

## Research article

# Optimization of Business Strategies for Residential Properties

**Rd. Heri Solehudin**

University of Muhammadiyah Prof. Dr. HAMKA, Indonesia

### ORCID

Rd. Heri Solehudin: <https://orcid.org/0000-0003-4456-2606>

### Abstract.

The boarding house business is a rapidly growing business with increased competition in Indonesia. Business owners need the right marketing strategy to seize opportunities, maximize their strengths and reduce weaknesses, avoid threats, and promote and improve the quality of their service. This study aimed to explore the creative and innovative marketing strategies used by businesses during the COVID-19 pandemic. In particular, the authors studied the marketing strategies used by Rumah Kost Atmawidjaja House and collected additional data through interviews, questionnaires, and experiments. They found that while implementing a marketing strategy, the Atmawidjaja House considered several things: (i) a strategic location considering the targeted market, (ii) online marketing, (iii) providing adequate facilities to the occupants, (iv) serving every occupant in a good and friendly manner, and (v) responding quickly to any complaints made by the boarding house residents.

**Keywords:** strategy, marketing, boarding house business

Corresponding Author: Rd. Heri Solehudin; email: [solehudinheri123@gmail.com](mailto:solehudinheri123@gmail.com)

**Published:** 01 August 2022

Publishing services provided by  
Knowledge E

© Rd. Heri Solehudin. This article is distributed under the terms of the [Creative Commons Attribution License](#), which permits unrestricted use and redistribution provided that the original author and source are credited.

Selection and Peer-review under the responsibility of the VCOSPILED 2021 Conference Committee.

## 1. Preliminary

Property investment is indeed endless to discuss, especially when it comes to very promising profits. Starting a business in the property sector is arguably very easy in terms of calculation and practice. But don't let it be taken lightly so as to result in broken finances, especially for beginners. The boarding house business is a number of property fields that have provided tangible evidence with promising results. It is undeniable, the high interest of many people to learn and manage a boarding house business makes it quite popular as a long-term investment. The Atmawidjaja House boarding house in the Bendungan Hilir area, one of the areas in Central Jakarta The area is surrounded by Atma Jaya Catholic University of Indonesia and dense offices that make it an indicator of the development of the Atmawidjaja House boarding house. The need for temporary housing is very important for students and workers, especially those from outside the city. Atmawidjaja House is a boarding house that belongs to the exclusive premium

### OPEN ACCESS

class and is located on Jalan Danau Toba Blok G2 No. 141 Bendungan Hilir Village, Tanah District, Abang, RT.14/RW.3, Bendungan Hilir, Tanah Abang, Central Jakarta City, Special Capital Region of Jakarta 10210, Indonesia

The increasing number of students and workers every year is a factor that triggers competition in boarding houses in the city of Jakarta. The development of boarding houses in the city of Jakarta from year to year has triggered an increase in the number of boarding houses that are more exclusive with the aim of meeting customer demands, where according to sources on the internet and newspapers, currently many boarding houses advertise their place by focusing on luxury buildings and facilities that are affordable. complete similar to the facilities in star hotels. The following is shown in the table some of the boarding houses in the Bendungan Hilir area:

TABLE 1: Some boarding houses around Bendungan Hilir, (Benhil) Central Jakarta.

NO	BOARDING HOUSE NAME	LOCATION
1	Homestay Grace	Palmerah, West Jakarta
2	Yos Karet Kuningan	Setiabudi, South Jakarta
3	Win Residence	Tanah Abang Jakarta
4	LeGreen Suite Tondano	Benhill, Central Jakarta
5	Homey 88	Tanah Abang, Jakarta
6	The Nine Residence	Setiabudi, South Jakarta
7	CasaNur Limboto	Benhil, Central Jakarta
8	Mail Bendungan	Benhil, Central Jakarta
9	Green House	Setiabudi, South Jakarta
10	Benhil Residence	Benhil, Central Jakarta

These factors lead to intense competition in the boarding house service business. This makes boarding house owners compete to provide the best service so that users do not move to other boarding houses. Service quality will affect user satisfaction, where the better the quality of services provided, the higher the level of satisfaction from users. Service quality is the overall various characteristics and characteristics of a product, or service in terms of the ability to meet various needs that have been determined and are latent (**Paasurahman et. al. 1985**)[1].

The Servqual method is a method that is often used in measuring service quality. In the servqual method, there are five dimensions of servqual that most determine service quality (**Parasurahman et al. 1988 in Killa**)[1], namely:

1. Tangibles: Physical facilities, equipment and appearance of personnel.
2. Empathy: The company's concern and attention to customers.

3. Responsiveness :The company's desire to help customers and promise the right service.
4. Reliability: The company's ability to keep promises and be reliable.
5. Assurance: The knowledge and friendliness of the personnel and their ability to create opinion power to be trusted by customers.

According to Peter and Oslon good promotional activities are active communication, not through advertising, but direct communication to customers. Effective communication for all target markets is done by word of mouth (word of mouth communication). This method helps spread product awareness to reach consumers outside of those who have direct contact with the promotion. Word of mouth is closely related to social and cultural factors. Some experts mention that social and cultural factors influence the decision to choose or buy consumers **(Kotler, 2006:87)[2]**. They also mentioned that one of the indicators for their preparation is the reference group. The reference group in question in this case are people who are known to potential customers and have an influence in the decision to rent a boarding house. Conformity within the group is used by marketers in their efforts to influence consumers to buy their products and services or accept their opinions.

In running a boarding house service business, a marketing strategy is also needed. However, before going to the marketing strategy that will be used by the boarding house service business, it should be noted that the service marketing strategy is different from the business strategy that provides products or goods. Service businesses are more likely to provide services to users by dealing directly. Therefore, service businesses measure marketing success by the level of satisfaction obtained from users. To produce boarding house services that can optimally meet user needs, the following marketing strategies for Atmawidjaja House boarding house services can be applied.

## 1.1. Formulation of the problem

Based on the background above, in order to focus more on research, the authors formulate the following three main problems:

1. How to make an attractive boarding house promotion in the property business competition?
2. The right management steps are applied in developing a boarding house business?

3. How can developing a boarding house business be a profitable investment during a pandemic?

## 1.2. Research purposes

Based on the formulation of the problem above, the objectives of this study are as follows:

1. To find out how to analyze the external environment of the Atmawidjaja House boarding house.
2. To find out what are the strengths, weaknesses, opportunities and threats of Atmawidjaja House.
3. To find out how the service marketing mix is at the Atmawidjaja House boarding house.
4. To find out how the marketing strategy is at the Atmawidjaja House boarding house during the current Covid-19 pandemic.

## 1.3. Benefit

The theoretical benefit of this research is to increase knowledge in the field of boarding house business property. While the practical benefits of this research can be used to formulate a boarding house marketing strategy that is creative and innovative. This marketing strategy will be analyzed in depth and used as a reference for case studies to deepen the research material.

# 2. The Oretical Basis

## 2.1. Marketing Concepts in the boarding house property business

Desire is a strong desire for specific satisfaction of deeper needs. Meanwhile, demand is the desire for a specific product that is supported by the ability and willingness to buy it (**Kotler, 2006: 4-5**)[2]. This explains that marketers create needs or influence consumers to buy, so that if consumers are interested and make transactions, marketing activities have been running. Marketing includes a business business that starts with identifying consumer needs that need to be satisfied, determining the product to be

produced, determining the appropriate product, determining ways of promotion and distribution/sales of the product.

To achieve this, an entrepreneurial spirit is needed and a place where business activities can take place. In Ciputra's view, a person who owns or manages a business is not necessarily an entrepreneur. People who have a business by imitating a business that has been successful, as is often done in the franchise system. In this context a person becomes a businessman or entrepreneur, because he has a business. Or people can become owners and managers of businesses because of inheritance from their parents, family and relatives.

### 3. Method

According to Stake and Creswell[3] above, if described diagrammatically, it can be seen in the image below. The figure also illustrates with examples of titles that describe the content of each type showing the integration between the case and the research location. The use of this term is specifically to indicate that the case used is a means (instrument) of proof of the concept or theory of the researcher. This focus is considered important in case studies because it requires intensive analysis, not focusing on the status, progress, actions, or thoughts they have.



Figure 1: Classification of Case Studies.

### 4. Results and Discussion

At first, the boarding house business was seen only as a side business. But along with the times and increasing demand, most of these boarding house businesses are

houses that are specially built entirely to be used as rooms that will later be rented out. This makes this business more likely to have a fairly high income prospect. Good management of this business can create a business venture that has high profitability, so it is necessary to develop a business strategy for this purpose. Because with good management in this boarding house business, it can increase the income of the business. Atmawidjaja House boarding house at the beginning of the pandemic that hit in February caused the number of boarding house residents to drop dramatically. The initial number of boarding house residents before the Covid-19 pandemic was 24 people, down to 12 people from 26 available rooms. The cost of renting a boarding house is between IDR 2,500,000-3,500,000.

Based on observations, the authors try to classify a classification of boarding house businesses in the Bendungan Hilir area, Central Jakarta. The author's goal in grouping is to be able to analyze the types of boarding house businesses around the area and apply creative and innovative marketing business strategies to attract prospective boarding house residents.

Although this business is promising, it also has risk factors. The success of boarding house businesses in several big cities is distinguished according to their transactional activities, the relationship between managers, tenants and outsiders, as shown in the following table:

### Business Risk

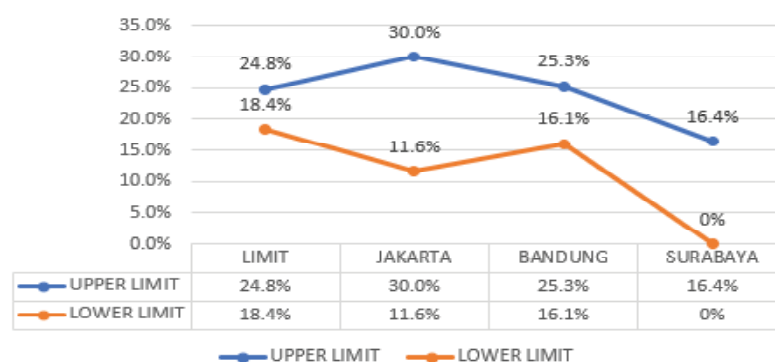


Figure 2: Boarding Business Risk.

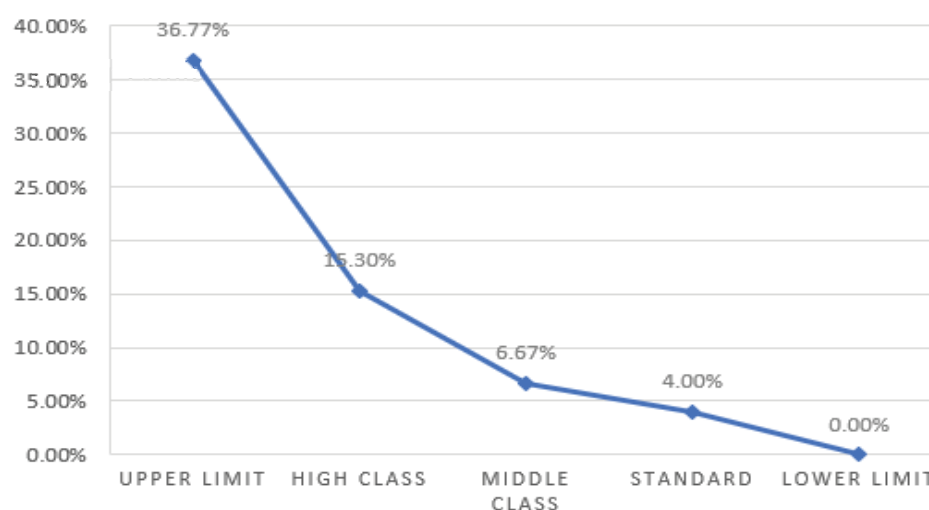
Table discussion: = risk / risk when conditions are normal, s = risk / risk when conditions are not conducive.

#### 4.1. Boarding House Business Investment Risks

There are 90% of the samples of Jakarta, Bandung and Surabaya whose capital structure entirely comes from their own capital, so the impact of changes in loan interest rates is very low on the contribution of the cost of capital (cost of capital). The remaining 10% have the involvement of 30 - 50% of other party's capital (MPL). This equity participation can be in the form of fixed assets (part or all of the land/building) on the basis of family relationships or nepotism.

The risk / risk of financing (Debt to Equity Ratio) at a certain level also has an upper limit (tolerance). With the proportion of loan needs, from the total maximum debt. The owner of the boarding house must be careful in managing the financing of the boarding house business. The owner must master financial management to run smoothly. The following is explained in the picture of the risk of boarding house financing:

##### Risk of Cost



**Figure 3:** Risk of Cost Financing for Samples of Jakarta, Bandung and Surabaya ( $\alpha = 10\%$ ).

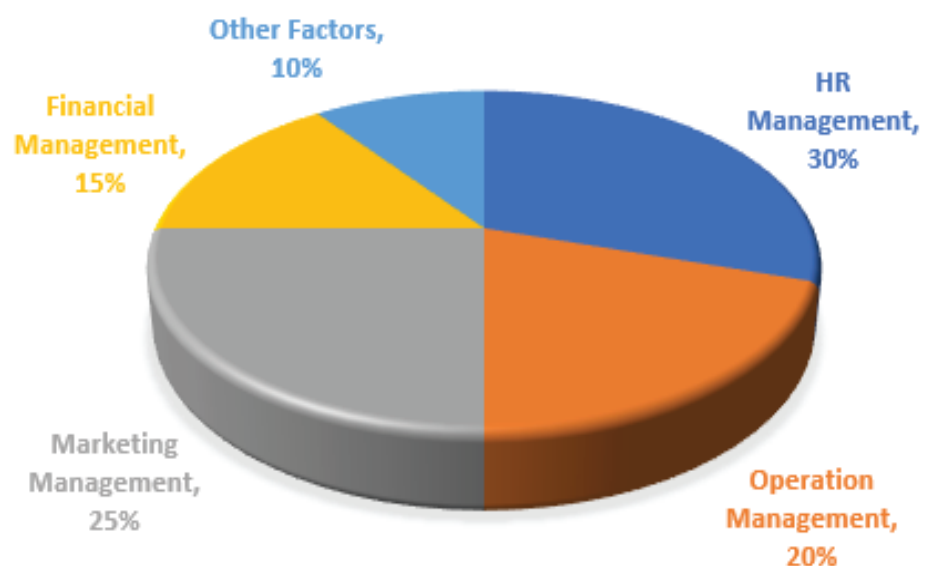
Financing risk/risk (Debt to Equity Ratio) at 90% confidence level, has a maximum risk/risk upper limit (tolerance) of 36.77%. With the proportion of loan disbursement 26 – 50% of the loan requirement, the maximum total debt is 36.77% of own capital. With the same level of confidence, Luxury Boarding has a financing risk of 15.33% - the highest among other scales.

##### Boarding House Business Success Factors

Based on the data obtained from the results of the field survey, in the opinion of the boarding house service entrepreneurs, there are 17 factors that can affect the success

and smooth running of boarding house services. These success factors can be grouped based on management aspects as follows:

1. Operational management which consists of:
  2. location accuracy,
  3. boarding house maintenance and care,
  4. good supervision on the part of the boarding house owner, and
  5. good room condition.
6. Human resource management which consists of:
  - (a) honesty,
  - (b) trust,
  - (c) wisdom.
7. Marketing management which consists of:
  - (a) ability to attract consumers or promotion.
8. Financial management which consists of:
  - (a) capital.
9. Miscellaneous factors.



**Figure 4:** Grouping the success factors of boarding house services based on management aspects.



The results of the field survey indicate that the components of operational management aspects and good management are the main success factors in the business of boarding house services. Thus, the quality of services provided to consumers must receive special attention on boarding house services.

## **4.2. Promotions and Creative Facilities that are Carried out:**

### **4.2.1. Strategic Area Location.**

The Atmawidjaja House boarding house is close to campus and the business district. Around Rumah Kost Atmawidjaja House is surrounded by a new building of houses dedicated to boarding students and workers. The location of the Atmawidjaja House boarding house which is in the middle of a big city and strategically makes the residents feel comfortable because it is close to the city center and transportation is also easy to reach. The Atmawidjaja House boarding house building is made with a minimalist model but still looks stylish. And with a simple room concept but still comfortable to live in. With a large enough parking lot to provide comfort to boarding house residents who have vehicles. The choice of location for the construction of the Atmawidjaja House is a strategic location that is easy to reach by any vehicle and is in the city center. Close to office buildings, universities and high schools and close to malls. Due to the position of this location, not much compensation is given with other factors such as an easier payment method. Another thing that is also important to be taken into consideration in choosing a boarding house is the safety of the environment. Boarding tenants will certainly prefer a boarding house location that is guaranteed to be safe.

Of course, the cooperation of all parties involved is required. For prospective or boarding house owners should think about effective marketing concepts, so that the business objectives to be run can be achieved and the needs and satisfaction of boarding house users can be met. The boarding house owner must choose the market he wants to serve. If you want to choose consumers from the upper classes, it should be done with totality both in terms of services, facilities, and prices offered, or if the boarding house owner wants to play among the lower middle class, he must be really careful in determining customer needs from the customer's point of view, not from his own point of view.



**Figure 5:** Atmawidjaja House.

#### 4.2.2. Right Market Segment

Do not assume that boarding house services can be used by everyone with all conditions. This assumption can lead to wrong decisions, wrong prices, wrong marketing strategies and ultimately the failure of the boarding house service business. The next task is to determine as closely as possible, know exactly who these people are and target boarding house services marketing and direct marketing to them.

People use boarding house services for three basic reasons:

1. (a) To meet basic needs
- (b) To solve the problem
- (c) To make themselves feel good.

The Atmawidjaja House boarding house must determine which category is a service and prepare the appropriate market. This is a problem as long as the market segment is not regulated. The following steps create an effective marketing strategy by using market segmentation to determine the target market.

The first is to determine:

1. Primary market: the target market that generates the biggest profit for the Atmawidjaja House boarding house business.

2. Secondary Market: a target market that generates additional profits that may be people who use the services of Atmawidjaja House boarding house.

Both markets are very careful in determining customer needs from the point of view of selecting the type of market and its reference group.

#### Integrated Online Marketing

To get customers (users) Kost in marketing is done online. In short, Online service businesses are carried out using the internet. So the business activities carried out in the virtual world. The virtual world is the same as the internet, so online marketing is the same as marketing in the real world. As we see every day in the environment where we live. There are many kinds of businesses in the real world (around us), according to our respective expertise or pleasures.

Online marketing can also be combined and. have been running so far or be informed via the internet. The Atmawidjaja House boarding house business is promoted through the internet, promotional videos and brochures. The advantages of online marketing when informed (advertised) via the internet is, our boarding house business can be known by more people. Users of the Atmawidjaja House boarding house can also be known in various places, not only in the city we live in, but also known by everyone all over the world.

#### 4.2.3. Adequate Facilities

For students and workers who are carrying out their activities in the Bendungan Hilir area, one of the boarding houses is the Atmawidjaja House which has complete facilities and is guaranteed to be comfortable and safe. The choice of boarding houses that are equipped with all the facilities has become a trend in itself because many of those who are looking for boarding houses don't want to be bothered with the process of looking for all the necessities such as spring badges. Busyness in campus and office requires them to concentrate fully on what they are doing and no time to take care of other things. This has encouraged the emergence of boarding services such as the Atmawidjaja House, which has all the facilities its residents need. Besides other supporting places, among others, such as: shared kitchen, laundry and drying clothes. This facility is also supported by the provision of free laundry, lobby, air conditioning, laundry, shuttle, refrigerator and WiFi. This is one thing that is very rarely found in other boarding house options. There are many more things that can be found in this boarding house and a comfortable boarding house to support the activities of the residents of the boarding house to concentrate on work or daily tasks.

The Atmawidjaja House boarding house is the boarding house referred to above. Rumah Kost Atmawidjaja House is a boarding house that offers boarding rooms complete with everything needed by its residents. In addition to a large parking area for boarding house residents who bring their own vehicles,

#### 4.2.4. Competitive Price

Price is the money that consumers have to pay to get a product or service. In the marketing mix, price is one of the important factors that affect the marketing of a service. High and low prices always make the main concern of consumers when they are looking for satisfaction of a service. So that the price offered is a special consideration, before deciding to use a service. From the habits of consumers/users, it can be concluded that the pricing strategy greatly influences the marketing of the services offered.

In determining the price, each boarding business has a different strategy. But every strategy they run still has the same goal. Basically, the purpose of pricing has four orientations, namely:

1. (a) i. A. Profit Oriented Goals.

Every business always has a pricing that aims to generate the most profit. However, because of the great competition, businesses often find it difficult to determine the price that can generate the most profit.

As a solution, business actors use a profit target, which is the amount of profit that is in accordance with the profit target.

1. (a) i. A. Volume-oriented objectives Volume-oriented pricing aims to set prices to achieve the target market share. Usually the price is lower, compared to profit-oriented prices.
- B. Image-oriented objectives, namely pricing that aims to form an image or image from a service business. For example, giving the lowest price to add *cheap image on the services you offer*.
- C. The goal is oriented to price stability.

The orientation on price stability aims to maintain stability between the price of a business and the prices of its competitors.

In addition to the approach described above for pricing, the Atmawidjaja House boarding house is adjusted according to the location and existing room facilities, so that the competitive price is obtained.

#### 4.2.5. Responsive service

The Atmawidjaja House boarding house which consists of 4 floors and provides 26 rooms. With the friendly service of the boarding house owner by treating all the boarding children as their own family, the atmosphere becomes warmer and more familial. This hotspot facility makes it possible to make the residents of the boarding house more comfortable. Because with this facility, boarding house residents can use it to relax while surfing the internet, especially young people now cannot be separated from the internet. Because this internet can help boarding house residents who are predominantly college students and workers to assist in finding information in doing their work. In addition, the provision of television in each room with subscription TV channels.

If there is damage related to the place you live in, repairs will be made immediately, making the atmosphere comfortable and not boring so you always feel comfortable. The following is the final table of the case study after creative and innovative marketing actions were carried out:

TABLE 2: Month (pandemic periode) amount.

MONTH (PANDEMIC PERIOD)	AMOUNT
February 2020	12 people
August 2020	20 people

After implementing creative and innovative marketing through facilities strategies and attractive discount promotions, the case study results obtained from the decrease in the number of residents in February due to the pandemic which increased in August 2020 as many as 20 people.

## 5. Conclusion

Based on the results of research and discussions that have been carried out, it can be concluded that:

1. Based on the analysis, it consists of that the boarding house business has very high strengths and opportunities than the weaknesses and threats of the boarding house business that occurs. So that if you are able to take advantage of opportunities as well as possible and provide different services, you can increase your income in the boarding house rental business. The strategy implemented by boarding house rental entrepreneurs is the SO strategy, what is meant by SO (strengths and opportunities) is that with the strength of the boarding house rental

business, entrepreneurs must be able to take advantage of existing opportunities, namely boarding house rental businesses located close to campus and office areas must be affordable and supported by services. the best for them. This easy boarding business marketing can increase the purchasing power of tenants as well as increase, and in addition to getting big profits in the form of material from the boarding property business, it can also provide benefits to other parties, namely providing job opportunities to people who do not have jobs. Because this strategy is the most dominant in increasing the boarding house rental business income.

2. Based on the view of Islamic economics, the efforts made by the owner of the boarding house do not conflict with Islamic law. Doing a boarding house business must apply the principles of justice and the principle of responsibility. Where the owner of the boarding house is fair in obtaining profits and also does not discriminate between the tenants of the boarding house who pays regular and non-routine rents, besides that the boarding house tenant is also responsible for the business he does, besides that the boarding house rental business uses an ijarah contract.

Based on the analysis in the case study above, the discussion of the results refers to the data on the influence of the independent variables (promotion, location, facilities, prices, and reference groups) on the dependent variable (the selection of boarding houses) so that the authors can draw the following conclusions:

1. Of the five variables, namely promotion, location, facilities, price and reference group and the price variable, which has a very positive effect on the case study model for the development of this boarding house business.
2. Promotion has an effect on the selection of a boarding house. The more frequent boarding house owners carry out promotional activities does not affect prospective boarding house tenants in choosing a boarding house
3. Location affects the choice of boarding house. The more the location of the boarding house is close to the campus and the workplace, the more consumers are interested in choosing the boarding house.
4. Facilities affect the selection of boarding houses. The completeness of the facilities provided by the boarding house owner affects prospective boarding house tenants in choosing a boarding house.
5. Price has a positive and significant effect on the choice of boarding house. The more affordable the price of the boarding house will increase the choice of the

boarding house. On the other hand, the more unaffordable the price of the boarding house can reduce the choice of the boarding house.

6. The reference group has no effect on the choice of boarding house. No matter how big the role of the reference group, it does not affect the prospective boarding house consumers on the choice of boarding house.

## 6. Suggestion

Based on the results of the case study research at the Atmawidjaja House boarding house, it can provide suggestions, namely for boarding house rental entrepreneurs to be more focused and observant of the business activities being carried out. Even though entrepreneurs only make this sideline boarding room rental business as a side business. However, this business makes a significant contribution in increasing family income, and entrepreneurs must be able to see the existing market by providing creative promotions so that the results can be better in the future.

## References

- [1] Parasuraman, Valarie A., Zeithmal, Leonard L Berry. 1990. *Delivering Quality Service, Balancing Customer Perception and Expectations*. New York: Free Press.
- [2] Kotler P, Gary A. *Riset pemasaran*. Jakarta: PT Sumpah Mandiri; 2001.
- [3] Creswell JW. *Research Design: Pendekatan Kualitatif, Kuantitatif, dan Mixed (Edisi Ketiga)*; Pustaka Pelajar, Yogyakarta; 2017