INDUSTRY ATTRACTIVENESS AND SOURCE OF ADVANTAGE FOR COMPETITIVE STRATEGY IMPLEMENTATION AND COOPERATIVE STRATEGY, ALSO IT'S IMPLICATION AT HOTEL BUSINESS PERFORMANCE
A Survey at tourist destination in Bali Island

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ABSTRACT

Hotel business performance more infuenced by industry attractiveness and cooperative strategy in following market demand rather then maximaze source of advantage and implementation competitive strategy

The research methods used are descriptive and survey explanatory. Type of investigation of this research involves interaction correlational and causality, while unit of analysis is the managers at star-hotels which totaled 330 be samples. Time horizon in this research is cross sectional, because information of most populations (samples) collected directly on the scene empirically, with the purpose to know the opinion of partially population on the object being explored. The statistical tools analysis used is PLS.

The research findings is that hotel industry in Bali has an appeal above average performance. Star hotels in Bali have the advantage of above average. Competing strategies hotels in Bali performing above average. Partnership strategy hotels in Bali performing above average. The performance of

business hotel in Bali is above average. Industry attractiveness proved having relation to sources of advantage. Industry attractiveness and sources of advantage have proved to influence the competitive strategy. Industry attractiveness and sources of advantage have effect on partnership strategy. Competitive Strategy and partnership strategy proved effect on performance of business. Performance of business increased when star hotel in Bali were capable of performing competitive strategy and partnership strategy accurately. Also also to competitive and partnership strategy can formulated accurately, then industry attractiveness and sources of advantage were used for basic formulation both the strategy.

Keywords : industry attractiveness, sources of advantage, competitive strategy, partnership strategy, performance of business.

1. INTRODUCTION

Globalization lead companies around the world to increase their performance. For south east asia region, Indonesia (TTCI,13/74) enough potential in the tourism industry. Most visited island in Indonesia is Bali. Base on Bali Provincial Tourism Office data (2011) the number of tourists in 1st quarterly 2011 are 605.813 traveler that further improved compared same period in 2010 which are 551.086 traveler (BPS, 2011)

Though there are several crisis and natural disaster in few country, were not giving much effect in excursions that come to Bali especially japanese and australian tourists.

Before monetary crisis, the number of Japan tourists' visits every day is as many as 1,254 persons. But since 2010 decreased into 675 tourists per day. The decreased number of tourists from Rising Sun Country makes the rank of tourists coming from Australia to be increased about 27,95 percent.

Based on the early survey in 2013 to 30 managers of the star hotels in Bali, nearly all business performance indicators are relatively less good, except the increase of information systems appearing to be high, because generally the star hotels in Bali used internet facilities in the transaction of hotel booking, as well as information and communication concerning the facilities and infrastructures provided by hotels. Likewise, through secondary data, the room occupying level of the star hotels in Bali is average 59.52 percent.

Based on the room occupying level of the star hotels in 20 Provinces, Bali is still higher than other provinces in Indonesia. However, there are several decreases experienced by the star hotels in Bali, a decrease from January to February 2012, from March to April 2012, from June to August 2012, and from October 2012 to January 2013 precisely the lowest room occupying level after February 2013: 57.57% (Central Bureau Of Statistics, 2013).

The foreign tourists in enjoying a vacation in Bali averagely use the facilities of the star hotels for 2.88 days, decreased 0.71 percent as compared with the average previous month reaching at 3.59 days. The decrease occurred in the two-star hotel is at 0.67 percent, the four-star hotel at 0.94 percent and the five-star hotels at 1.01 percent. While the one-star hotels and the three-star hotels experienced an increase at 0.82 percent and 0.44 percent respectively (BPS, 2013).

The difference strategy has been selected by the star hotels in Bali by managers of the star hotels in Bali (2013), because following the trend of existing visitors. The trend of tourist visit to Bali begins to shift.

The superiority resource of the star hotels in Bali is based on the sample of 30 hotel managers, the star hotels in Bali have generally a strength in the owned resources, the uniqueness they have in the form of culture that is still respected highly, both from the exterior and interior sides of hotels themselves supported by tour objects available around.

The comparison of the number of star hotels, no-star hotels and the people's rented houses in Bali is 218:513:850. It makes many options for the tourists for lodging in Bali, so that the industry attractiveness of star hotels in Bali makes to be relatively less, because there are many industrial competitors as many as 731 hotels, as well as there are substitution services as many as 850 locations, the people's houses rented to the visitors (Bali Tourist Service, 2013).

Based on the background of problems above, so the author has an objective to study about the industry attractiveness and source of advantage in competitive strategy implementation and cooperative strategy, as well as its implication in business performance of hotels affairs.

2. PROBLEM FORMULATION AND HYPOTHESES

Based on the identification of the problems above, the scope of variables to be studied consists of industry attractiveness, source of advantage ,competitive strategy implementation, cooperative strategy and business performance

The object under study is stars hotel located in Bali, Indonesia. The time of the study was scheduled in January 2012 until March 2014.

Based on the formulation of the problem and research paradigms that have been described, the hypotheses of this study are as follows:

1. Industry attractiveness and the source of advantage influence competitive strategy implementation either partially or simultaneously.

2. Industry attractiveness and source of advantage influence cooperative strategy implementation either partially or simultaneously.

3. competitive strategy implementation and cooperative strategy influence business performance either partially or simultaneously.

Verification method is used to examine the relationship between variables, which is the influence of industry attractiveness, source of advantage ,competitive strategy implementation, cooperative strategy and business performance at stars hotel located in Bali, Indonesia. The unit of analysis in this research is all business organization they are 1 stars hotel units until 5 starts hotel, observation unit are functional managers at those starts hotel . Each unit of analysis is represented by 4-5 respondents to avoid unwanted bias. time horizon in this research is crossectional.

Data collected through surveys. The data required in this study is primary data collected through interviews and questionnaire with the stars hotel management in Bali to complement and strengthen secondary data . that consisting of hotels records or annual report.

The population in this research are stars hotels in Bali. Size sample are 330 adjusted to stuctural equation model (SEM) . Using stratified random sampling proportionaly. The questionaire also delivery to respondents email using docs.google.com application.

3. RESEARH METODS

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4. RESEARCH FINDINGS

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4.1 The influence of industry attractiveness and source of advantage on competitive strategy implementation either partially or simultaneously (Hypothesis 1)

The relationship between industry attractiveness and competitive strategy implementation is 0,6906; the T value obtained 25,72, wich is greater than 1,96, so that it was significant. The influence formed is $0,6906^2$ or 47,7 %. The relationship between source of advantage and competitive strategy implementation is 0,0408; the T value obtained is 1,0541.

The influence formed simultaneously by the industry attractiveness and source of advantage on the competitive strategy implementation is 24,5. The result of the above analysis prove that firs hypothesis is accepted, that the industry attractiveness and source of advantage partially or simultaneously.

Based on the analysis above, it has been seen that the star hotels in Bali have already applied a *market-based approach*, because in formulating the competitive strategy, they more consider external factor, industry attractiveness than internal factor, superiority resources.

Thereby Hypothesis 1 states that the elements of industry attractiveness and superiority resources have effects on the competitive strategy statistically accepted/proven.

The result of the study support the reserch that have been done by Auzair (2011) which states that the formulation of the competitive strategy that consists of low cost and deffentiation determinated by external environment in order to improve managemt control system. Pearce & Robinson (2013 :208) say that An organization can improve their competence and maximaze the source of advantage in order to antisipate industry attractivness to create a right competitive strategi implementation.

4.2 The Influence of industry attractiveness and source of advantage on cooperative strategy either partially or simultaneously (Hypothesis 2)

The relationship between industry attractiveness and source of advantage is 0,5996; the t value obtained is 16,84, wich is greater than 1,96, so that it was significant. The influence formed is $0,5996^2$ or by 35%. Relationship between source of advantage and cooperative strategy is 0,1050; the T value obtained is 2,759.

The result of the above analysis proves that second hypothesis is accepted, but the industry attractiveness give more influence than source of advantage to the cooperative strategy.

The result of the study support the research finding of Mohammed and Rashid (2012 : 226) that relationship strategy with coustomer can be well formulated trought hotel capability in order to improve hotel performance. Tavitiyaman, Qu, and Zhang (2011) from their reserch finding industrial strength factor have a relationship competitive advantage and have   affects   to the partnership strategy in order to improve performance.

4.3 The influence of competitive strategy implementation and cooperative strategy on bussines performance either partially or simultaneously (Hypothesis 3)

Relationship between cooperative strategy and bussines performance is 0,3860; the t value obtained is 5,3163, wich is greater than 1,96, so that it was significant. The influence formed is $0,3860^2$ or 14,9%. The relationship between competitive strategy implementation and bussines performance is 0,2863; the T value is 3,7756 wich is greater than 1,96, so that it was significant. The influence formed is $0,2863^2$ or 8,2%.

The influence formed simultaneously by the competitive strategy implementation and cooperative strategy on the bussines performance is 17,18%. The result of the above analysis prove that third hypothesis is accepted.

As result finding by Lo (2012) that competitive strategy can improve business hotel performace. Likewise, according to Sung, Lu, and Ho (2010) say that the increasing in business performance in a service company is determinated by cooperative strategy that have been done by the company from the company uniqueness resource. Mihalic and Buhalis (2013) difrentiation strategy when supported by cooperative strategy will improve company business performance.

CONCLUSIONS

The industry attractiveness and superiority resources have been proved to have effects on the competitive strategy. But when seeing it partially, then the industry attractiveness has a dominant effect on the competitive strategy than superiority resources.

The industry attractiveness and superiority resources have been proved to have effects on the cooperative strategy, both simultaneously and partially. But when seeing it partially, then the industry attractiveness has a dominant effect on the cooperative strategy than superiority resources.

The competitive strategy and cooperative strategy have been proved to have effects on the business performance, both simultaneously and partially. But when seeing it partially it has been proved that the cooperative strategy has a dominant effect on the business performance.

The business performance increase when the star hotels in Bali can afford to do the competitive strategy and cooperative strategy appropriately, likewise in order that the competitive strategy and cooperative strategy can be formulated exactly, when the industry attractiveness and superiority resources are made as a basis of formulation for the two strategies.

SUGGESTIONS

In enhancing the business performance of star hotels, so the priority of attention in a more exact and easier decision making in the implementation of the firm's structure is to enhance the market capacity in monitoring the development of internet, the research of development also enhances the firm's intelligence to the competitors so that it can afford to monitor the strategies the competitor take in order that to be more responsive to read a situational change. The service quality would be more enhanced. We would try to adapt the external elements in order that to be easier to accept in the firm's internal. The efficiency is more enhanced in operational so that we obtain new costumers.

In keeping the business of hotel affairs in long-term, we have to build a relation to the local custom in order that we keep the Bali tour taking-place generally.
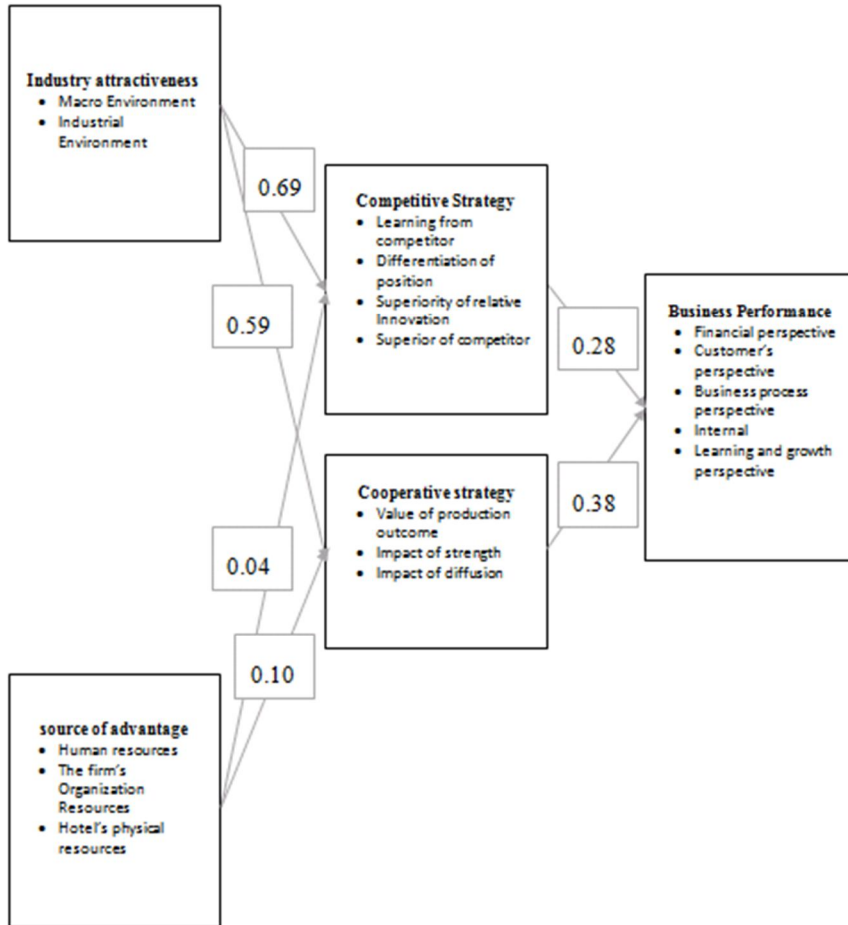
Figure 1. Model

The Effects of Industry attractiveness and source of advantage on The Competitive Strategy and Cooperative strategy as well as in implication to The Business Performance of Star Hotels

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