

**UNIVERSITI TEKNOLOGI MARA**

**Surviving in the hospitality industry:  
enhancing business performance of SP  
Inn Hotel**

**Mohd Johar Bin Jahaya**

**Faizal Bin Ahmad**

Dissertation submitted in partial fulfilment of the requirement  
for the degree of  
**Executive Master of Business Administration**

**Faculty of Business Management**

February 2017

## LETTER OF TRANSMITTAL

Mohd Johar Bin Jahaya  
Faizal Bin Ahmad  
Master of Business Administration  
Faculty of Business Management  
Universiti Teknologi MARA  
Kedah

February 2017

Head of Program  
Master of Business Administration  
Faculty of Business Management  
Universiti Teknologi MARA  
Kedah

Dear sir,

### **SUBMISSION OF APPLIED BUSINESS RESEARCH REPORT (ABR 796)**

### **SURVIVING IN THE HOSPITALITY INDUSTRY: ENHANCING BUSINESS PERFORMANCE OF SP INN HOTEL**

With reference to the above matter, we hereby enclosed the Applied Business Research (ABR) paper entitled "Surviving in The Hospitality Industry: Enhancing Business Performance of SP Inn Hotel" to fulfil the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours faithfully,

---

Mohd Johar Bin Jahaya  
2014705563

---

Faizal Bin Ahmad  
2014378759

## ABSTRACT

The main purpose of this study is to study and analyse the business performance of SP Inn Hotel and evaluate whether it can survive in the hospitality industry. The study also formulate optimum strategies to enhance its business performance so as to sustain in the hospitality industry. Comprehensive analysis of its financial position, the internal as well as the external factors of SP Inn Hotel have been conducted to identify overall performance encompassing financial ratio analysis, breakeven point analysis and business environment analysis. Breakeven point analysis is used to identify room sales and average room rate and financial ratios are used to evaluate the financial strength. Porter suggests that awareness of the five forces can help the business to understand the structure of its industry and position itself to be more profitable and less vulnerable to attack. In this study, we used Porter's Five Forces for the assessment of industry analysis and SWOT analysis to assess overall external forces and internal factors. The findings indicated that SP Inn Hotel operating in highly competitive industry, financial ratios were far behind its competitors and room occupied was below BEP. TOWS and Ansoff Matrix were used as a tool to assist in strategic planning in various aspects of enterprise and helped to generate a number of possible alternative strategies. Based on the analysis, we proposed few strategies to assist SP Inn Hotel to enhance its business performance. It is hoped that the findings of this study can be utilized by SP Inn Hotel to evaluate its business performance and enhance it to survive in the hospitality industry.

**Keywords:** SP Inn Hotel, Surviving, Hospitality Industry, Enhancing, Business Performance

# TABLE OF CONTENTS

---

<b>Abstract</b>	<b>iii</b>
<b>Acknowledgement</b>	<b>iv</b>
<b>Table of Contents</b>	<b>v</b>
<b>List of Tables</b>	<b>ix</b>
<b>List of Figures</b>	<b>x</b>
<b>List of Abbreviations</b>	<b>xi</b>

## CHAPTER ONE

### INTRODUCTION

1.0	Background of the Study	1
1.1	Problem Statements	8
1.2	Research Questions	12
1.3	Research Objectives	12
1.4	Scope of the Study	13
1.5	Significance of the Study	13
	1.5.1 To the Researcher	13
	1.5.2 To the SP Inn Hotel	14
	1.5.3 To the University and Future Reference	14
1.6	Limitation of the Study	14
1.7	Definition of Key Terms	15

## **CHAPTER TWO**

### **LITERATURE REVIEW**

2.0	Introduction	16
2.1	Surviving In the Hospitality Industry	16
2.2	Enhancing Business Performance	19
2.3	Theoretical Framework	23

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

3.0	Research Method	24
3.1	Data Collection Method	24
3.1.1	Primary Data	24
3.1.2	Secondary Data	25
3.2	Data Analysis	26
3.2.1	Porter's Five Forces Industry Analysis	27
3.2.2	SWOT Analysis	28
3.2.3	Financial Ratio and Breakeven Point Analysis	28
3.2.4	TOWS Matrix	30
3.2.5	Ansoff Matrix	30

## **CHAPTER FOUR**

### **DATA ANALYSIS AND INTERPRETATION**

4.0	Introduction	32
4.1	Discussion of Research Question One	32
4.1.1	Porter's Five Forces Analysis	32