

# CHAPTER I

## INTRODUCTION

### A. The Initial Idea

The tourism sector is no longer a foreign industry to the community. Tourism has become one of the largest and fastest-growing economic sectors in the world. It doesn't only accommodate an aspect of life. Almost everything is now a part of the tourism industry, starting from providing us for our leisurely needs to creating new job opportunities. Lodging establishments, restaurants, travel agents, tour operators, airlines, car rentals, cruise lines – these all revolve around the tourism industry.

Not only to the rest of the world, the tourism industry has also been playing a big part in Indonesia. Over the past decade, tourism in Indonesia has more than doubled. According to the Central Bureau of Statistics of Indonesia (2020), the arrival of foreign visitors to Indonesia kept on increasing throughout the year, with 2019 reaching the number 16.10 million. It is noted a 1.9% per cent increase than that of 2018.

No one expected for this big of a turn towards the world today. Since the outbreak of the Coronavirus in the beginning of the year, the World Health Organisation has declared the situation a pandemic. The virus doesn't only spread to a certain place or person. It has affected 218 countries and territories around the world, 2 international conveyances, and millions of lives (Worldometer, 2020).

Though 2020 has taken a huge toll to the world, this will not stop the tourism industry from spreading on its wings. Countries such as China, Italy,

and Spain are starting to recover. New rules, new plans, new terms and conditions have been applied to suit the era of “new normal”. As for Indonesia, new hotels and restaurants keep on striving through the season. Some examples are Rumanami Residence, Jakarta; The Aloft Hotel, Bali (Marriott International, Inc., 2020); Quest Pemuda Hotel, Semarang, and many more – not to forget the protocols written in HK.01.07/MENKES/328/2020 about CHSE (Cleanliness, Health, Safety, and Environment Sustaibility) and 5M. It might be a tough time for the industry, but the pandemic will not stop us from working.

Rich in natural resources and experiencing an era of dynamic economic progress, Indonesia is a market not to be missed. Of the 17.504 islands that make up the archipelago of the Republic of Indonesia, Java has historically been considered the heartland. It has become an important sector in the economy, not only as a source of foreign exchange earnings, but also in enlarging job opportunities and releasing income inequality, especially for West Java (Indonesia Tourism, 2019).

West Java is the largest province of Java Island, with the greatest population. It consists of eighteen regencies and nine municipalities spread out along the 35.377,76 km<sup>2</sup> area. The region is basically hugged by mountains, with rich green valleys, surrounding the capital of West Java. From their unbeatable natural scenes to the culinary products, it is no doubt that they deserve full recognition.

**TABLE 1**  
Number of Foreign Visitors to Accommodation in West Java based on Municipality

No.	Municipality	Number of Visitors (Foreign)		
		2017	2018	2019
1	Kota Bogor	31.491	24.490	244.109
2	Kota Sukabumi	4.090	3.342	-
3	Kota Bandung	310.271	246.982	2.447.064
4	Kota Cirebon	5.027	6.456	96.420
5	Kota Bekasi	35.611	33.407	51.766
6	Kota Depok	9.181	15.548	-
7	Kota Cimahi	9	-	389
8	Kota Tasikmalaya	650	569	102
9	Kota Banjar	155	205	33
<b>Total</b>		<b>396.485</b>	<b>330.999</b>	<b>3.102.061</b>

*Source: Central Bureau of Statistics of West Java Province (2020)*

**TABLE 2**  
Number of Domestic Visitors to Accommodation in West Java based on Municipality

No.	Municipality	Number of Visitors		
		2017	2018	2019
1	Kota Bogor	976.401	1.798.731	4.960.343
2	Kota Sukabumi	337.604	353.905	-
3	Kota Bandung	6.934.041	5.775.660	5.964.000
4	Kota Cirebon	577.615	973.814	731.405
5	Kota Bekasi	976.722	1.124.284	925.657
6	Kota Depok	306.831	285.519	-

**TABLE 3**  
Number of Domestic Visitors to Accommodation in West Java based on Municipality (cont.)

No.	Municipality	Number of Visitors		
		2017	2018	2019
7	Kota Cimahi	68.742	90.539	27.767
8	Kota Tasikmalaya	623.331	390.623	555.521
9	Kota Banjar	64.730	100.338	34.263
<b>Total</b>		<b>10.866.017</b>	<b>10.893.413</b>	<b>17.882.130</b>

*Source: Central Bureau of Statistics of West Java Province (2021)*

As seen on the tables above, most of the municipalities in West Java are experiencing a development of visitors throughout the year, both internationally and nationally. Not only for a day visit, these visitors specifically come and stay at least a night in an accommodation – starred hotels or non-starred. Based on Maslow’s Hierarchy of Needs, fulfilling one’s psychological needs is at the first stage of the model, and it includes shelter. The providence of a shelter or accommodation as a place to stay in must be there to please the visitors. Therefore, it is just the right idea to develop an accommodation.

There are two main types of accommodation, starred hotels and non-starred. Starred hotels are the accommodations that adjust to the internationally accepted hotel ratings. In the United States, a five-star rating system is often used by independent organizations to rate a hotel. One star is the lowest rating, and five stars is the highest score (DeCook, 2020). On the other hand, non-starred hotels are accommodations that do not classify one or

more categories to be in the universal star rating, such as homestays, bed and breakfast, etc.

**TABLE 4**  
Occupancy Rate for Star and Non-star Hotels in West Java on 2017

No.	Month	2017	
		Star Hotels	Non-star Hotels
1	January	55,17	36,83
2	February	53,59	36,06
3	March	55,18	36,42
4	April	57,86	43,36
5	May	56,92	38,12
6	June	51,72	31,57
7	July	55,59	39,29
8	August	55,88	34,50
9	September	54,20	38,79
10	October	56,33	41,05
11	November	57,84	41,63
12	December	62,53	42,31
<b>Average</b>		<b>56,07</b>	<b>38,33</b>

Source: Central Bureau of Statistics of West Java Province (2021)

**TABLE 5**  
Occupancy Rate for Star and Non-star Hotels in West Java on 2018

No.	Month	2018	
		Star Hotels	Non-star Hotels
1	January	53,04	30,73
2	February	57,98	30,58
3	March	61,21	30,05
4	April	56,18	29,95
5	May	48,38	29,74
6	June	51,04	29,78

Source: Central Bureau of Statistics of West Java Province (2021)

**TABLE 6**  
Occupancy Rate for Star and Non-star Hotels in West Java on 2018 (cont.)

No.	Month	2018	
		Star Hotels	Non-star Hotels
7	July	57,67	30,82
8	August	55,97	32,97
9	September	61,53	35,12
10	October	62,22	30,20
11	November	66,14	30,82
12	December	66,61	34,66
<b>Average</b>		<b>58,16</b>	<b>31,29</b>

*Source: Central Bureau of Statistics of West Java Province (2021)*

**TABLE 7**  
Occupancy Rate for Star and Non-star Hotels in West Java on 2019

No.	Month	2019	
		Star Hotels	Non-star Hotels
1	January	54,33	36,72
2	February	51,57	32,48
3	March	52,69	34,60
4	April	53,17	35,90
5	May	38,79	28,26
6	June	53,13	32,90
7	July	54,69	34,13
8	August	49,58	36,35
9	September	50,60	36,51
10	October	56,07	34,33
11	November	58,95	32,73
12	December	62,40	34,40
<b>Average</b>		<b>53,00</b>	<b>34,11</b>

*Source: Central Bureau of Statistics of West Java Province (2021)*

Focusing on the data, the requirements of starred hotels and non-starred hotels differ. Apparently, visitors are more likely to be interested in a starred hotel rather than a non-starred hotel. Seen from the occupancy of both hotels, star hotels are significantly ahead than non-star hotels. The growth of visitors staying in starred hotels is increasing year by year, whilst non-starred hotels were facing quite a downgrade from 2017 to 2018.

To add a twist to the business, something interested and fresh must be developed. Taking a break from the usual-monotone-universal hotel, a boutique hotel will definitely fit the role. Boutique hotels stand for a property with no more than 100 rooms. A boutique hotel's intimate size produces its one-on-one five-star hospitality service and its ambiance – it strives to be one of a kind and accentuate their own strong personality (Harrison, 2019).

Among the distribution of the region, Bogor City itself has been on the top list of nations' natural tourism. Shahlan Rasyidi, the head of the city tourism, culture and creative economy office of Bogor, said that Bogor is an alternative city for weekend holidaying in the Greater Jakarta area. Tourists may find various types of natural attractions here, which is just the right short getaway for the weekend. From the whole street of culinary at Surya Kencana, Bogor Botanical Gardens, Bogor Palace, to a theme park called JungleLand – everything is just right there. Seen from the tables above, Bogor City also showed a steady growth of visitors throughout the year.

**TABLE 8**  
 Number of Establishments and Visitors to Star Hotels in Bogor  
 Municipality (2015-2019)

Year	Starred Hotel			
	Number of Establishments	Number of Rooms	Average Guests Per Day	Number of Guests
2015	18	1.616	1.232	852.814
2016	17	1.630	1.084	400.535
2017	32	2.969	-	815.297
2018	39	4.761	-	1.526.895
2019	38	4.438	-	5.204.452

*Source: Central Bureau of Statistics of West Java Province (2021)*

Clearly seen from the table above, the visitors coming to stay in Bogor City are facing quite the growth year by year. From the last four years (2016-2019), the number of visitors staying in starred hotels almost doubled in number. This is definitely a good chance to increase Bogor City's growth in economy as well as introducing more of this region to the visitors.

In order to be able to accommodate the needs of shelter to the upcoming visitors, it is necessary to have a balanced number of visitors and accommodation. That's when Senandika Hotel comes into view. Senandika Hotel is a three-star unique-themed boutique hotel that will certainly nudge the interest of the market. Not only that, the hotel appeals to one purpose: bringing Bali to Bogor City. Just within an inch away from the Jakarta Metropolitan Area, everyone is given the chance to feel the breeze and atmosphere of Indonesia's heartland, Bali. It is just the perfect fit for the criteria. The occurrence of this hotel will not only accommodate the visitors,



but it will also attract the prospective visitors to purposely come just to feel the warmth of us.

Senandika Hotel will not be just a regular hotel. A boutique hotel is chosen because this type of accommodation offers a more intimate sensation. This hotel will offer so much more than a three-star shelter. Boutique hotels emphasize on the experience of the guests. The authenticity and uniqueness of the hotel allow of the hotel allow the people to engage themselves in an upgraded version of a personalized experience. Moreover, a boutique hotel will also manage to take just the right advantage of the surroundings, starting from locally sourcing food from nearby providers, as well as everything used to build and fill the hotel.

The word “*senandika*” itself is taken from the Indonesian language. It is also known as ‘soliloquy’ when translated to English. Based on Cambridge Dictionary, the word means an act of speaking one’s thoughts aloud when by oneself or regardless of any hearers. The name is chosen as it relates to the prospective theme of the boutique hotel.

Senandika Hotel will mainly adapt a soft, serene, and indie design – by indie, we mean independent, without following the definition of a regular hotel. The building, both interiors and exteriors, will be using earthy tones and colours. The hotel is basically all about how it could enhance the mood of a person. There will be several different types of rooms based on several criteria. The guests will get to experience a room in accordance to their personal preferences.

## B. The Objectives

There will be two objectives of this business feasibility study that are going to be discussed; one will be the major objective(s), and the other one will be the minor objective(s).

### 1. Major Objectives

The writer would like to dive into the business and see whether opening this hotel will be a promising idea on each aspect given.

- a. Senandika Hotel strives to accommodate the number of visitors which keeps increasing. In terms of market and marketing Aspect, the writer would like to observe and create a market base which directly subjects and targets to the purpose and design of Senandika Hotel.
- b. By developing a different and unique style of boutique hotel in the area, Senandika Hotel will attract the interest of the market and capture them with a candid feeling. The operational aspect aims to carefully measure and design each facility to be as accommodating to all the activities that might occur.
- c. This feasibility study will also cover the organizational and human resources aspect. The most suitable methods will be developed and applied to handle the hotel during both high and low season. In addition to that, the best recruits will also be hired based on the job analysis done.
- d. To sum up the whole research, financial projections are created to elaborate the property in numbers. Each aspect will intertwine

amongst one another and finalise whether the business is feasible to be conducted or not.

## 2. Minor Objectives

- a. Provide new job opportunities. With the increase of the market's interest toward the tourism industry, fresh and new business ideas are also developing. This way, it will enlarge the expansion of the industry, as well as providing job opportunities for the community.
- b. Giving the chance to the local suppliers and communities in expanding their business.
- c. Dig deeper into the business and understand the advantages and disadvantages of opening a boutique hotel.

## C. Research Method

There will be two types of research methods conducted to complete the research plan, which are primary and secondary data.

### 1. Primary Data

#### a. Survey Method using Questionnaire

Questionnaires are basically designed to collect large numbers of the quantitative data of a research. There are several ways to conduct methods, which are administered personally, distributed electronically, or mailed to the respondents (Sekaran & Bougie, 2016).

- 1) Electronic and online questionnaires

The distribution of electronic or online questionnaires is believed to be the easiest and fastest method. Therefore, the writer will conduct the data collection by sending links or emails to the respondents. Online questionnaires will be sent to the people as a survey toward Senandika Hotel. This method will be used to attain the daily operations and management of the hotel.

The questionnaire will be based on the following information:

- a) Who: people ranging from the age of 17 to 55.
- b) What: the questions will revolve around the interests of the people toward Senandika Hotel.
- c) When: September 26, 2020 to October 17, 2020.
- d) Why: the questionnaire is sent as a survey to see whether Senandika Hotel will be a good business opportunity for the writer.
- e) Where: Google forms will be distributed online through email and social media such as Instagram, LINE, WhatsApp, Facebook, etc.
- f) How: questionnaires will be sent online through google links. There will be two parts of the questionnaire: Respondent Graphics and Marketing Mix. The questionnaire will consist of Multiple Choice, Checkboxes, and Linear scale.

b. Observation

According to Sekaran and Bougie (2016, p. 126), observation through research involves:

*“...going into “the field” – the factory, the supermarket, the waiting room, the office, or the trading room – watching what workers, consumers, or day traders do, and describing, analysing, and interpreting what one has seen. Observational methods are best suited for research requiring non-self-report descriptive data.”*

There are four key dimensions mentioned to characterize the types of observation:

1) Controlled versus uncontrolled observational studies

The first key dimension generally explains about where the observation takes place (Sekaran & Bougie, 2016). Controlled observation happens in an artificial environment. It falls under the roof of a laboratory or anywhere that can be simulated under desired conditions. Meanwhile uncontrolled observation takes place in a natural environment that runs on its own without any condition or manipulation. The method applied for this research will be the uncontrolled observation.

2) Participant versus non-participant observation

In this case, the observation focuses on the observer or the researcher (Sekaran & Bougie, 2016). Participant observation means a direct involvement of the researcher by participating in the daily life of the organisation under the study. On the other hand, the researcher never really jumps into the field in the nonparticipant observation. They observe from the outside of one's vision. This study will conduct a participant observation.

3) Structured versus unstructured observational studies

The third key dimension talks about the structure of the observation (Sekaran & Bougie, 2016). Structured observation means that the researcher has a predetermined or planned set of categories of activities to be studied. The format of the observation may vary, but it is basically quantitative in nature. On the contrary, the researcher will basically record everything that takes place during an unstructured observation. The results obtained will be qualitative data. As for this step, structured observation will be applied during the study.

#### 4) Concealed versus unconcealed observation

Concealment of observation relates to the awareness participants – whether the members are told that they are under a certain study or not (Sekaran & Bougie, 2016). This affects the reactivity of the situation. Concealed observation means that the research subjects are not influenced by the awareness that they are being observed. Meanwhile unconcealed observation opens to the authenticity of the behaviour under the study. As for the research purposes of Senandika Hotel, the members or audiences will be aware of the survey. They will be given a short introduction before going further into the questionnaire.

Hence, unconcealed observation will be applied.

#### c. Structured Interview

Further interviews will only be conducted if additional data is needed from trusted and competent sources or speakers and can provide valuable input regarding the business to be established.

## 2. Secondary Data

As stated by Sekaran & Bougie (2016, p. 37), the definition of secondary data is:

*“Data which have previously been collected by other researchers for purpose different from the purpose of the current research.”*

The writer will use several research results as the secondary data which include:

- a. Central Bureau of Statistics or *Badan Pusat Statistik (BPS)*
- b. Website or Internet (such as e-books and relevant articles)
- c. Books (Library)

## D. Theoretical Conceptual Review

### 1. Understanding of Accommodation

The term accommodation has a very wide range of meaning. Taken from the Merriam-Webster, accommodation is a supplier of convenience or to satisfy a need such as lodging, food, and services or traveling space and related service. It can also be referred to as a public conveyance (such as a train) that stops at or nearly all points. On the other note, according to the Cambridge Dictionary, the definition of accommodation is concluded as a place where people could live, work, or stay for a certain period of time, especially on a holiday or for students at college.

## 2. Types of Accommodation

As elaborated by Patel (2018), there are five major types of common accommodation:

### a. Inn

While hotels and other types of accommodation may just begin to rise, inns have existed for over centuries. Inns have been a traveller's go-to place for comfort, warm food, and safety. They are usually found along the side of a country road or highway. Inns fall in the level somewhere between a hotel and a motel in terms of amenities and services. They are built for travellers to stay the night or two before continuing on their travels.

### b. Motel

The term motel originated from the word "motorists' hotel". It is mainly designated for motorists' travellers on long distance journeys. The main purpose of a motel is to act as a rest stop for motorists during their road trip. Motels are a mock-up of hotels but equipped with minimal amenities and services. They do not have star grading due to the lack of amenities. Motels serve the basic requirements for motorists such as lodging, room facing the parking area, meals, and some basic services for travellers.

### c. Hostels

Hostels are generally made for travellers who need a place to stay on a very limited budget. They are a lot cheaper than other lodging facilities because hostels allow guests to share living



quarters with other travellers. The main target market of hostels is group travellers in need of a very economic residence.

d. Hotel

Hotel can be said to be the most common type of accommodation. It is almost found in any place; may it be cities or other high-density tourist destinations. A hotel doesn't only provide lodging for people, but it also offers meals, facilities such as gyms, pools, and other guest services.

Hotels are no doubt spread out everywhere across the globe. Based on Merriam-Webster Dictionary (2020), a hotel is an establishment that provides lodging and usually meals, entertainment, and various personal services for the public. Seen from Government Regulation of the Republic of Indonesia Number 65 of 2001, hotels are buildings specifically provided for people to stay or rest, obtain services, and / or other facilities free of charge, including other buildings that are attached, managed and owned by the same party, except for shops and offices. In short, they offer a place to stay for the guests – on a short-term basis – in exchange for they payment they give.

The features and services offered by each hotel may vary. It revolves around the rating and classification of the hotel itself. One well-known hotel rating amongst the industry is the star rating, ranging from one-star to a five stars hotel. There are also several

classifications of hotels such as the size, target markets, levels of service, and ownership.

#### 1) History of Hotel

Going back to the days of the Middle Ages, the Greeks first developed thermal baths in villages designed for rest and recovery. Later, the Romans expanded the idea and built mansions to provide accommodation for travellers on government's business. Not long after that, caravanserais appeared along the Middle Eastern routes as a resting place for the pilgrimage.

Inns started to gain more recognition. They provide shelters as travelling grow rapidly. They gradually appeared in most of Europe. Some of them remained famous, for example, l' Auberge des Trois Rois in Basle, which dates from the Middle Ages (Olga, 2017). By the 17<sup>th</sup> century, inns had become very popular. Hosting travellers, offering them food, changing their tires and tending to the horses had been few of their services.

The first publicly held hotel first opened in New York City in 1792, called City Hotel. Then things improved until Tremont House in Boston in 1829, a hotel just like how it is today. This hotel introduces indoor plumbing and indoor toilet and baths, reception, as well as amenities such as free soaps. 1983 was the year when the hotel real estate market started gaining more attention and interest.

Today, there are more than 17.5 million guest rooms across the globe (Olga, Iskra, & McKeever, 2017). Modern hotels keep on developing with more advanced technology. Both budget hotels and luxury hotels are gaining more popularity each day. Moreover, everyone can now enjoy a stay in a designer hotel, an overwater bungalow, an ice hotel or glass igloo, or even capsule hotels.

## 2) Classifications of Hotel

Based on Government Regulations, namely SK: Kep-22/U/VI/78 by the Director of Tourism, there are several classifications of hotels. Each of them is listed under different factors, such as guest activities, location, size and capacity, package plan, and length of stay. Just like other major countries, hotels in Indonesia also apply the star rating system.

### a) 1-Star Hotel

This type of hotel consists of standard rooms only, with 15 rooms being the minimal and a minimum area of 20m<sup>2</sup>. Each room will have to provide a bathroom.

### b) 2-Star Hotel

2-star hotels have a minimum of 20 standard rooms and 1 suite room, with standardized bathrooms in each room. The minimal room area for a standard room is 22m<sup>2</sup>, whilst 44m<sup>2</sup> for the suite room.

### c) 3-Star Hotel

Hotels with a 3-star rating have the minimum of 30 standard rooms, 2 suite rooms, and en-suite bathrooms. Standard room has a minimum of 24m<sup>2</sup> area and 48m<sup>2</sup> for the suite rooms.

d) 4-Star Hotel

This type of hotel consists of a minimum 50 standard rooms, 3 suites, and en-suite bathrooms. The area of the standard rooms ranges from 24m<sup>2</sup> to the minimal and 48m<sup>2</sup> as the minimal for the suite rooms.

e) 5-Star Hotel

The most luxurious rating for hotel standards, 5-star hotels have the minimum of 100 standard rooms, 4 suite rooms, and en-suite bathrooms. The minimum standard room's area is 26m<sup>2</sup> and 52m<sup>2</sup> as for the suite rooms.

3) New Concept Hotels

a) Condominium

A condominium is the kind of hotel that allows joint ownership. The owner of the hotel gives out the hotel on a contract basis to the Management Company to operate. The owner and the hotel management company usually share the profits from the hotel at the end of the year. Family travellers mostly prefer this type of hotel because they provide extra space and facilities such as a kitchen.

b) Capsule Hotels

In the year of 1979, capsule hotels first started in Osaka, Japan. A capsule hotel used to be a box made of plastic or glass-reinforced cement. Nowadays, capsule hotels are modernized with fresh designs. Instead of rooms on each side of the corridors, bed-sized capsules are stacked on top of each other and side-by-side.

c) All-Suite Hotels

This type of hotel is the latest hotel management idea. All-suite hotels are the expansion of a regular hotel. They offer a larger room with a separate living room and a kitchen facility. It gives more breathing space to the travellers, especially business travellers or those with kids. This type of hotel only provides basic services to the guests.

d) Boutique Hotels

According to Xotels, a boutique hotel is defined as a small and intimate hotel, designed in a stylish décor, with a personal note. This type of hotel has unique themes and characters that distinguish them from other hotel brands. They also provide the guests with a more-personalized service. This allows them to enjoy a cosier experience that lacks the vastness of a chain hotel.

A boutique hotel tends to be smaller in size and offers up to 100 rooms only. Their main concern lies on the uniqueness of the character within their space. In order to

build a distinct atmosphere, boutique hotels give a lot of attention to the design. It is the easiest way to highlight their personality. That is why most boutique hotels pay a very close attention to details.

Most boutique hotels operate independently, although bigger chains have started to invest in creating their own. The placement of a boutique hotel may vary. Most are usually found in the heart of the city, but there are also hotels that are located in the back alley or in residential areas. One thing is for sure, they provide easy access to the best spots.

