

UNIVERSITI TEKNOLOGI MARA

**BLUE OCEAN STRATEGY,
ENVIRONMENTAL VARIABLES,
AND PERFORMANCE OF FOUR
AND FIVE STARS HOTEL IN KUALA
LUMPUR, SELANGOR, AND
PUTRAJAYA, MALAYSIA**

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ABSTRACT

Attaining remarkable performance is one of the essential goals of any hotel due to worldwide rivalry. A successful organization continually reinvents strategies in order to gain better performance and competitive advantages in today's dynamic competition. Understanding important environmental factors and generating relevant information and strategic planning can contribute to performance improvement. Compatibility between environmental dimensions and strategic orientation will lead to superior performance. The hotel industry is operating in a highly competitive environment in which customers give great emphasis on reliability and timely services delivery. Due to conflict that tougher in the red ocean, management need to engage in Blue Ocean Strategy (BOS) than following the major and usual stream between managers. The best strategy is to create a little competition. Company can achieve growth and long term stability by creating new market and avoiding competition. BOS has been the most important strategy through challenging competition whereby it offers a new solution and also introducing a new scope for business in achieving success in the services field. This study examines the moderate effects of environmental variables on the relationship between BOS and performance. Finding reveals that environmental variables positively moderate the relationship of BOS and performance. This study has contributed to the body of knowledge in term of BOS, environmental variable and performance in hotel industry.

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