Analysis of Segmentation and Targeting Strategies Of 4-Star Hotel Consumers In Jakarta

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A R T I C L E   I N F O

ABSTRACT

This study aims to analyze the segmentation and targeting strategies for 4-star hotel consumers in Jakarta by identifying homogeneous customer groups and selecting the most promising target market. Using a quantitative descriptive approach, data were collected through a Likert-scale questionnaire covering four marketing mix variables: Product, Price, Place, and Promotion. Hierarchical Cluster Analysis was applied to identify market segments, resulting in six distinct clusters, followed by Non-Hierarchical Cluster Analysis to determine the target market. The findings indicate that Cluster 1 is the most attractive segment, characterized by guests who prioritize cleanliness, quality service, and complete facilities, and who are responsive to digital promotions. In terms of the 4P marketing mix, 4-star hotels have successfully delivered high-quality services, offered competitive yet premium pricing, maintained strategic locations, and utilized social media and online travel agents for effective promotion. The study recommends value-based marketing strategies to enhance customer loyalty and capitalize on peak seasons. Limitations include the restricted geographic scope to Jakarta and a short data collection period of two weeks. Future research should expand to other regions and extend the data collection timeframe to obtain more comprehensive results.

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1.   INTRODUCTION

Hotels are businesses that provide accommodation in the form of rooms along with food and beverages, entertainment, and other facilities on a daily basis to generate revenue (Akhmedova, 2023). This aligns with the definition of a hotel according to the Regulation of the Minister of Tourism and Creative Economy of the Republic of Indonesia No. PM.53/HM.001/MPEK/2013, which defines a hotel as a type of accommodation that uses part or all of a building to provide lodging, food and beverages, and other services managed commercially.

Tourism is one of the sectors that plays a highly significant role in the country's economic development. It not only serves as a source of foreign exchange but also functions as an industry capable of creating substantial employment opportunities. Tourism contributes positively to the national economy, and the growth of the tourism industry correlates with the expansion of the accommodation industry. Tourism as an industry contributes significantly to the country's foreign exchange reserves and provides direct and indirect job possibilities to a broad segment of the population (Thommandru, 2023)

Jakarta is the largest city in Indonesia and formerly held the status of the nation's capital (Special Capital Region or DKI) before it moved to the new capital city, IKN. Jakarta remains the center of the country's economic, governmental, political, and cultural activities, as well as a hub for business and tourism. Covering an area of 7,659.02 square kilometers, Jakarta attracts 935,182 tourists and is home to a population of 10,609,681. The city continues to promote various well-known tourist destinations domestically and internationally under the slogan "Enjoy Jakarta." This undoubtedly drives hotel demand, making Jakarta one of the cities with the largest number of hotels in Indonesia. Data from the Central Statistics Agency confirms the growing number of hotel businesses each year.
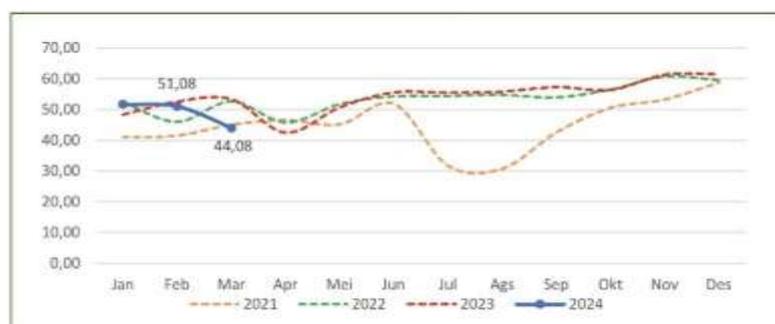
Figure 1. Development of Star Hotel Room Occupancy Rates in Jakarta (%) from 2021–2024

Source : https://jakarta.bps.go.id/id

This data clearly shows the increasing competition among Jakarta hotels to attract guests and maximize revenue. Moreover, due to the city's extensive business activities, events such as meetings, conferences, and corporate gatherings are frequently held in hotels.

The figure illustrates the trends in occupancy rates for star-rated hotels in Jakarta between 2021 and 2024. A consistent seasonal pattern emerges each year, with a decline in August and a sharp rise toward the year's end, particularly in November and December. This reflects the high demand for accommodation during the year-end holiday season and other celebrations. In 2021, occupancy rates were generally lower than in subsequent years, particularly in March and April, due to the lingering effects of the COVID-19 pandemic on the hospitality sector. By 2022, there was a marked improvement, especially in the second half of the year, as tourism began to recover. The pattern in 2023 was similar to that of 2022, though with a sharper drop in August. Early 2024 data shows relatively stable occupancy rates, with projections pointing to an increase by year's end, approaching over 60%. Peak occupancy each year occurs in December, reflecting heightened tourism and business activities, while the lowest performance is typically in August, when occupancy drops to around 40%, likely due to being outside the peak holiday and business seasons. Overall, the chart indicates that Jakarta's hotel industry has been gradually recovering since 2021, with steady growth trends each year. This presents opportunities for four-star hotels to capitalize on peak seasons through targeted marketing strategies and services tailored to customer needs.

The rapid growth of hotels is driven by the increasing needs of people traveling long distances and requiring lodging or homestay options, as well as business travelers needing meeting facilities and this high level of competition in the hotel industry poses significant challenges for attracting new guests and maintaining customer loyalty (Alananzeh, 2022; Myo et al., 2019). For corporate events, hotel facilities are a deciding factor—mid- to lower-tier hotels may not offer meeting rooms, whereas four-star hotels are required under hospitality standards to provide such facilities. In the hospitality industry, market segmentation is crucial to differentiate between specific consumer classes when choosing products or services.

It is evident that hotels apply various segmentation strategies to sustain their growth, especially as the industry has become more widely known and accessible due to modern advancements. For example, businesses can now easily arrange corporate meetings through online platforms and hotel utilizes this platform to interact directly with their intended customers (Zeqiri,

2024; Go & Kang, 2022)). Proper segmentation in hospitality ensures that companies can position their offerings appropriately within the market. Nowadays, customers are more informed and can recognize a hotel's market segment large, centrally located buildings are typically identified as mid- to upper-class hotels.

As a critical strategic step in the hospitality industry, segmentation and targeting are particularly important for four-star hotels. These establishments usually offer a combination of luxury services at more affordable rates compared to five-star hotels, making them an ideal choice for certain customer segments. Four-star hotels typically target upper-middle-class customers who have sufficient disposable income but still seek better value. They prefer comfortable stays with adequate facilities, such as restaurants, gyms, swimming pools, and 24-hour room service, without paying the premium rates of five-star hotels.

Four-star hotels can also attract business travelers, who often visit major cities like Jakarta for meetings or conferences and require accommodations with meeting rooms, fast internet, and strategic locations. This segment is valuable as business travelers tend to be loyal and return to hotels that meet their expectations. Additionally, leisure travelers, particularly couples and families seeking a luxurious yet affordable vacation form another key target market. They are often interested in special packages such as weekend getaways or honeymoon offers that provide a complete experience at reasonable prices.

In this context, four-star hotels must develop appropriate marketing strategies that take into account the preferences and needs of different segments. By tailoring their offerings to suit their target markets and adopting a segmented approach, four-star hotels can remain relevant and attractive while enhancing customer loyalty. In short, by focusing on markets with specific needs and expectations through proper segmentation and targeting, four-star hotels can improve occupancy rates, expand their reach, and ultimately maximize revenue and reputation in the hospitality industry. .

2. RESEARCH METHOD

This research aims to study the segmentation and targeting strategies of four-star hotel consumers in Jakarta by using a quantitative descriptive method. Primary data were acquired by Likert scale questionnaire with four dimensions in the marketing mix (Product, Price, Place, and Promotion). The questionnaire was distributed to hotel guests within the Jakarta area to capture customer preferences and their behavioral patterns in the scope of Jakarta as the geographical scope. The data collection method used a non-probability sampling approach, which is a sampling technique that does not give equal opportunity to every member of the population to be selected and is conducted randomly. The specific technique applied was purposive sampling, because the sample was selected based on certain criteria (Sekaran & Bougie, 2016). The sample criteria in this study were individuals who had stayed at a 4-star hotel in Jakarta. Data analysis was then conducted in two stages. The first stage of the data analysis is by doing the Hierarchical Cluster Analysis that applies the agglomerative methon to identify homogeneous consumer groups. Then, Non-Hierarchical Cluster Analysis was done to produces a more specific cluster, allowing researchers to find the most suitable solution from several clusters that have been formed (Hair et al., 2019).

3. RESULTS AND DISCUSSIONS
Research Findings Analysis
Segmentation *(Hierarchical Cluster)*
This research applies the hierarchical procedure method, also known as the agglomerative method.

Table 1. *Hierarchical Cluster*

Stage	Cluster Combined		Coefficients	Selisih Coefficients
	Clusters 1	Clusters 2		
142	83	130	17.000	
143	30	31	17.000	17.000 - 17.000 = 0
144	1	30	23.496	23.496 - 17.000 = 6.496

Stage	Cluster Combined		Coefficients	Selisih Coefficients
	Clusters 1	Clusters 2		
145	1	44	24.286	24.286 - 23.496 = 0.79
146	1	84	24.923	24.923 - 24.286 = 0.637
147	1	15	28.180	28.180 - 24.923 = 3.177
148	29	83	29.500	29.500 - 28.180 = 1.32
149	1	29	24.923	24.923 - 24.286 = 0.637

Conclusion: Based on the difference in coefficients shown in the agglomeration schedule table, it is found that the market segmentation of 4-star hotels in Jakarta consists of six segments.

Targeting (*Non-hierarchical Cluster*)
This study employs a non-hierarchical method to produce a more specific cluster, enabling the identification of a single optimal solution among several clusters. The non-hierarchical cluster analysis was then applied to identify the intended target market. Prior to this, the study had determined key statements to serve as special considerations. These statements include: *"I enjoy having a staycation at a hotel at the end of every month"* (Indicator 1 under the Product variable) and *"I feel comfortable staying at this hotel because of its maintained cleanliness"* (Indicator 5 under the Product variable).
Based on the table above, the highest relative value particularly for the key statements was obtained from the first segment. The first market segment formed in this study consists of respondents who expressed comfort staying at the hotel due to its maintained cleanliness, perceived price as acceptable so long as it matches the quality of service, and a preference among some to book rooms through certain channels.

This research applies a two-step approach to achieve its objectives: using Hierarchical Cluster Analysis to identify market segments, and Non-Hierarchical Cluster Analysis to determine the hotel's target market. The segmentation process identified six distinct segments, and the cluster selected as the target market was Cluster 1, as it demonstrated the greatest increase in value compared to other clusters, especially in terms of the key statements. Therefore, the chosen target market for 4-star hotels in Jakarta is Cluster 1.

Cluster 1
This study employed two steps to achieve its objectives, namely the use of Hierarchical Cluster analysis to identify market segments and non-hierarchical cluster analysis to determine the company's target market. In the discussion on market segmentation, the study divided the market into six segments, with Cluster 1 selected as the desired target market due to its highest value increase compared to other clusters, particularly for key statements. Therefore, the target market selection for 4-star hotels is Cluster 1.

No.	Pernyataan	Cluster 1	Pembahasan
1	Saya senang melakukan staycation di hotel pada setiap akhir bulan	4	**Setuju**, Responden adalah orang yang memiliki kebiasaan menikmati akhir bulan dengan *staycation* di hotel. **Saran:** Perusahaan dapat menyediakan paket *staycation* spesial untuk menarik pelanggan seperti ini.
2	Saya senang menikmati fasilitas (kolam renang, area gym, restoran, playground anak) yang disediakan oleh Hotel.	4	**Setuju**, Responden adalah orang yang menyukai fasilitas lengkap saat menginap di hotel. **Saran:** Perusahaan dapat terus meningkatkan dan mempromosikan fasilitas-fasilitas unggulan untuk menarik lebih banyak tamu.
3	Saya sangat suka makanan yang disiapkan oleh Hotel.	5	**Sangat Setuju**, Responden adalah konsumen yang memperhatikan kualitas makanan yang disediakan oleh hotel. **Saran:** Perusahaan dapat menawarkan

No.	Pernyataan	Cluster 1	Pembahasan
			variasi menu yang lebih menarik untuk meningkatkan pengalaman tamu.
4	Saya menikmati *view* yang bagus dari kamar yang saya pilih.	4	**Setuju**, Responden adalah orang yang memperhatikan estetika pemandangan saat menginap. **Saran:** Perusahaan dapat mempromosikan kamar dengan pemandangan menarik sebagai nilai tambah.
5	Saya merasa nyaman menginap di hotel ini karena kebersihan yang terjaga.	5	**Sangat Setuju**, Responden adalah orang yang memperhatikan kebersihan sebagai prioritas kenyamanan. **Saran:** Perusahaan dapat terus memastikan standar kebersihan yang tinggi untuk mempertahankan kepercayaan tamu.
6	Harga bukan masalah asal sesuai dengan kualitas pelayanan Hotel.	5	**Sangat Setuju**, Responden adalah orang yang tidak keberatan membayar lebih selama kualitas pelayanan sebanding. **Saran:** Perusahaan dapat menonjolkan pelayanan terbaiknya untuk menarik pelanggan dengan preferensi seperti ini.
7	Pendapatan saya cukup untuk menginap di Hotel ini.	4	**Setuju**, Responden adalah orang dengan pendapatan yang mencukupi untuk *staycation* secara rutin. **Saran:** Perusahaan dapat menawarkan paket loyalitas untuk tamu seperti ini.
8	Saya selalu menyisihkan sebagian penghasilan untuk menginap di Hotel.	5	**Sangat Setuju**, Responden adalah orang yang memprioritaskan menginap di hotel dalam pengelolaan keuangan. **Saran:** Perusahaan dapat memanfaatkan preferensi ini dengan menawarkan program cicilan atau diskon untuk pemesanan awal.
9	Saya lebih suka pilihan harga kamar yang bervariasi.	4	**Setuju**, Responden adalah orang yang menyukai fleksibilitas harga berdasarkan kebutuhan. **Saran:** Perusahaan dapat menyediakan paket harga yang lebih bervariasi untuk menjangkau berbagai segmen tamu.
10	Saya tidak keberatan membayar lebih untuk mendapatkan kamar dengan pemandangan yang lebih baik.	5	**Sangat Setuju**, Responden adalah tamu yang mengutamakan estetika pemandangan saat menginap. **Saran:** Perusahaan dapat menawarkan kategori kamar premium dengan pemandangan istimewa.
11	Saya menyukai hotel yang terletak di lokasi strategis dan mudah diakses dari pusat perbelanjaan, bisnis, dan transportasi umum.	2	**Tidak Setuju**, bisa jadi responden lebih memilih hotel yang menawarkan nilai tambah lain, seperti pemandangan indah atau layanan unik, dibandingkan hanya faktor lokasi. **Saran:** Perusahaan dapat menonjolkan layanan unik dan pemandangan indah dalam pemasaran, sambil tetap mempromosikan aksesibilitas untuk menarik berbagai segmen pelanggan.
12	Saya lebih suka memesan kamar pada *online travel agent*.	4	**Setuju**, Responden adalah tamu yang mengandalkan platform *Online Travel Agent* (OTA) untuk pemesanan kamar. **Saran:** Perusahaan dapat terus memperkuat kerja sama dengan platform OTA dan memberikan insentif tambahan bagi pengguna.
13	Saya menyukai Hotel yang berada di samping jalanan besar (dekat dari jalan tol).	2	**Tidak Setuju**, Responden tidak terlalu memprioritaskan atau mempermasalahkan akses menuju hotel. **Saran:** Perusahaan dapat fokus pada keunggulan lain, seperti suasana tenang, fasilitas lengkap, atau pengalaman unik, untuk menarik pelanggan yang tidak terlalu memprioritaskan lokasi dekat jalan besar atau jalan tol.

No.	Pernyataan	Cluster 1	Pembahasan
14	Saya merasa lebih aman menginap di hotel yang berada di kawasan yang ramai.	4	**Setuju**, Responden adalah orang yang memperhatikan faktor keamanan di lingkungan hotel. **Saran:** Perusahaan dapat menonjolkan lokasi hotel di area yang ramai dan aman untuk meningkatkan kepercayaan tamu.
15	Saya menyukai lokasi hotel yang menyajikan pemandangan *city light*.	2	**Tidak Setuju**, Responden adalah individu yang tidak mementingkan pemandangan sehingga aspek keindahan pemandangan mungkin bukan prioritas utama. **Saran:** Perusahaan dapat fokus pada kepraktisan lokasi sambil tetap menawarkan nilai tambah estetika, seperti desain interior yang menarik atau fasilitas unggulan, untuk memenuhi kebutuhan pelanggan.
16	Saya senang ketika mendapatkan promosi melalui aplikasi perjalanan atau media sosial yang menawarkan potongan harga atau *cashback*.	5	**Sangat Setuju**, Responden adalah orang yang responsif terhadap promosi digital. **Saran:** Perusahaan dapat terus meningkatkan aktivitas promosi di media sosial untuk menarik perhatian konsumen.
17	Saya suka menghabiskan waktu akhir pekan di Mall Jakarta.	4	**Setuju**, Responden adalah tamu yang mengutamakan akses mudah ke pusat perbelanjaan. **Saran:** Perusahaan dapat mempromosikan hotel sebagai pilihan akomodasi dekat mall besar.
18	Saya tertarik dengan penawaran khusus seperti sarapan gratis atau *upgrade* kamar.	5	**Sangat Setuju**, Responden adalah tamu yang mudah tertarik pada penawaran khusus. **Saran:** Perusahaan dapat terus menawarkan berbagai bonus dan *upgrade* gratis untuk meningkatkan loyalitas pelanggan.
19	Saya sering memanfaatkan kode promo saat memesan kamar hotel.	5	**Sangat Setuju**, Responden adalah orang yang aktif mencari promo sebelum melakukan pemesanan. **Saran:** Perusahaan dapat menawarkan kode promo yang menarik untuk meningkatkan pemesanan kamar.
20	Promosi pada media sosial mempengaruhi keputusan saya untuk memesan.	4	**Setuju**, Responden adalah konsumen yang terpengaruh oleh promosi di media sosial. **Saran:** Perusahaan dapat meningkatkan aktivitas pemasaran digital melalui kampanye kreatif di platform sosial media.

4. CONCLUSION

The findings of this study on the product measurement variable indicate that 4-star hotels have effectively marketed their services by consistently delivering quality, such as delicious food, well-maintained room cleanliness, attractive views, and comprehensive facilities including swimming pools, gym areas, and children's playgrounds to attract guests. The price variable shows that guests are willing to pay higher prices for good service quality and better room views. The place variable reveals that guests prefer booking rooms online via websites or travel agents and feel more comfortable staying in hotels located in bustling areas. For the promotion variable, hotels can use social media or websites to showcase rooms and facilities and run promotions to attract customers. Consumers in Cluster 1 seek high-quality hotel experiences with a strong emphasis on cleanliness, service, and adequate facilities, and they often respond to appealing digital promotions. A value-based marketing strategy enables businesses to capitalize on this behavior by enhancing promotions through digital media and OTAs, which not only increases purchase intentions but also fosters long-term customer loyalty. Based on these findings, the study recommends that hotel industry leaders, particularly in 4-star hotels, make decisions aligned with the 4P marketing mix (Product, Price, Place, Promotion). The results show that 4-star hotels are already performing well in delivering quality services and diverse facilities that meet guest needs, offering slightly higher-priced services with

superior quality, strategically located in accessible and busy areas, and frequently providing discounts and cashback promotions using promo codes. In today's fast-paced digital era, hotel managers should innovate products and services that match guest preferences, improve service and facility quality at attractive and competitive prices, enhance staff training to ensure excellent customer experiences, and actively promote across all social media channels to captivate potential guests. However, this study has limitations, including a restricted research area involving only 4-star hotel guests in Jakarta, which may limit the generalizability of results, and a short research period of only two weeks. For future research, it is recommended to expand the study to other regions or cities in Indonesia for broader national insights and extend the data collection period beyond two weeks to obtain a larger and more representative sample.

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