

The influence of external environmental forces, company resources on competitive strategies and their impact on business performance in four-star hotel industry in bandung: case study at grand sunshine resort & convention)

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Abstract

The service industry is one of the business sectors that has a competitive level of business competition. One of the service industries that faces high competition is hospitality. The condition of Resort & Convention Luxury 4 in Indonesia is currently increasingly developing and showing an increasingly competitive level of competitiveness. Industri Jasa Perhotelan Bintang 4 di Jawa Barat is a company engaged in Resort & Convention Luxury 4 class Hospitality Services. This research aims to determine the influence of external environmental forces, company resources and competitive strategies on the business performance of Resort & Convention Luxury 4 both partially or simultaneously. The research method used is the explanatory method. The sampling technique used the Slovin method so that the number of respondents was 99 hotel managers. The data analysis technique used is multiple linear regression analysis. The research results show that the strength of the external environment, company resources and competitive strategy and business performance Industri Jasa Perhotelan Bintang 4 di Jawa Barat are in "fairly good" condition. Partially the external environmental strength variables, company resources and competitive strategy have a positive and significant influence on the performance of the Resort & Convention Luxury 4 hotel services business. Simultaneously, external environmental forces, company resources and competitive strategies influence hotel business performance. The proposed improvements to hotel management include several analysis and improvements to external environmental forces, company resources and competitive strategies

Keywords:

external
environmental forces;
company resources;
competitive strategy;
business performance.

1. Introduction

The hospitality industry is one of the service sectors that faces high competition. According to PHRI (the Indonesian Hotel and Restaurant Association), the growth of star-rated hotels will continue to increase from year to year in line with the development of the tourism industry, making the competition in the hotel industry increasingly competitive. Chairman of the West Java Hotel and Restaurant Association (PHRI), Herman Muchtar, said that "in terms of business prospects in 2024, the hotel industry will continue to develop as it did in 2023. However, in terms of occupancy or occupancy rates, the hotel industry will face high competition" (Bisnis-jabar.com).

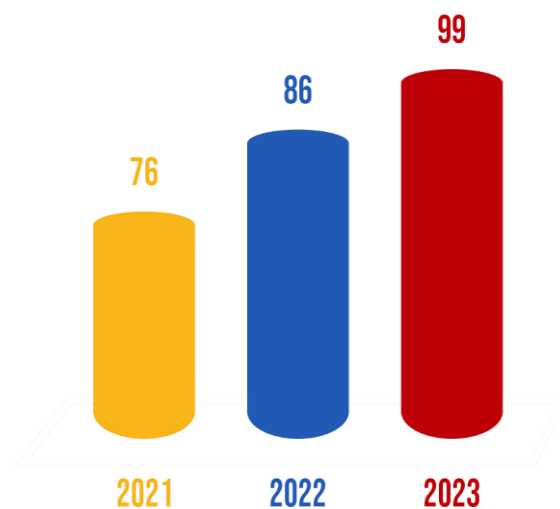


Figure 1. Statistical data shows that the market

Statistical data shows that the market share of 4-star and 5-star hotels has been fluctuating in the last 2 years. The increase and decrease in market share, besides being caused by the increasing growth of hotels, indicates a change in market conditions in the hotel industry due to the needs and desires of hotel guests that are constantly changing. Hotels that experienced a decrease in market share are Padma Hotel and Harris Hotel & Convention Bandung. While those that experienced an increase are Mason Pine and Aston Primera. And the hotel that did not experience an increase or decrease is Grand Sunshine Resort & Convention Luxury 4 Soreang Bandung.

HOTEL	2022		2023	
	DEMAND SHARE	RANK	DEMAND SHARE	RANK
GRAND SUNSHINE RESORT & CONVENTION LUXURY 4 SOREANG BANDUNG	11,41%	5	10,93%	5
HARRIS HOTEL & CONVENTION BANDUNG	28,59%	1	11,07%	4
PADMA HOTEL	22,83%	2	15,87%	3
ASTON PRIMERA	11,58%	4	28,26%	1
MASON PINE	15,56%	3	22,55%	2
SUTAN HOTEL & CONVENTION BANDUNG	10,51%	6	10,84%	6

Figure 2. Demand share Hotel in Bandung

Grand Sunshine Resort & Convention Luxury 4 Soreang Bandung is one of the companies operating in the Indonesian Hospitality Industry. Amid the turmoil of economic conditions and the challenges of facing global risks and increasing competition in the Hospitality Industry, Grand Sunshine Resort & Convention Luxury 4 Soreang Bandung is making efforts to remain healthy competition in order to capture market share through the company's market share approach, while also improving its intermediation function. In order to realize its vision, one of the business strategies implemented by Grand Sunshine Resort & Convention Luxury 4 Soreang Bandung is to achieve good business performance. Although in terms of market share, Grand Sunshine Resort & Convention Luxury 4 Soreang Bandung has not experienced an increase, its room occupancy has increased from year to year. However, even though the occupancy rate has increased, it has not yet met the Management's target.

NO	MONTH	YEAR					
		2021		2022		2023	
		ROOM OCCUPANCY	%	ROOM OCCUPANCY	%	ROOM OCCUPANCY	%
1	JANUARY	1373	32,81	1907	45,57	1929	46,09
2	FEBRUARY	1319	34,89	1631	43,15	1661	43,94
3	MARCH	913	21,82	2351	56,18	1273	30,42
4	APRIL	1454	35,9	1624	40,1	1559	38,49
5	MAY	2039	48,72	1645	39,31	1271	30,37
6	JUNE	2870	70,86	1849	45,65	1830	45,19
7	JULY	2303	55,03	1706	40,76	2270	54,24
8	AUGUST	1083	25,88	1656	39,57	1011	24,16
9	SEPTEMBER	1351	33,36	2525	62,35	1680	41,48
10	OCTOBER	1355	32,38	1761	42,08	1861	44,47
11	NOVEMBER	1797	44,37	2908	71,8	2309	57,01
12	DECEMBER	2358	56,34	2954	70,59	2635	62,96
TOTAL ROOM OCCUPANCY		20215	41,03	24517	49,75	21289	43,23

Figure 3. *Room Occupancy Grand Sunshine Resort & Convention*

2. Method

In this research, the grand theory is Strategic Management, the middle range theory is Business Strategy, and the applied theories are the Concepts of External Environmental Forces, Company Resources, Competitive Strategy, and Business Performance.

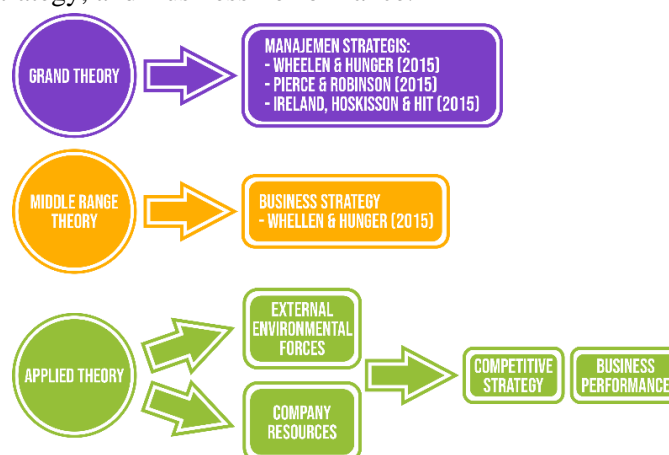


Figure 4. Research Theory

- X1: External Environment** The external environment is the environment outside of the organization that needs to be analyzed to determine the opportunities and threats that the company will face. The external environment can also be defined as factors outside the company's control that influence the company in determining its direction, policies, and actions, which ultimately also affect the organizational structure and its internal processes (Robbins & Coulter in the journal Dwiastanti, A., & Mustapa, G. (2020).
- X2: Company Resources** According to Hubbard & Beamish (2011) in Sembiring (2020), resources are the tangible and intangible assets of an organization. Tangible assets include physical assets such as land, buildings, equipment, and financial resources. Intangible assets, on the other hand, are more difficult to identify, especially in terms of value. Examples of intangible assets include product brands, organizational reputation, knowledge and operational experience, and individual and intellectual skills.
- X3: Competitive Strategy** Porter (2007) states that competitive advantage provides a framework for companies to choose and implement generic strategies to improve and sustain their competitiveness, namely cost-based strategies and differentiation-based strategies.
- Y: Business Performance** Performance is the end result of an activity where the measurement is adjusted to the organizational unit and the goals it intends to achieve, which have been formulated in the strategic planning process. This includes aspects such as profitability, market share, and cost reduction. (Wheelen, Hunger, Hoffman, & Bamford, 2018).

Hypothesis

The external environmental forces, company resources, competitive strategy and company performance of Grand Sunshine Resort & Convention Luxury 4 Soreang Bandung have been good. External environmental forces have an impact on business performance at Grand Sunshine Resort & Convention Luxury 4 Soreang Bandung. Company resources have an impact on business performance at Grand Sunshine Resort & Convention Luxury 4 Soreang Bandung. Competitive strategy has an impact on business performance at Grand Sunshine Resort & Convention Luxury 4 Soreang Bandung. External environmental forces, company resources, and competitive strategy have an impact on business performance at Grand Sunshine Resort & Convention Luxury 4 Soreang Bandung.



Figure 5. Theoretical Framework

This study is descriptive and causal, aiming to measure the influence of market attractiveness, unique capabilities, and value creation on competitiveness and business performance. The unit of analysis in this study is the hospitality industry (hotel), and the unit of observation is the business performance of Grand Sunshine Resort & Convention Luxury 4 Soreang Bandung, which is included in the hospitality industry. The research design used is multiple linear regression. The population of this study is hotel managers of 4 and 5 star hotels in 2023 ($n = 133$). The sample size is calculated from the population of 4-star hotels in 2023, which is 133 hotel managers of 4 and 5 stars, with a margin of error (e) = 5%, as follows:

$$n = 133 / (133(0.5)^2 + 1)$$

$$\approx 99 \text{ Hotel Managers of 4 or 5 Stars} \quad (1)$$

The data required in this study are primary and secondary data, where both types of data are collected through questionnaires, interviews, observations, and literature studies.

3. Results

This result confirms that H_0 is rejected, and H_1 is accepted, indicating a significant simultaneous influence of external environmental forces (X_1), company resources (X_2), and competitive strategy (X_3) on business performance (Y). These findings underscore the critical interplay between external factors, internal capabilities, and strategic approaches in shaping business outcomes, highlighting the importance of a holistic perspective in business performance evaluation.

Table 1. *Test of Hypothesis F*

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	22.639	3	7.546	25.687	.000 ^b
	Residual	27.907	95	.294		
	Total	50.545	98			

a. Dependent Variable: Y

b. Predictors: (Constant), X3, X2, X1

With the help of SPSS calculation processing, the Fcount was 25.687. Meanwhile, the critical value of F table with degrees of freedom in the numerator 3 and denominator 95 at α (0.05) is 2.70. Thus, Fcount (25.687) > Ftable (2.70), so it is clear that H_0 is rejected and H_1 is accepted. This shows that external environmental forces (X_1), company resources (X_2) and competitive strategy (X_3) simultaneously influence business performance (Y).

Multiple Linear Regression Test

The regression analysis highlights the influence of external environmental forces, company resources, and competitive strategy on business performance. The results indicate that business performance improves positively when these factors are enhanced. The constant value suggests a baseline level of business performance, while the positive coefficients show that increases in external environmental forces, company resources, and competitive strategy lead to corresponding improvements in performance. These findings emphasize the significance of optimizing both internal and external factors to achieve better organizational outcomes.

Table 2. Results Linear Regression Test

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1	(Constant)	1.201	.306	3.918	.000
	X1	.249	.120	.278	.041
	X2	.197	.084	.208	.021
	X3	.285	.139	.290	.043

a. Dependent Variable: Y

Based on the above output, we have:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e \quad Y = 1.201 + 0.249X_1 + 0.197X_2 + 0.285X_3 + e.$$

The interpretation of the results is as follows:

- The constant value of 1.201 indicates that business performance is 1.201 if it is not influenced by external environmental forces, company resources, and competitive strategy.
- The coefficient of external environmental forces is 0.249, which is positive. This indicates that if external environmental forces increase, the business performance variable will increase by 0.249.
- The coefficient of company resources is 0.197, which is positive. This indicates that if company resources increase, the business performance variable will increase by 0.197.
- The coefficient of competitive strategy is 0.285, which is positive. This indicates that if competitive strategy increases, the business performance variable will increase by 0.285.

Correlation Test and Coefficient of Determination

The analysis explores the relationship between external environmental forces, company resources, competitive strategy, and business performance to quantify their collective influence. Understanding the strength and proportion of this relationship provides valuable insights into the extent to which these variables shape business performance, offering a foundation for strategic decision-making and resource allocation within organizations.

Table 3. *Correlation Test and Coefficient of Determination*

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.697 ^a	.448	.430	.54199

a. Predictors: (Constant), X3, X2, X1

The correlation coefficient between external environmental forces (X_1), company resources (X_2), competitive strategy (X_3), and business performance (Y) is 0.697, indicating a moderate relationship since it falls between 0.400 and 0.699. To determine the influence of external environmental forces (X_1), company resources (X_2), and competitive strategy (X_3) on business performance (Y), we look at the multiple correlation coefficient or coefficient of determination, which is 0.448 or 44.8%. This means that 44.8% of business performance is determined by external environmental forces (X_1), company resources (X_2), and competitive strategy (X_3), while the remaining 55.2% is influenced by other factors not studied.

Test of Hypothesis T

To evaluate the individual contributions of external environmental strength, company resources, and competitive strategy to business performance, a t-test analysis was conducted. This analysis determines the significance of each independent variable's influence, providing a deeper understanding of their respective roles in enhancing business performance. The following results highlight the statistical relationships and their implications.

Table 5. *Test of Hypothesis T*

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.201	.306		3.918	.000
X1	.249	.120	.278	2.073	.041
X2	.197	.084	.208	2.353	.021
X3	.285	.139	.290	2.057	.043

a. Dependent Variable: Y

- Based on the statistical calculation of the t-test above, the t-value for external environmental strength is 2.073, which is greater than the t-table value of 1.985. Therefore, H_a is accepted and H_o is rejected. This means that there is a positive influence between external environmental strength and business performance.
- Based on the statistical calculation of the t-test above, the t-value for company resources is 2.353, which is greater than the t-table value of 1.985. Therefore, H_a is accepted and H_o is rejected. This means that there is a positive influence between company resources and business performance.
- Based on the statistical calculation of the t-test above, the t-value for competitive strategy is 2.057, which is greater than the t-table value of 1.985. Therefore, H_a is accepted and H_o is rejected. This means that there is a positive influence between competitive strategy and business performance.

4. Conclusion

The analysis reveals significant insights into the factors influencing business performance at Grand Sunshine Resort & Convention Luxury 4 Soreang Bandung. The t-test results demonstrate that external environmental strength has a positive and significant influence on business performance, as indicated by a t-value of 2.073, which exceeds the t-table value of 1.985. Similarly, company resources also show a positive and significant impact, with a t-value of 2.353 supporting the acceptance of the hypothesis. Additionally, competitive strategy contributes positively to business performance, as evidenced by a t-value of 2.057, affirming the hypothesis.

Moreover, the calculated F-value of 25.687 confirms that external environmental strength, company resources, and competitive strategy collectively influence business performance. This F-value, significantly exceeding the critical value, supports the acceptance of the simultaneous hypothesis. These

findings underline the importance of these three factors as key drivers in enhancing the performance and success of the resort, reflecting their integral roles in shaping strategic outcomes in a competitive hospitality environment.

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