

The Effect of Entrepreneurship Behavior and Customer Relations on Four Star Hotel Competitiveness: Meditated by Business Strategies

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ABSTRACT— *Among the realm of entrepreneurship study, the entrepreneurial process in tourist sector actors in general is still generally overlooked. The link between tourism and entrepreneurship is a separate subject that is not handled in any way that capitalizes on the natural synergies between the two areas. The purpose of this research is to investigate and analyze the link between entrepreneurial behavior, customer interactions, competitive strategy, and competitiveness. A quantitative method is used in this investigation. There were 138 participants in the study, the researchers employed the complete sampling approach, which involved surveying the entire population. A survey was used to gather data, and a data collection instrument in the form of a questionnaire was used. In order to gain a better understanding of the causal link between factors, the study was supplemented by interviews. Structural Equation Modeling (SEM) is used as an analytical tool in this work. The findings indicate that (1) entrepreneurial behavior has a positive and significant impact on the competitiveness of 4-star hotels; (2) customer relations have a positive and significant impact on the competitiveness of 4-star hotels; (3) competitive strategy has a positive and significant impact on the competitiveness of four-star hotels; and (4) entrepreneurial behavior has a positive and significant impact on the competitiveness of four-star hotels. (7) Competitive tactics for customer interactions have a good and considerable influence on the competitiveness of four-star hotels in Makassar City.*

Keywords— The Effect, Entrepreneurship, Behavior, And Customer

1. INTRODUCTION

Among the realm of entrepreneurship study, the entrepreneurial process in tourist sector actors in general is still generally overlooked (Scheyvens & Hughes, 2019; Dahles et al., 2020). According to Su and Chen (2017), the link between tourism and entrepreneurship is a separate subject that has not been addressed in any way that capitalizes on the natural synergies between the two areas. The issue of entrepreneurship has been researched from various disciplines; nevertheless, the contribution to understanding and knowledge of the entrepreneurial shapers of the tourist industry continues to fall short of explaining the link between entrepreneurship and competitiveness (Yachin, 2019; Presenza et al., 2020).

The expansion of service sectors such as telecommunications, transportation, finance, and hospitality has occurred at a rapid pace, particularly in the age of the Fourth Industrial Revolution (Gelbman, 2021; Williams et al., 2021). The expansion of the service sector in South Sulawesi, which is located in the heart of Indonesia, still has opportunities due to its natural beauty and varied cultures, one of which is the hotel business, which is quickly expanding.

The number of foreign visitors that arrived via the Makassar entry in October 2019 reached 1,440 visits, indicating a drop in the star hotel industry in 2019. When compared to the number of international visitors in September 2019, which reached 1,517 visits, the number of foreign tourists dropped by 5.08 percent. Meanwhile, the number of visitors increased by 21.31 percent when compared to October 2018, when there were 1,187 visits. The Room Occupancy Rate for star classification hotels in South Sulawesi fell by 3.20 points in October 2019 compared to September 2019, from 56.55 percent in September 2019 to 53.35 percent in October 2019.

Table 1 The evolution of room occupancy rates for star hotels in South Sulawesi by star classification from 2016 to 2019.

No.	Classification	2016	2017	2018	2019		
					July	August	September
1.	1-star hotel	31,80	35,73	36,83	48,07	44,75	47,97
2.	2-star hotel	46,72	44,53	47,18	48,84	49,45	49,22
3.	3-star hotel	41,72	46,28	48,38	48,77	43,39	61,06
4.	4-star hotel	54,25	51,33	59,09	62,69	57,81	56,5
5.	5-star hotel	47,62	49,69	54,39	67,02	55,40	58,28
Star		44,68	45,75	50,75	54,85	49,6	56,55
Indonesia		54,29	56,69	58,75	56,73	54,14	53,52

Source: <https://sulsel.bps.go.id/>

During October 2019, the average duration of stay for international and domestic visitors at star-rated hotels in South Sulawesi was 2.37 days and 1.70 days, respectively. This is seen in Table 2 below.

Table 2 The average length of stay of foreign and domestic guests in South Sulawesi's star-rated hotels.

No.	Classification	2016	2017	2018	2019		
					July	August	September
1.	1-star hotel	1,52	1,88	1,95	1,51	1,61	2,30
2.	2-star hotel	1,56	1,83	1,65	1,55	1,65	1,73
3.	3-star hotel	1,62	2,00	2,03	1,76	1,76	2,22
4.	4-star hotel	1,64	1,75	1,96	1,63	2,26	1,83
5.	5-star hotel	1,60	1,58	1,67	1,52	1,53	1,49
Star		1,60	1,88	1,89	1,63	1,85	1,94

Source: <https://sulsel.bps.go.id/>

Makassar City has been a popular tourist destination in Indonesia. Makassar, as a tourism region, is a crucial land for the growth of the service industry sector, particularly hotels as a method of visitor lodging. The number of hotels that have sprung up creates competition; this is undoubtedly a challenge for companies engaged in the hospitality sector to be able to survive and make updates in making competitive strategic plans for their companies, where currently the market determines everything, competition between hotels will become increasingly fierce in order to win the competition. Hotels compete with one another to learn about the competition's terms. Companies with an entrepreneurial mindset will exhibit characteristics such as product innovation, market leadership, a willingness to take risks, and a proactive approach to developing competitive strategies (Ganglmair & Wooliscroft, 2016; Gomezelj, 2016).

This research study will concentrate on four four-star hotels that have energized the hospitality sector in Makassar City, namely Gammara Hotel, Citadines Hotel, Mercure Hotel, and Harper Perintis Hotel. The four hotels' location characteristics undoubtedly have an impact on the magnitude of business opportunities and the high intensity of competition, particularly when comparing hotels that grow in city centers and tourism centers with hotels that grow in the center of new regional growth. As a result, in order to thrive in the face of competition and looming dangers, a hotel must employ the appropriate human resource strategy. Based on this viewpoint, one part of this research will examine the impact of entrepreneurial activity and customer interactions on the competitiveness of four-star hotels.

Hotel Gammara, Hotel Citadines, Hotel Mercure, and Hotel Harper Perintis constantly give assistance to their workers in order to encourage the development of entrepreneurial activity. Employees at this hotel exhibit entrepreneurial behavior in the form of having a self-assured personality, being task and result oriented by prioritizing achievement motivation, having good skills in managing work risks, having ideal leadership characteristics, being creative and innovative, and being optimistic about the future. Some of these workers' entrepreneurial conduct is undoubtedly beneficial to this hotel's rising competitiveness in the face of volatility in the tourism market.

In the last several decades, there has been a surge in interest in entrepreneurship in hospitality and tourist businesses. The majority of economic literature has focused on the motivation and entrepreneurial behavior of managers and

employees in the hotel industry. The majority of these people are primarily concerned with their own well-being and do not want to advance their business or career (Ardani & Harianto, 2021; Breier et al., 2021).

Hotel competitiveness is primarily driven by customer relations variables, which are not exclusively connected to entrepreneurial conduct. Along with the development of today's marketing world, with increasingly fierce competition, industry competitors recognize that customers are the most valuable asset for the company's survival, the phenomenon of shifting from production-oriented to customer-oriented, making companies make customers as a very valuable company asset (Maggon & Chaudhry, 2018). Companies must understand what their consumers want and desire. Along with the growth of today's marketing world, with increasingly severe competition, the application of marketing philosophy has undergone a transition; firms are now not only attempting to acquire new consumers, but also to keep existing customers (Nagar & Rana, 2015; Oh & Kim, 2017).

Based on this, this study provides a fresh look at entrepreneurial behavior and customer relations in affecting competitiveness, as regulated by competitive tactics to win the competition and establish long-term competitive advantage in star hotels.

The main goal of strategy formulation is for the company to be able to objectively see its internal and external conditions, so that it can anticipate changes in the company's external environment, company strengths and advantages, existing resources within the company, and opportunities that have not yet been explored. used by businesses to boost competitiveness (Ayeh et al., 2012; Anser et al., 2020).

Superior performance in a hotel business may be accomplished by applying the correct business plan. According to Breier et al., (2021), competitive advantage is the outcome of executing strategies that leverage the company's resources. The firm's capacity to develop the talents of its employees properly will make the company exceptional, and the execution of human resource-based plans will be tough for rivals to copy.

2. METHOD

The purpose of this research is to investigate the link between entrepreneurial behavior, customer interactions, competitive strategy, and competitiveness. A survey was used to gather data, and a data collection instrument in the form of a questionnaire was used. In order to have a better understanding of the causal link between variables, this study is supplemented by interviews.

The participants in this study are all workers of the Gammara Hotel, Citadines Hotel, Mercure Hotel, and Harper Perintis Hotel. Members of the population are employees who have the criteria of a work contract; this is also done by taking into account the cost, time, and energy efficiency as a result of the study. This agency has a total population of 187 persons.

The number of samples in this study that returned the instrument was 138, therefore this study sampled the total population of 187 individuals. In this situation, a saturation sampling approach is used. This is done since the population is tiny, and it also tries to create generalizations with extremely minimal mistakes.

Entrepreneurial behavior variables were revealed by questionnaires distributed directly to respondents, which included 7 indicators, namely teamwork (X1.1), involvement in marketing (X1.2), maintaining customer relations (X1.3), commitment (X1.4), creativity (X1.5), courage to take risks (X1.6), and future orientation (X1.7) with ordinal measurement scale. The customer relationship variable consists of six variables with ordinal measurement scales: skills (X2.1), convenience (X2.2), clarity of information (X2.3), solutions (X2.4), responsiveness (X2.5), fulfillment of customer demands (X2.6), and use of technology (X2.7).

The competitiveness variable is comprised of three indicators, namely product quality (Y1), product uniqueness (Y2), and competitive price (Y3), all of which have an ordinal measurement scale, while the competitive strategy variable is comprised of four indicators, namely strength analysis (Z1), weakness analysis (Z2), opportunity analysis (Z3), and challenge analysis (Z4), all of which have an ordinal measurement scale.

In this work, structural equation modeling is used for data analysis (SEM). In the context of SEM, entrepreneurial activity and customer interactions are exogenous latent factors, whereas competitive strategy is an intervening variable. The following graphic depicts the steps of structural equation modeling analysis utilized in this study.

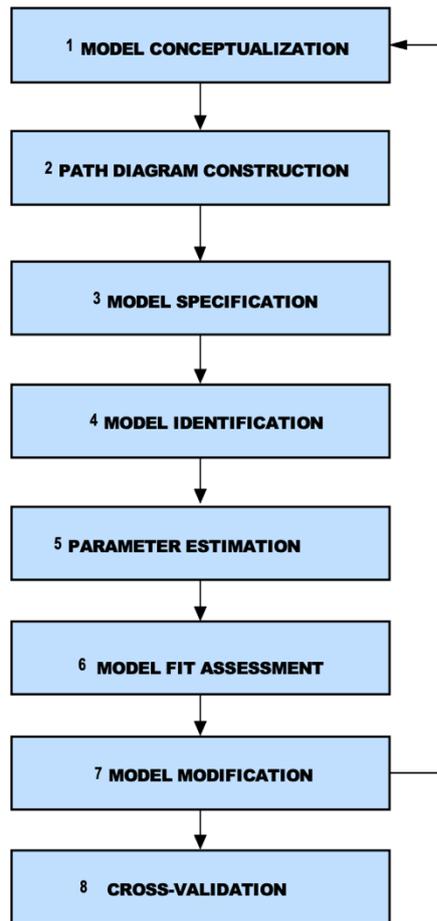


Figure 1: Structural Equation Modeling Stages
Adapted from Diamantopoulos and Siguaw (2000)

3. RESULT AND DISCUSSION

The goal of this research is to look at the link between entrepreneurial behavior, customer interactions, competitive strategy, and competitiveness. After evaluating the model test simulation, the optimal model is created to fulfill the alignment criteria. Thus, based on the simulation analysis of the model test, the pattern of the link between the four latent variables and the manifest that generates each variable can be identified as follows.

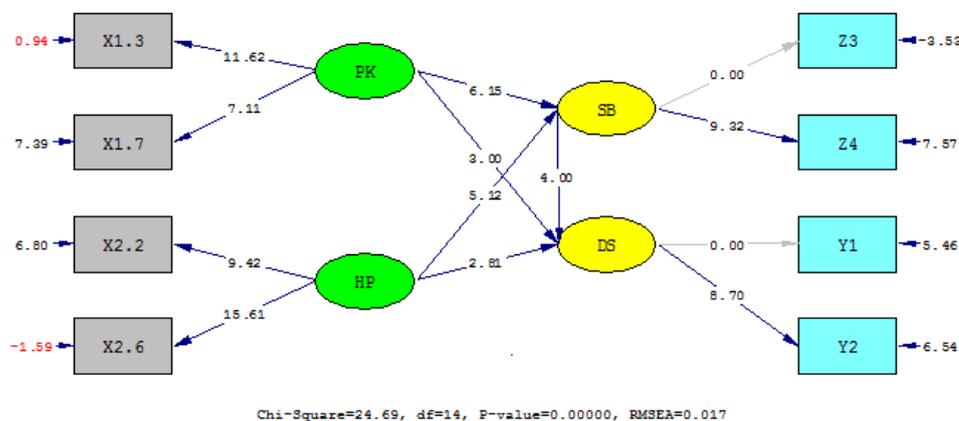


Figure 2: Structural Model Fit
Source: Data Processing Results (2021)

Figure 2 shows that the structural model satisfied the requirements for structural model appropriateness. This is evidenced by the substantial influence of exogenous factors on endogenous variables. The value of the coefficient that fulfills the criteria for determining the structural model analysis can also indicate the model's appropriateness. The following table shows the results of the structural model fit test.

Table 3: Best Model Fit

Model Alignment	Coefficient	Categorize	Information
Chi-square (X^2)	24,69	Kecil (non significant)	Fulfilled
P-Value	0,0000	$\geq 0,05$	Fulfilled
Df	14	-	
Cmin (X^2/Df)	1,76	$\leq 2,00$	Fulfilled
RMR (standardized)	0,027	$\leq 0,08$	Fulfilled
RMSEA	0,017	$\leq 0,08$	Fulfilled
GFI	0,98	$\geq 0,90$	Fulfilled
AGFI	0,98	$\geq 0,90$	Fulfilled
CFI	0,99	$\geq 0,90$	Fulfilled
IFI	0,99	$\geq 0,90$	Fulfilled
NNFI atau TLI	0,98	$\geq 0,90$	Fulfilled
AIC (Model)	67,69	Low, relative	Fulfilled

Source: Data Processing Results (2021)

Table 4 shows that each manifest that builds the five latent variables fulfills the validity criterion, as shown by the standard loading value (0.40) and R2 value. According to the study results, the empirical model as a research finding model differs from the research conceptual model produced based on the aims and issue formulation. The structural model of the study findings that was presented in the preceding discussion section on the appropriateness of the structural model is used for hypothesis testing. As a result, in addition to establishing a structural model of the study findings, the coefficients of direct and indirect impact between variables and other factors are generated. The coefficients of direct impact between variables can be summarized in the following table based on the results of the study and model findings.

Table 5. The Direct and Indirect Effects of Variables On One Another

No.	Examination	Coefficient of Influence			T-value	Conclusion
		Direct	Indirect	Total		
1.	PK → DS	0,33	-	0,33	3,00	significant
2.	HP → DS	0,23	-	0,23	2,81	significant
3.	SB → DS	0,40	-	0,40	4,00	significant
4.	PK → SB	0,45	-	0,45	6,15	significant
5.	HP → SB	0,34	-	0,34	5,12	significant
6.	PK – SB- DS	0,33	0,18	0,51	3,47	significant
7.	HP – SB - DS	0,23	0,14	0,37	2,89	significant

Source: Data Processing Results (2021)

Based on the data processing results in Table 5, the findings of this study suggest that entrepreneurial activity has a positive and substantial influence on the competitiveness of 4-star hotels by 33.0 percent. This indicates that the better the entrepreneurial conduct, the higher the competitiveness of 4-star hotels, and vice versa. Entrepreneurial attitudes and behaviors are mirrored in personality; this element may be seen in inventiveness, self-discipline, self-confidence, boldness in facing risks, strong drive, and will. Several prior research corroborate this conclusion since the entrepreneurial behavior component demonstrates the entrepreneurial capacity of managers and workers of Makassar City's 4-star hotels, which is inextricably linked to creativity and innovation. Because of the tremendous strength of imagination, innovation is generated. Because of the continuously changing environment, creativity is a key source of competitive advantage (Shasha et al., 2021; Kaushal & Srivastava, 2021).

This study's findings also reveal that customer connections have a favorable and substantial influence on the competitiveness of 4-star hotels by 23.0 percent. This indicates that the greater the relationship with consumers, the more competitive 4-star hotels will be, and vice versa. A customer relationship is an endeavor to build long-term ties with customers. The idea is that a strong and mutually beneficial connection between service providers and clients may generate repeat business and consumer loyalty. So, customer relationships or long-term relationships that do not end only at the time of sales transactions, focus on non-economic satisfaction, such as service, product delivery time (delivery of services), and certainty regarding continuity of supply, as well as prioritizing opportunities to establish mutually beneficial relationships on the basis of an agreement (Maggon & Chaudhry, 2018; Hasan et al., 2020).

Competitive strategy has a 40.0 percent positive and substantial effect on the competitiveness of 4-star hotels. That is, the better the competitive approach used, the more competitive 4-star hotels are, and vice versa. According to the conclusions of this study, strategy has a tight link with the concepts of planning and decision making, therefore strategy

evolves into strategic management. In general, management is defined as a process of planning, organizing, directing, and overseeing the actions of members of an organization, as well as the use of all types of organizational resources to attain competitiveness (Roy, 2011).

This study's findings also reveal that entrepreneurial activity has a 45.0 percent favorable and substantial influence on the competitive strategy of 4-star hotels. To put it another way, the better the entrepreneurial conduct, the better the competitive strategy used, and vice versa. These findings are supported by research indicating that entrepreneurial behavior in the hospitality industry, such as the ability to create something new and different (creativity and innovation), organize, take risks, be result oriented, opportunity, personal satisfaction, and freedom, are important in competitive strategy (Gelbman, 2021; Williams et al., 2021).

Customer relations have a 34% favorable and substantial impact on the competitive strategy of 4-star hotels. This indicates that the better the customer interactions, the more competitive the 4-star hotel's strategy is, and vice versa. Customer expectations are directly connected to perceived product quality. In the context of the hospitality business, the impression of product quality cannot be confined to sensory qualities, but must also include safety, usefulness, and cost. It was also shown that if buyers consider a product's worth to be high, there is a relatively high likelihood that they purchase the product (Kim et al., 2019).

Entrepreneurial activity via competitive strategy has a good and significant effect on the competitiveness of 4-star hotels by 33.0 percent. Similarly, customer interactions via competitive tactics have a good and significant influence on the competitiveness of 4-star hotels by 23.0 percent. In the context of this result, competitiveness refers to a company's capacity to provide relatively high and sustained revenue and employment factors in the face of competition. Because industrial competitiveness is a phenomena at the micro level of firms, the industrial competitive strategy is preceded by an examination of the industrial sector as a whole as a foundation for gauging it (Anser et al., 2020).

4. CONCLUSION

According to the findings of this study, namely:

1. entrepreneurial behavior has a positive and significant impact on the competitiveness of 4-star hotels;
2. customer relations have a positive and significant impact on the competitiveness of 4-star hotels
3. competitive strategy has a positive and significant impact on the competitiveness of 4-star hotels;
4. entrepreneurial behavior has a positive and significant impact on the competitiveness of 4-star hotels.
5. customer relations have a positive and significant impact on 4-star hotels' competitive strategy;
6. entrepreneurial behavior through competitive strategies has a positive significant influence on 4-star hotels' competitiveness;
7. customer relations through competitive strategies have a positive and significant influence on 4-star hotels' competitiveness.

This study's findings have ramifications for researchers, hotels, and policymakers, particularly those concerned with boosting competitiveness through entrepreneurial development. Lack of capacity to adapt to the environment, less agile in business prospects, lack of imagination and innovation in predicting diverse environmental issues are all consequences of high or low competitiveness. Furthermore, there is a shortage of management competence and abilities inside the organization.

On the one hand, the literature study shows that there are three important components that will define competitiveness and have an influence on corporate performance, including the company's internal environmental factors, the external environment, and entrepreneurship. So, based on this, the implication of this research is that it leads to environmental variables that are separated into internal and external factors, either directly or indirectly impacting the competitiveness strategy.

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