on the business strategies implemented by Airport Motel Brisbane using SWOT, STP, and Porter's Five Forces approaches.

1. Internal and External Analysis:

This study shows that Airport Motel Brisbane has a number of internal strengths such as strategic location, competitive pricing, and a good reputation among guests. However, there are also weaknesses that must be addressed, such as high dependence on airport traffic and lack of structured training for employees. Externally, threats from competitors and changes in airport policies are significant factors that can affect occupancy rates and profitability.

2. STP Marketing Strategy:

Airport Motel Brisbane has implemented an appropriate segmentation strategy by focusing on specific market segments, such as business travelers, transit visitors, and short-term holiday visitors. However, to further increase competitiveness, innovation in service and development of facilities that are more unique compared to competitors is needed.

3. Porter's Five Forces Analysis:

This analysis reveals that competition in the accommodation industry around the airport is very tight, with a variety of accommodation options available to visitors. Price factors and service innovation are the main determinants in maintaining and increasing market share. Airport Motel Brisbane needs to maintain flexibility and responsiveness to market dynamics to remain competitive in this highly competitive environment.

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