



# Postgraduate Community Service Journal

Jurnal Homepage: <https://ejournal.warmadewa.ac.id/index.php/pcsj>

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## Strengthening Market Position And Offerings for Bagus Agro Pelaga in Competitive Hospitality Industry

Niña Jesha D. Clacio<sup>1</sup>, Camela Erika D. Baltazar-Dayonot<sup>1</sup>, Wilmer Jane A. Lustan<sup>1</sup>, Stephanie B. Virtus-Reyes<sup>1</sup>, Hanilyn P. Hidalgo<sup>1</sup>, Ida Bagus Udayana Putra<sup>2</sup>, Ida Ayu Surasmi<sup>2</sup>, Genijayendra Sahya Amertha<sup>2</sup>, Putu Arika Wandari<sup>2</sup>

1. School of Graduate Studies, University of Nueva Caceres, Naga City, Philippines

2. Master of Management, Postgraduate Faculty, Warmadewa University, Bali, Indonesia

### How to Cite:

Clacio, N, J, D., Dayonot, C, E, D, B., Lustan, W, J, A., Reyes, S, B, V., Hidalgo, H, P., Putra, I, B, U., Surasmi, I, A., Amertha, G, S., Wandari, P, A. (2024). *Strengthening Market Position And Offerings for Bagus Agro Pelaga in Competitive Hospitality Industry*. *Postgraduate Community Service Journal*, 5(2), 68-75. DOI: <https://doi.org/10.22225/pcsj.5.2.2024.68-75>

### Abstract

The purpose of this research is to analyze and enhance the market positioning of Bagus Agro Pelaga, a wellness farm resort and lifestyle retreat in Bali, Indonesia, within the competitive hotel industry. This study employs a qualitative research design to assess and evaluate the current business environment and organizational systems. A case study approach is used, allowing for an in-depth investigation of the resort over a specific period. Data collection involved personal interviews with Mr. Taufik, the head of the marketing department of Bagus Discovery Group, along with observations, document analysis, and customer reviews. The research also incorporated secondary and historical financial and marketing data to provide a comprehensive understanding of the resort's situation before, during, and after the pandemic. SWOT Analysis principles were applied to analyze the resort's strengths, weaknesses, opportunities, and threats, forming the basis for strategic recommendations. The findings revealed three main challenges: a manpower shortage due to an aging workforce, difficulty adopting new technologies, and poorly maintained facilities. These issues were analyzed for their impact on operations and customer experience. The study recommends developing a comprehensive workforce development plan, investing in technology upgrades and staff training, and prioritizing resource allocation for facility maintenance and improvements. By addressing these challenges, Bagus Agro Pelaga can enhance its market positioning, attract more visitors, and achieve long-term sustainability.

**Keywords:** hospitality industry; market positioning; SWOT analysis

## **1. Introduction**

In the heart of central Bali, Bagus Agro Pelaga stands as a beacon of tranquility and well-being, a wellness farm resort and lifestyle retreat. Spanning 18 hectares of lush, eco-friendly land, this resort embodies the ancient Balinese philosophy of “Tri Hita Karana,” emphasizing harmony with people, God, and nature. As part of the Bagus Discovery Group, Bagus Agro Pelaga offers a unique and lavish experience deeply rooted in these harmonious principles.

In today's fast-paced world, the boundaries between private life and work are increasingly blurred, leading to heightened stress levels and a growing awareness of health and well-being. Bagus Agro Pelaga is ideally positioned to cater to this emerging market of health-conscious individuals seeking a respite from their hectic lifestyles. The resort provides treatments that go beyond symptom management, promoting the interconnectedness of body and mind through the implementation of the Tri Hita Karana philosophy in its products and services.

The resort dedicates over 17 hectares to organic farming, producing a variety of healthy and organic foods, including fruits and vegetables, that guests can enjoy during their stay. Accommodations range from private experiences in 10 Superior Farm Rooms, 20 country-style Deluxe Farm Rooms, and 16 Luxury Farm Villas to family-friendly options such as camping in tents on the camping ground. This diversity makes Bagus Agro Pelaga an ideal destination for couples seeking a romantic getaway, families wanting to connect with nature, and individuals looking for a wellness retreat.

Guests can immerse themselves in Balinese culture and traditions through activities such as tours to Pucak Mangu Temple, farming lessons, yoga in nature, and Balinese massages. The resort's facilities, including a restaurant, meeting rooms with VIP lounge, yoga and meditation pavilion, spa, and gazebo, are all situated within the serene mountainous property at 950 meters above sea level, offering fresh mountain air and stunning panoramas. The unique blend of traditional Balinese culture and modern wellness practices provides a holistic experience that is both rejuvenating and educational.

Bagus Agro Pelaga is not just about providing an ideal environment for a health vacation; it also emphasizes educating guests about their own health and well-being. When guests leave, they are equipped with knowledge about their health that they can apply to improve their lifestyle at home. This commitment to guest education and health is a key differentiator in the competitive hospitality industry.

Despite its unique offerings, Bagus Agro Pelaga faces significant challenges in strengthening its market and brand positioning within a mature and highly competitive hotel industry. Additionally, the effective employment of human resources management is crucial to delivering the exceptional guest experience that the resort promises. This study aims to explore strategies for enhancing market positioning and optimizing human resource management at Bagus Agro Pelaga. By addressing these gaps, the resort can better fulfill its mission of providing a holistic wellness retreat that resonates with a growing market of health-conscious travelers.

This research will focus on analyzing the current market positioning of Bagus Agro Pelaga and identifying potential strategies for enhancement. It will also examine the resort's human resource management practices to recommend improvements. However, the study will be limited to the specific context of Bagus Agro Pelaga and may not be generalizable to other resorts or regions.

The findings of this research will provide actionable insights for Bagus Agro Pelaga to strengthen its brand and market presence, thereby attracting more guests and increasing customer satisfaction. By optimizing human resource management, the resort can ensure a high standard of service and enhance the overall guest experience, ultimately leading to

sustained success in the competitive hospitality industry.

## **2. Literature Review**

Bagus Agro Pelaga is just one of the five astounding resorts under the Bagus Discovery Group, which founded all these hotels and resorts, each with themes focusing on the natural offerings of the land where the business is situated. To have a brief overview of the agro-tourism resort, Bagus Agro Pelaga is an eco-friendly resort in central Bali that spans 18 hectares and is inspired by the Balinese "Tri Hita Karana" philosophy, which promotes harmony between humans, God, and environment. This resort offers a premium experience while also promoting health and wellness, making it ideal for people looking to balance business and personal life. The site comprises approximately 17 hectares dedicated to organic farming, which provides fresh products. Accommodation options include Superior Farm Rooms and Luxury Farm Villas, providing both private retreats and family vacations. The resort offers a variety of activities, including temple tours, agricultural lessons, yoga, and Balinese massages, as well as amenities such as a restaurant, conference rooms, a yoga pavilion, and spa. Located in Pelaga Village, 950 meters above sea level, it provides pure mountain air and breathtaking vistas, making it an excellent setting for a health-focused vacation and personal well-being education. Pelaga was actually making names in the agro-tourism industry before the pandemic hit the whole world. The business had a collaboration with the Chinese agricultural organization which taught them a more modernized and technologically inclined farming. With the success of their agricultural business. They have finally decided to incorporate a resort and hotel while also offering their first and original business which is farming.

On the other hand, the data gathering process revealed that Bagus Agro Pelaga faced one of its greatest challenges during and after the COVID-19 epidemic, making this unfortunate event one of the business's bottlenecks. Therefore, this paper focuses on analyzing and discerning the main issues that have prevented Pelaga from advancing into the mature hotel industry, and gradually formulates the best possible strategies, especially in market positioning, to help the business achieve its goals after the onset of the pandemic, which hindered or slowed down the progress of attaining its main objectives. This chapter presents scholarly articles, blogs, and studies that may have tackled and assessed situations similar to that of Bagus Agro Pelaga, and aims to gather and collate ideas for strategy making.

Having said that, the study authored by H. Tsai, H. Song, & K. Wong (2008) collated several literatures and studies relating to tourism and hotel competitiveness, and showed a valuable conclusion such as the concept of 'Destination Competitiveness', which in summary stated that the competitiveness of tourism destinations is critical for countries and regions that rely significantly on tourism since it affects tourism receipts, visitor numbers, and tourism-related companies such as hotels and retail. External factors such as country image, accessibility, attractiveness, and safety influence destination choice, which in turn determines competition among airlines, tour operators, hotels, and other tourist services. Destination competitiveness extends beyond the company level to include a network of tourism attractions, infrastructure, services, and organizations. Various studies describe destination competitiveness as the ability to provide citizens with a good standard of life, develop value-added products, maintain market position, and assure economic, ecological, social, cultural, and political sustainability. The ultimate goal is to raise the standard of living for the destination's population while maintaining fair market conditions. In relation to Pelaga's situation, its destination competitiveness is considered crucial as it is located in the green zone of Bali, which means that industrial, real estate, and highly commercialized establishments are prohibited by the government to preserve Bali's ecological site. This location and situation can serve as both an advantage and a disadvantage. It is an advantage because the business's brand positioning relies on agro-tourism. However, it can also be a disadvantage as tourists are now wiser and want to maximize their tours and visits by

experiencing activities beyond agro-tourism.

Furthermore, according to the findings of the study written by I. Lai & J. Wong (2020), which may have the same situation as that of Pelaga when it comes to its general business operation, it is critical to prioritize efforts in various areas, including epidemic prevention, price, maintenance, government aid, and human resources. To properly manage the problem, these areas must be addressed immediately and significantly. During the pandemic stage, epidemic prevention remains a primary concern, although the significance of particular pricing methods diminishes. Hotels frequently respond by putting employees on unpaid leave (furlough) and delaying maintenance of office and system infrastructure. Additionally, obtaining government assistance becomes a lower priority when compared to other pressing needs. Hence, aside from the marketing hurdles the business is facing, it is also struggling with human resource management, as they lack trained employees from middle management down to lower management, making it difficult to handle a large property in the hotel and resort industry. On the other hand, to aid in this challenge, the study of S. Gupta, et.al. (2024) suggests that, "...attracting millennial travellers emerged as the top priority strategy to mitigate the impact of COVID-19 on this industry."

Relatively, a study entitled "The Repercussions and Challenges of COVID-19 in the Hotel Industry: Potential Strategies from a Case Study of Indonesia" revealed that the hotel industry in Indonesia faces financial disruption, low occupancy, cost restriction and reduction, duality in decision-making, trade-offs in service, and brand management challenges. The paper curated strategies such as (1) adjusting service levels and delivery, (2) salary adjustments, (3) package transformation, (4) encouraging multi-tasking, and (5) contract re-negotiation. These strategies are beneficial in formulating recommendations for the situation in Pelaga (Japutra & Situmorang, 2021). This strategy and recommendation are also similar to the one curated in the study of S. Choirisa (2022), which states that '... health protocols, pricing strategies, and cost-saving alter everyday management strategies.'

Moreover, using a tourism disaster management framework and contingency theory, a study explores the crisis management practices (CMPs) of leaders at a newly-opened hotel in Bali, Indonesia, during each crisis phase. Interviews with eight hotel executives give theoretical and management perspectives on CMPs during the pandemic. To improve CMPs' success, the study suggests using communication, contingency plans, open leadership styles, corporate culture, past experiences, and business continuity strategies. These findings are applicable not only to the hotel industry, but also to other aspects of the tourist industry and cultural tourism sites outside of Bali (Permatasari & Mahyuni, 2022). Similarly, the study A. Saputra, et.al. (2022) looks into the crisis management measures used by Bali hotels during the COVID-19 outbreak. Data was acquired through observation, in-depth interviews, and documentation from 20 staff at 3-star hotels in Kuta, Bali, representing a variety of establishments. The qualitative analysis revealed three crisis management categories among the hotels: healthy-owning companies (20%), struggling-owning companies (45%), and unhealthy-owning companies (30%). Each category used a distinct crisis management strategy: defensive methods focused on efficiency and innovation for healthy organizations, adaptive strategies comprising asset and human resource management for failing enterprises, and dynamic techniques such as closures and layoffs for unhealthy businesses. The study emphasizes the significance of adjusting crisis management tactics to each hotel's specific health and conditions, providing theoretical insights into crisis management in the hotel business as well as practical advice for hotel entrepreneurs dealing with crises, particularly in Indonesia.

Lastly, the Lovina Bali Resort, a four-star hotel in Buleleng, shifted its strategy to focus on cost efficiency, improved customer service, and better contact with travel agencies in order to attract guests with competitive pricing and full-service options. To boost consumer communication, the resort might consider setting up an official WhatsApp account. Further research is recommended to investigate additional indicators for a better

understanding of hotel resilience tactics in difficult times (Pratama, Yuniar, & Yasa, 2022).

Thus, as the hotel industry matures, with slower unit growth, rising costs, and increased competition for customers, growing same-store sales becomes critical to maximize returns on investment. To do this, hotel brands and owners must broaden their offerings to existing consumers while also attracting new ones beyond typical business and leisure tourists, engaging them throughout their lives—from early 30s to late 50s. Hospitality corporations would work with residential real estate enterprises to provide reliable, amenity-rich living options such as student housing, co-living spaces, etc. These relationships increase guest trust by associating with reputable worldwide companies, while also enabling geographic and contract options. Guests benefit from earning and redeeming reward points at various periods of life and for their travel needs (CBRE Hotels Research, 2024).

### **3. Method**

This research exploration primarily aims to elevate the marketing situation of the chosen business industry through the assessment and evaluation of the current business environment and system of the organization. This paper employs a qualitative research design, utilizing various methods that involve the researchers engaging with participants who have adequate knowledge and experience in the field being studied.

To obtain the necessary data and information, a qualitative research design enables the researcher to gather detailed and descriptive data, aiding in the formulation of essential strategies and recommendations. This paper adopts a case study approach, allowing the researchers to investigate the chosen organization over a specific period and evaluate the causes of events. Based on this evaluation, the paper presents valuable strategies and solutions.

The data collated were based mainly on the knowledge, experience, and expertise of Mr. Taufik, the head of the marketing department of Bagus Discovery Group. Mr. Taufik handles all the marketing responsibilities for the company's hotels, resorts, and other properties without the assistance of a marketing assistant. The researchers employed personal interviews using both open-ended and close-ended questionnaires. Through these methods, they gained ample information necessary for providing an honest conclusion and direct strategy for the business. Additionally, the researchers utilized observations made during the study, including those from advisers from both universities, and incorporated these observations into the conclusion-making process.

Furthermore, the researchers assessed secondary and historical financial and marketing data of the hotel and resort, aiding in the data-gathering procedure. This evaluation provided an in-depth understanding and comparison of the business's situation before, during, and after the pandemic. Document and customer review analysis also contributed to gathering knowledge about the business's status and progress, which was used to create more sound and valuable recommendations and strategies. These strategies aim to help the business thrive in the hotel and resort industry in Bali, Indonesia, by employing a better, more effective, efficient, and trendy marketing approach.

Thus, to properly collate and present the information and data gathered, the researchers have employed the principles and concepts of SWOT Analysis, which encompasses the aspects of the business's strengths, weaknesses, opportunities, and threats. This approach allowed the researchers to effectively analyze the business's current marketing standpoint and subsequently formulate strategies that are beneficial for progressing toward the Bagus Agro Pelaga's goal of becoming one of the most competitive resorts and hotels in Bali.



## **4. Results and Discussion**

This research paper presents the findings and recommendations based on an interview with Mr. Taufik, the Marketing Manager of Bagus Agro Pelaga, a resort located in Bali, Indonesia. The interview was conducted in partnership with the University of Warmadewa during a research trip to the resort. The study identified three key problems faced by the resort: a manpower shortage due to an aging workforce, difficulty adopting new technologies, and poorly maintained facilities. These challenges were thoroughly analyzed to understand their impact on the resort's operations and customer experience, leading to recommendations for improvement.

### **Problem**

#### **1. Manpower Shortage with an Aging Workforce**

The resort experiences a shortage of skilled workers, particularly due to the aging workforce. This presents a significant challenge, as experienced staff are approaching retirement age, creating a gap in expertise and knowledge transfer. The resort struggles to attract and retain young talent, particularly skilled professionals in areas like hospitality management, farming and maintenance.

#### **2. Difficulty Adopting New Technologies**

The resort faces challenges in implementing and integrating new technologies. This may stem from a lack of technical expertise among staff, limited financial resources for technology investments, or resistance to change. The resort's inability to embrace new technologies can hinder its ability to streamline operations, improve efficiency, enhance guest experiences, and stay competitive in the evolving tourism landscape.

#### **3. Poorly Maintained Facilities**

The resort's facilities require significant maintenance and upgrades. This is often hindered by limited resources and a tight budget. The resort may prioritize immediate operational needs over long-term investments in facility maintenance, leading to a gradual decline in the quality of the facilities and the overall guest experience.

### **Analysis**

#### **1. Workforce Dynamics**

The aging workforce at Bagus Agro Pelaga is a reflection of a broader trend in the tourism industry, where experienced professionals are reaching retirement age. This creates a knowledge gap and makes it difficult to maintain operational efficiency. Moreover, the resort's location in a remote area may also contribute to the difficulty in attracting and retaining young talent, especially those seeking opportunities in urban areas with higher salaries and access to advanced training. The lack of robust training programs and career development opportunities can also discourage younger workers from joining the resort.

#### **2. Technology Integration**

The reluctance to adopt new technologies may be attributed to a combination of factors. The resort may lack the necessary financial resources to invest in expensive software, hardware, and training for staff. Additionally, the resort might have limited access to skilled IT professionals who can manage and maintain new technology systems. There could also be resistance from staff who are unfamiliar with new technology or fear that it may replace their jobs. This resistance can create a barrier to implementing new solutions and hinder the resort's progress toward achieving operational efficiency and customer satisfaction.

### **Impact**

#### **1. Service Quality and Customer Satisfaction**

The labor shortage at the resort has a direct impact on its service quality and customer satisfaction. With fewer skilled workers available, the resort may struggle to provide the same level of personalized attention and efficient service that guests expect. This can result in longer wait times, inconsistencies in service delivery, and a decline in overall guest experience. The shortage can also lead to a decline in maintenance standards, resulting in worn-out facilities and a less appealing environment for guests. This can ultimately damage the resort's reputation and lead to a decrease in bookings and revenue.

#### Limitations: Resource Constraints

The limited resources and budget available to the resort pose significant challenges to investing in facility upgrades and maintenance. The resort may have to prioritize allocating its resources towards operational expenses and immediate needs, leaving limited funds for long-term investments in facility improvements. This can create a cycle where the resort prioritizes immediate needs over long-term maintenance, which can ultimately lead to further deterioration of the facilities and increased costs in the future.

#### Recommendations: Strategic Investments

To address the identified challenges, the resort should implement a multi-pronged approach. The resort should develop a comprehensive workforce development plan that includes training programs, mentorship opportunities, and career advancement paths. This will help attract and retain talent while enhancing the skills of existing staff. Investing in technology upgrades and training for staff is also crucial to streamline operations and enhance guest experience. The resort should prioritize allocating resources for facility maintenance and improvements, ensuring a comfortable and enjoyable environment for guests. This investment will enhance the resort's long-term sustainability and attract more visitors. The resort should also explore partnerships with local schools and universities to provide practical training opportunities for students in hospitality management and sustainable farming. By fostering these collaborations, the resort can create a pipeline of skilled workers and address the workforce shortage issue.

## 5. Conclusions

It is identified in this research that the major bottleneck faced by Bagus Agro Pelaga was during and after COVID-19 pandemic. During visit and interviews, problems inferred are shortage in manpower with an aging workforce, difficulty in adopting new technologies, and poorly maintained facilities.

Bagus Agro Pelaga, a unique agro-tourism destination in Bali, has the potential to significantly enhance its operations, visitor experience, and overall growth. To achieve this, a strategic approach addressing key areas of improvement and leveraging new opportunities is essential.

Therefore, accessibility is a critical factor in attracting more visitors to Bagus Agro Pelaga. One of the primary steps in this direction is improving signage along key routes to guide visitors to the farm. Clear and informative signs can ease navigation and enhance the visitor experience from the outset. Additionally, offering shuttle services from major tourist hubs or partnering with local transport providers can make the farm more accessible, especially for international tourists unfamiliar with the area.

Therefore, effective communication and readily available information are vital for engaging visitors. Hiring or training staff in multiple languages, particularly English, can cater to the diverse international audience that Bali attracts. Furthermore, developing a more intuitive and informative website with online booking capabilities, detailed information about tours, events, and available services can significantly improve the planning and decision-making process for potential visitors.

Therefore, integrating smart farming technologies can increase efficiency,

sustainability, and yield, positioning Bagus Agro Pelaga as a leader in modern agricultural practices. Additionally, offering virtual tours, workshops, and online classes can engage a global audience, expanding the farm's reach and influence beyond physical boundaries.

Therefore, upgrading visitor facilities such as restrooms, dining areas, and seating can further ensure comfort and satisfaction, encouraging positive reviews and repeat visits. Adopting advanced water conservation techniques and efficient irrigation systems can ensure sustainable water use, critical for long-term agricultural success.

Therefore, effective marketing strategies can increase visibility and attract more visitors. Partnering with travel bloggers and social media influencers can enhance Bagus Agro Pelaga's online presence and reach a broader audience.

Ideally, developing strategies to mitigate the impact of climate change and extreme weather on agricultural production is essential for long-term resilience. Reducing dependency on tourism by diversifying income through product sales, events, and educational programs can ensure financial stability and sustainability.

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