

# Kanto's Guest House Business Competitive Strategic Analysis for Sustainable Income

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## ABSTRACT

*This research aims to formulate and select Kantos House (KH) - Guest House strategy to face the competitive market in hotel accommodation industry for optimizing sustainable income through (1) evaluated brand awareness of KH; (2) identified external and internal factors that significant related to KH business, (3) analyzed brand effectiveness and competitive advantages of KH for optimizing sustainable income. This research method used Kapferer's Prism for analyzing KH brand identity, multichannel online review for analyzing consumer feedback of output average score of company's hotel score review, room occupancy company report for analyzing average rate of KH's occupancy, and SWOT diagram analysis. The result of this research shows currently the design of company brand has accomplished all the six criteria based on Brand Identity Prism, unfortunately the brand awareness still on low level. This resulted related due to the absence of brand marketing communication company's budget. Customer Review currently is very important for company, which proof by the management's commitment to maintain the average rate of KH online review at least or more than 4,4 of 5 star "very good" (Google rating version), also by opening review channels for customer feedback by putting the sticker for TripAdvisor review on the wall near the lobby hotel also via online by adding sub-menu for the review purposed. The average level of KH's room occupancy from 2017 until November 2018 was 82% and on 2017 was 87%. This result is favorable which the company's position highly above of the Indonesian hotel's average room occupancy in 2017 was on 65% (BPS 2017). The SWOT analysis result showed the position of KH was in the 1<sup>st</sup> quadrant means company on healthy condition which the suitable competitive strategy is growth or aggressive strategy.*

**Keywords:** Guest House; Hotel, SWOT; Brand; Review; Rating; Occupancy; Strategy; Competitive; Analysis

## INTRODUCTION

Nowadays, we are in the era of leisure economy where travelling is not a luxury needs anymore. Leisure as experience products as well as travelling is a popular lifestyle for everyone. Hotel industry gained positive effect from this era. More than 5 last years, there is a significant growth of number of star hotels and non stars hotel in Indonesia. In 2016, there are 16,442 star hotels and 2,387 non-star hotels in Indonesia (BPS, 2017) and researcher predicted these number will still increasing in the future. On the other hand, this potential market driven lots of players included star hotel players to take apart in the non-star hotel or budget hotel class e.g International alliance star hotel like Aston Group, Tauzia Management and Tune Hotel also domestic alliance star hotel like Santika Group were expanding and or penetrating to this market classed, the same market where company existed. Kantos House atau Rumah Kanto is an alternative hotel accommodation that classified as 3 star hotel (Google review version) which have hommy concept which facilities are privacy bed room with private bathroom inside and kitchen community room. KH is legally owned by Multikonvesta limited corporation and had established since

2014. The slogan are: “Sleep Well, Pay Less!” which underlined the cozy sleeping place with affordable price. There are total 10 rooms with 3 types of room: standar room, superior room and family room and side services and products such as laundry service; motorbike rental; airport pick-up service; and some snack, beverages and some bath supplies offer at “Kebajikan” minibar

The purpose of this research are (1) to evaluate company brand awareness; (2) to identify what external and internal factors that had significant related with KH; (3) to analyze what is the influence between brand effectiveness and company’s competitive strategy for optimizing sustainable income.

## METHODS

This research is designed with descriptive qualitative data. Primary data are collected from interview, data room occupancy, legal contracts and customer reviews. Secondary data are collected from all information related to company on the site (offline) and from online source, included from company website and brochure. Data collection method of this research are in dept interview, participative observation and documentary. The respondents of interviews are William Santoso as Main Director of KH, Imah as Head of Customer Service and Diah as staff of Customer Service and Reservation.

Analysis method of this research: This research method used Kapferer’s Prism for analyzing KH brand identity (Figure 1), for online multichannel review analysis with the method of sum average of online customer review on Facebook Fan Pages with 161 population reviews and on Google reviews with 26 populations reviews. For room occupancy analysis used the automatic generate calculation of Staygrid software and then combined with simple mathematics calculation from the writer. For SWOT Matrix analysis using the weighted average score methods.

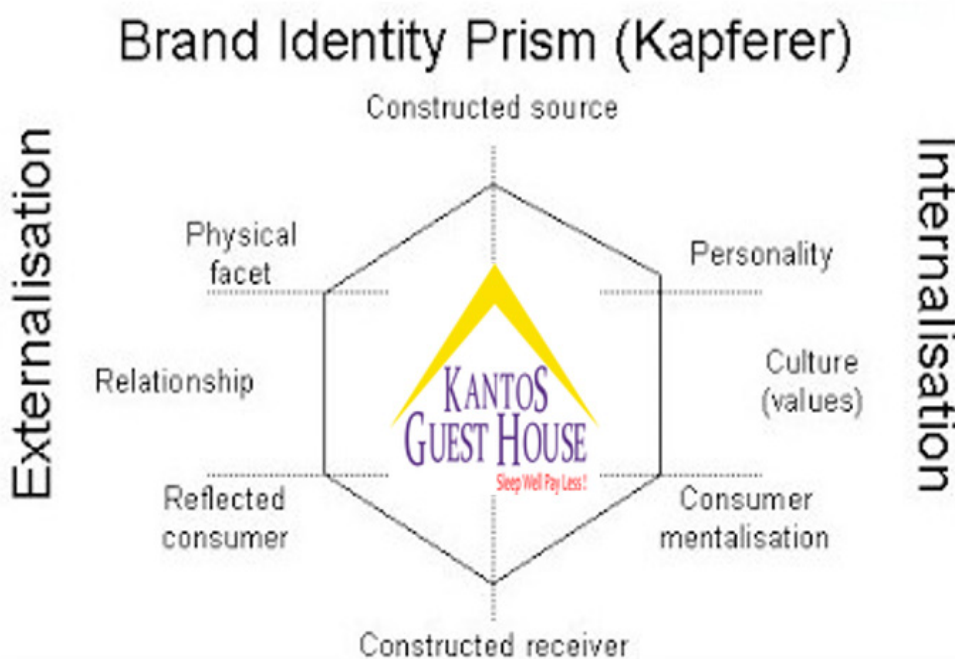


Figure 1. Kanto’s Guest House on Kapferer Prism

## RESULT AND DISCUSSION

The result generated from this research are: (1) six criteria of KH brands from Brand Identity Prism are: KH logo are quite simple and minimalist (physical face); yellow and purple color represent the spirit and cosiness aspect (personality); cozy and helpful buddy for customers (relationship); "opposite V word" represent the form of roof house that covering all customers inside the hotel as feel as in his own house (culture/ values); KH as one stop solution alternative hotel for all (reflected customer); slogan "Sleep Well, Pay Less!" for underlined the company accommodation hotel concept as guaranteed less worried sleeping issue with affordable price.

(2) The end result outcomes of average calculation of multichannel online customer from: Facebook Fan Pages and Google review reviews is 4,4 of 5 stars review as defined as very good (*Table 1*). This means in general customers feels positive experiences with KH, which the average 4 stars or aboves review are given for variable such as: strategic location, good price and cozy place. The average 2 stars review or below are given for some varies of variables such as: hot air conditioner, unstable wi-fi connection, the physical building appearance that looks more similar as an office than a hotel, and a lack of capability of handling complain issue in English.

(3) The result of company room occupancy for last 2 years from 2017 until November 2018 was 82% (proportional), while on each period of 2017 was on 87% and 2018 was on 84%. This percentage means the average number of room occupied is 8 from total 10 room available. This result is indicated as positive with on 2017 (*yoy*) the average room occupancy of company was 22.015% above the Indonesian hotel on 64,99% and on 2016 the industry was 61,71% (BPS, 2017). The total KH's room revenue on 2017 was IDR 622,953,336,- and IDR 678,467,775,- per November 2018, which had been increasing positive 8,91%. The room revenue above is the gross room revenue excluded 15-30% commission fee for Online Travel Agent (OTA) and other office & administration expenses, which in total are 21%. The positive increased of the this room revenue, based on confirmation of management are caused by the more number of online partnership which had contract with the company and the increased number of the tourist who comes to Jakarta on 2018. From KH's the room revenue figures, 70% was come from online booking via OTA and 30% was from the organic company channel: booking from official company website, WhatsApp contact and go show customer.

(4) The result from SWOT analysis, KH is located at coordinate (+1,689; +0,58) which in the 1<sup>st</sup> quadrant position. The 1<sup>st</sup> quadrant or growth quadrant. The characteristic in this quadrant was the company had good capability and strength power for investing and growing strategies. The capability included all internal resources as self funding source of fund or from external parties. This 1<sup>st</sup> quadrant position implied KH in general currently in healthy condition, which quite well in utilize the internal strength for gain the external opportunity and overcome the internal weakness and avoiding threat.

Table 1. Analysis Kanto's House on Facebook and Google Review

Online Web	Star Review (Scale 1-5)	Total Population	Result
<i>Facebook Review</i>	4.4	26	Very Good
<i>Google Review</i>	4.4	161	Very Good
Average	4.4 stars		Very Good

*(Source: Facebook Fan Pages Review and Google Review)*

Note:

Result "*Very Good*" based on general review on Google review

## CONCLUSION

The brand awareness of Kantos House is not yet known by the public. This conclusion indicated from the number of people which virtually visited the official website at 4 years recently were only 6.775 people with 25 people liked the website (web-stat, 2018); The number of people which joined the KH Facebook Fan Pages were 725 people with 716 people liked the Facebook Fan Pages; KH also had none of any active brand promotion campaign, also so far had not arrange yet the definitive promotion budget. On the other hand, the design of the current personalized company logo is quite good which meet all 6 criteria of Kapferer's Prism.

The external factors which had significant relation with the company for the opportunity aspects are: high potential profit from the leisure economy market; leverage digital technologies applied for business process; the commitment of management for all customer feedbacks. The threat aspects are: high competition; buyer power; changes in consumer preference; inflation risk and the economic stagnation. The internal factors which had significant relationship with the company for the strength aspects are: the strategic location of KH in the center road of Central Jakarta with easy access to many place especially to many restaurants and tourism destination like National Monument and Gambir Main Station; 24/7 customer service support offline and online; clean room, and early check-in and check-out facility. The weakness aspects are: limitedness avoiding price war and the limited ability of handling complain in English.

Brand has non direct relationship with the company's competitive strategy. In fact, brand is not element of marketing mix. But if the KH brand which currently has quite good design could be synergize with the company's competitive strategy for the long term ahead, the brand effectiveness will strengthen the company reputation as the alternative reliable hotel accommodation to achieve the company goal for optimizing the sustainable income.

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