

TABLE OF CONTENTS

TABLE OF CONTENTS	1
ABSTRACT	5
CHAPTER I	6
INTRODUCTION	6
1.1. Research background	6
1.1.1. Problem formulation.....	10
1.1.2. Authenticity of the research.....	10
1.1.3. Research benefit	10
1.2. Research objective.....	11
1.3. Chapter Outline	11
CHAPTER II	13
LITERATURE REVIEW	13
2.1. Strategy.....	13
2.2. Competitive advantage	14
2.3. Generic competitive strategies	16
2.3.1. Cost leadership strategy.....	16
2.3.2. Differentiation strategy.....	18



2.3.3. Focus strategy	20
2.4. Value chain.....	23
2.4.1. Meaning of Value Chain	23
2.4.2. Value Chain Activities	25
2.5. Assessing competitiveness of value chain.....	28
CHAPTER III.....	35
RESEARCH METHODOLOGY	35
3.1. Research Procedures.....	35
3.1.1. Interview.....	35
3.1.2. Observation	37
3.1.3. Framework of Analysis	37
3.2. Research Problem.....	39
CHAPTER IV.....	41
COMPANY OVERVIEW.....	41
4.1. Facilities of accommodation	42
4.1.1. Room and villa	42
4.1.2. Supporting Facilities and Services	44
4.2. Structure organization	45
4.2.1. Job Description.....	46



4.3.	Values	53
4.4.	Vision and Mission.....	54
4.5.	Business Strategy	54
4.6.	Competition	54
CHAPTER V		57
RESEARCH FINDINGS & DISCUSSION		57
5.1.	Value Chain of The Cangkringan Jogja Villas and Spa.....	57
5.1.1.	Primary activities.....	57
5.1.2.	Support activities	61
5.2.	Implementation of differentiation strategy on the value chain activities	66
5.2.1.	Operation	66
5.2.2.	Marketing & Sales	66
5.2.3.	Service	68
5.2.4.	Procurement.....	69
5.2.5.	Human Resources Management.....	70
5.3.	Value chain assessment	73
5.4.	Evaluation of the value chain	75
5.4.1.	Superiority of The Cangkringan Jogja Villas & Spa.....	75
5.4.2.	Failure in gaining superiority through differentiation	79



CHAPTER VI	81
CONCLUSIONS & RECOMMENDATION	81
6.1. Conclusions	81
6.2. Recommendations.....	82
BIBLIOGRAPHY	84
APPENDICES.....	88



LIST OF TABLE

Table I. Classification of Hotel in Daerah Istimewa Yogyakarta	7
Table II. Requirements for Cost Leadership Strategy	17
Table III. Requirements for Differentiation Strategy.....	19
Table IV. Requirements for Focus Strategy.....	22
Table V. Room Occupancy and Revenue in 2005-2008.....	42
Table VI. Numbers of Employees in Operation Area.....	58



TABLE OF FIGURE

Figure 1. Three Generic Strategies.....	21
Figure 2. Porter's Value Chain	26
Figure 3. Measurement of Value Chain	32
Figure 4. Competitive Positioning and The Value Creation Frontier	34
Figure 5. Framework of Analysis.....	38
Figure 6. Structure Organization.....	45
Figure 7. Differentiation on The Value Chain of The Cangkringan Jogja Villas & Spa.....	72
Figure 8. Value Chain Assessment.....	74