Restaurant Marketing Strategy Formulation: Case study of small size restaurants in Ubud, Bali

by I Nyoman Arcana

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Abstract

The growth of tourism industry in Ubud Tourist Resort has stimulated the growth of restaurant business on this area. The objectives of this research were investigating the strength and threat factors of restaurant industry in the resort, and developing proper marketing strategy formulation.

This research was undertaken between August and November, 2014. The total sample were 25 restaurants, meanwhile total number of respondents were 150, who consist of 125 visitors and 25 restaurant managers. Based on SWOT Analysis, the findings of this research were as follows: first, internal marketing variables of restaurant industries consist of 15 strength and 3 weakness indicators; second, external marketing variables consists of 19 opportunities and 2 threats indicator; third, the combination of Internal-External Matrix and Position Matrix Analysis show that the position was at Cell V, and Quadran IV.

Finally, implication to marketing strategy showed that restaurants in Ubud were supposed to implement 8 grand strategies and 14 alternative strategies. This research finding suggested restaurant managers to adopt prime-selectively invest for earnings or grow and build strategy.

Key words: *Marketing strategy, Ubud tourist Resort, SWOT Analysis, small size restaurant.*

Introduction

The hospitality industry is usually identified by its output of products which satisfy the demand for foods, drinks and accommodation away from home. The industry is often split into the accommodation and foodservice industries.

Restaurants are, however, primary retailers of 'foodservice experiences'. Previous studies reported that restaurant services were a blend of tangible and intangible components. They are subjectively experienced processes where production and consumption activities take place simultaneously. Customers are the actual agents or stakeholders for determining or best judging the success of any product service offered by restaurant. In this case, customer satisfaction is a key success of a profitable restaurant.

In profit oriented restaurant business, marketing is aimed at meeting customer demand, usually in competition with other restaurants, for profit. In order to create the competitive advantage necessary to achieve growth, Porter (1990) suggests that firms (restaurants) should adopt one of three generic competitive strategies, such as cost leadership strategy, focus strategy, and differentiation strategy.

Small and medium-sized enterprises (SMEs) have always been significant creators of wealth and employment in domestic economies, but are a less powerful force outside their home territory, usually because of their limited resources (Doole and Lowe (2008). Local restaurants, mostly categorized as SMEs, because of their limited resources and market. On

the other hand, the restaurant industry has become one of the most profitable industries in the world (Sabir, et all, 2014). For many countries in Asia, cuisine have become major pull factors to attract tourists (Enright & Newton, 2005). In recent years, there is a new form of tourism which regards food-tasting as major or only purpose, like food and wine tourism, culinary tourism, gastronomy tourism, food festival and other related-food activity (Hall & Sharples, 2003; Kivela & Crotts, 2005).

Bali Island (covering an area of around 5.636,66 km$^{2)}$ is one of the Republic of Indonesia province that depends largely its provincial income from tourism. Its tourism industry has been good during last four years. To give a better insight on Bali's tourism growth the number of direct foreign arrivals from 2011-2014 is presented in table 1 underneath.

Table 1. Bali's Main Market Tourist Periods of 2011-2014

Country \ Year	Australian		China		Japan		Malaysian	
	Total	%	Total	%	Total	%	Total	%
2011	790.965	28,69	236.868	8,59	183.284	6,65	169.719	6,16
2012	823.821	28,49	310.904	10,75	191.836	6,63	179.947	6,22
2013	826.385	25,25	387.533	11,82	208.115	6,35	199.232	6,08
2014	991.923	26,33	586.300	15,57	217.402	5,77	225.572	5,99

Bali Tourism Dept. 2014

Through direct tourist arrivals to Bali kept on increasing during the last four years, its main markets are Australian, China, Malaysian, and Japanese.

Ubud Tourist Resort (covering an area of around 42,63 km^2) is one of tourist resorts in Bali, located in Gianyar Regency. This typically village community and traditional culture based tourism is generally famous for Asian and European tourists, on the other hand, for mostly Australians, who prefer beaches, surfing and nite life bar or pub, Ubud tourist resort place as alternative destination.

There were around 125 free-standing restaurants operate daily in Ubud, which over 90 % of those restaurants categorized as small size restaurants. There were also well branded domestic chain restaurants in Ubud, such as Mozaic, Bebek Bengil, Bebek Tepi Sawah, Ryoshi Sushi, Nuri's, Coco Bistro, and Lotus. The growth of restaurant industry in this area directly influenced by the rapid growth of accommodation industry (homestay, villa, hotel) and the large number of tourists visiting this area in the day.

Small size restaurants in Ubud facing some difficulties, highly competing among other small size type restaurants neighborhood, competing with food and beverage retailer shops which open 24 hours, and competing with other well branded restaurant. High percentage of food and beverage cost (40% - 60%), low guest turn over for dinner, price sensitive repeaters, and lack of marketing strategies are some other problems.

Based on those phenomena, this study would like to explore how small size restaurants in Ubud, creating their marketing strategies to attract new market segments, increase customers satisfaction and loyalty, increase sales and profit, by identifying strength, weakness, opportunity, and threat factors of internal and external marketing environment.

Research Questions
Based on the above discussion on marketing strategies the following research questionnaire posed:
- What are the strength and weakness points of restaurant industry in Ubud ?
- What are the opportunity and threat points of restaurant industry in Ubud ?
- How is the proper marketing strategy formulation of restaurant industry in an effort to increase sales volume in Ubud area?

Research Objectives
The objectives of this study are three folds. The first is that this study intends to explore the strength and weakness points of restaurant industry in Ubud area. Second, this study also intends to explore the opportunity and threat points of restaurant industry. And last, this study aimed at investigatying the proper marketing strategy formulation for restaurant industry in Ubud area. Based on the findings of this study suggestions would be made to tourism stakeholders.

Reserach Contribution
It is hoped that this study would contribute the following:
1. Providing empirical evidence of internal and external marketing environment of restaurant industry in Ubud area;
2. Providing empirical evidence on the marketing strategy formulation of restaurant industry in Ubud area;
3. Gaining the insight how small size restaurants in Ubud area formulating grand and alternative marketing strategies as efforts to attract more customers and increase sales.

Related Literature.
Marketing is about solving guest problem, and happy guests result in free marketing as word-of-mouth advertising. Morrison (2002: 205), defined marketing strategy is the selection of a course of action from among several alternatives that involves specific customer groups, communication methods, distribution channels, and pricing structures. Furthermore, Varadarajan, (2010) conceptualized marketing strategy as an organization's crucial choices concerning products, markets, marketing activities and marketing resources in the creation, communication and/or delivery of products that offer value to customers in exchanges with the organization.

Marketing strategy will also locate the restaurant in relation to competition regarding price, the food, and service offered, atmosphere, and convenience (Walker, 2008: 113). Marketing strategy is the way the restauranteur accomplishes the goals set for restaurant. The strategy is the game plan for attaining determined goals.

SWOT or TOWS analysis is a strategic planning and marketing strategies used for regional assessment. In fact, it is an instrument which is generally used to place the result of analysis of external pressure beside the internal capacities (Miandehi and Masrouri (2013). SWOT Analysis can provide a good basis for assessment and strategy formulation, even

though it is often left only at the level of pinpointing the issues and describing them in general terms (Kangas at al., 2003; Ganjali et al., 2014). SWOT matrix helps managers develop four types of strategies respectively; SO (strengths-opportunities) strategies, WO (weaknesses-opportunities) strategies, ST (strengths-threats) strategies, and WT (weaknesses-threats) strategies (Ganjali, et al., 2014). SO strategies use a firm's internal strengths to take advantage of external opportunities. WO strategies overcome internal weaknesses by capitalizing on external opportunities. ST strategies use a firm's strengths to avoid or reduce the impact of external threats. WT strategies are defensive tactics directed at reducing internal weaknesses and avoiding environmental threats (Weihrich, 1982).

Dwyer and Tanner, 2002 defined SWOT or TOWS is analysis as a strategic planning tool used to evaluate the different factors in situation analysis. Weihrich, 1982 conceptualized SWOT analysis involves systematic thinking and comprehensive diagnosis of factors relating to a new product, technology, management, or planning. SWOT analysis is one of marketing techniques which stands for strengths, weaknesses, opportunities, and threats (Walker, 2008: 113). Strengths and weaknesses focus on internal factors and can overtime, be controlled by management. Opportunities and threats are external factors. Obviously, strengths and opportunities are issues that affect a company in a positive way, while weaknesses and threats have negative impact. This analysis aims to identify the main internal and external factors to achieve the goal (Pahl and Richter, 2009). SWOT analysis is an effective tool for analyzing internal and external environments in order to attain systematic approaches and supports for successful industry strategy formulation (Celik, 2009).

Mc Carty, 1975, (Vignali, 2001) and Walker, (2008: 118-133) formulated the concept of the 4Ps – product, price, promotion, and place as marketing mix. However, with particular attention being paid to services marketing in recent years, theorists have identified additional variables which could be added to the 4Ps. Fifield and Gilligan (1996) recognised the following variables as an integral part of the marketing mix – process, physical, and people which known as the 7 Ps, on the other hand Morrison (2002) formulated marketing mix in hospitality industry which is known as the 8Ps (product, price, promotion, place, people, packaging, programming, and partnership). Customer satisfaction in restaurant industry affected by differentiated variables or attributes, such as: price, location, theme/ambience, service level, cuisine, and style, while prestige, friendliness of waiting staff, quality of food, dan ambience are the most important attributes (Kivela, 1997).

Researchers classified dimension of restaurant performance based on some attributes, such as Food Quality, Service Quality, Ambience, Convenience, Overall/everything included (Dogdubay dan Avcikurt ,2008) ; Responsiveness/service quality, Food Quality/reliability, Physical Design, and Price (Andaleeb and Conway, 2006); Competitive Location, Prices, Food Quality, Customer Service (Abdullah and Rozario (2009).

While marketing mix assumed as internal factor controlled by organization, on the other hand, researchers and theorists indentified external factors or uncontrolled factors affected marketing strategy of a business organization, known as PESTLE factors, consist of political, economic, socio-cultural, technological, legal and ecological, (Cousin, et al., 2002: 15), meanwhile, Morrison (2002:21-24) formulated competition, legislation and regulation, economic environment, technology, societal and cultural environment, and organizational objectives and resources as external factors. Lai and Rivera, 1990, proposed external factors, consist of competitive environment, demographic trends, economic trends, natural

environment, technology trends, political trends, cultural trends, and publics, furthermore, Kotler, et al., (2010:73) classified external factor of a business organization into two major external forces, that will affect its ability to earn profit in the market place, such as: macroenvironment forces (demographic-economic, technological, political-legal, social-cultural) and microenvirontment forces (customers, competitors, distribution channels, supplies). Yu & Huimin, 2005, proposed external factor of marketing strategy consist of regional political tension, potential declined of economic, hotel's over provision, competition intensity, meanwhile Bozak & Tipuric, 2006, formulated tax & finance regulation, leaders statement and attitude, supply of seasonal workers, local community attitude, environment protection regulation and green association.

Research Methode

To answer the research question posed in the previous page primary data are needed. The data were collected by questionnaires. There were two types questionnaire distributed, first, to the restaurant's customers to obtained strengths and weaknesses (internal marketing environment), second, to the restaurant managers to obtained opportunities and threats (external marketing environment). The questionnaire consists of two constructs. The first one is demographic; the second are the performance of each variable with the degree of importance of each variable. Four scale of restaurant's performance level are designed, consist of: 1 (very bad), 2 (bad), 3 (good), 4 (very good), and four scale of degree of important offered, consist of : 1 (not important at all), 2 (less important), 3 (important), and 4 (very important). The questionnaires were distributed in Ubud area for twelve consecutive weeks from August to October 2014. The sample chosen based on personal contacts which we think would ease data availability. There were 25 viable questionnaires completed by restaurant managers and 125 questionnaires completed by restaurant customers.

To obtain strengths and weaknesses of marketing environment, the concept of the 4 Ps of restaurant industry by Walker, (2008 :118-133) was adopted, consist of product, price, promotion, and place. Considering the rapid growth, wide spread of social media users around of the world, we were replacing the yellow page advertising attributes to social media advertising (facebook, twitter, instagram, yahoo messenger, etc). This research adopted external marketing environment to formulated opportunities and weakness introduced by Kotler, et al., (2010;73) with adjustment of ecological and natural protection issues proposed by Lai and Rivera, (1990), Cousin, et al., (2002; 15), Morrison (2002), Bozak and Tipuric, (2006). These issues consist of environment carrying capacity and polution level. External marketing environment on this research consist of: 1) competition; 2) demographic-economic (booming of asian tourist to Ubud, growth of hotel and lodging industry in ubud, consumers expenditure pattern); 3) technological (advance culinary/cooking technology, advant marketing technology/media); 4) political-legal (regional political tension, local government regulation, security area of Ubud and beyond); 5) social-cultural (local community, local value and culture); 6) customers (local customers, domestic and foreign customers); 7) distribution channels (travel agents, shuttle and taksi drivers, free individual/group traveller); 8) supplies (supply of clean fresh waters, supply of energy/electricity, supply of fresh raw materials); 9) natural environment (environment carrying capacity, polution level).
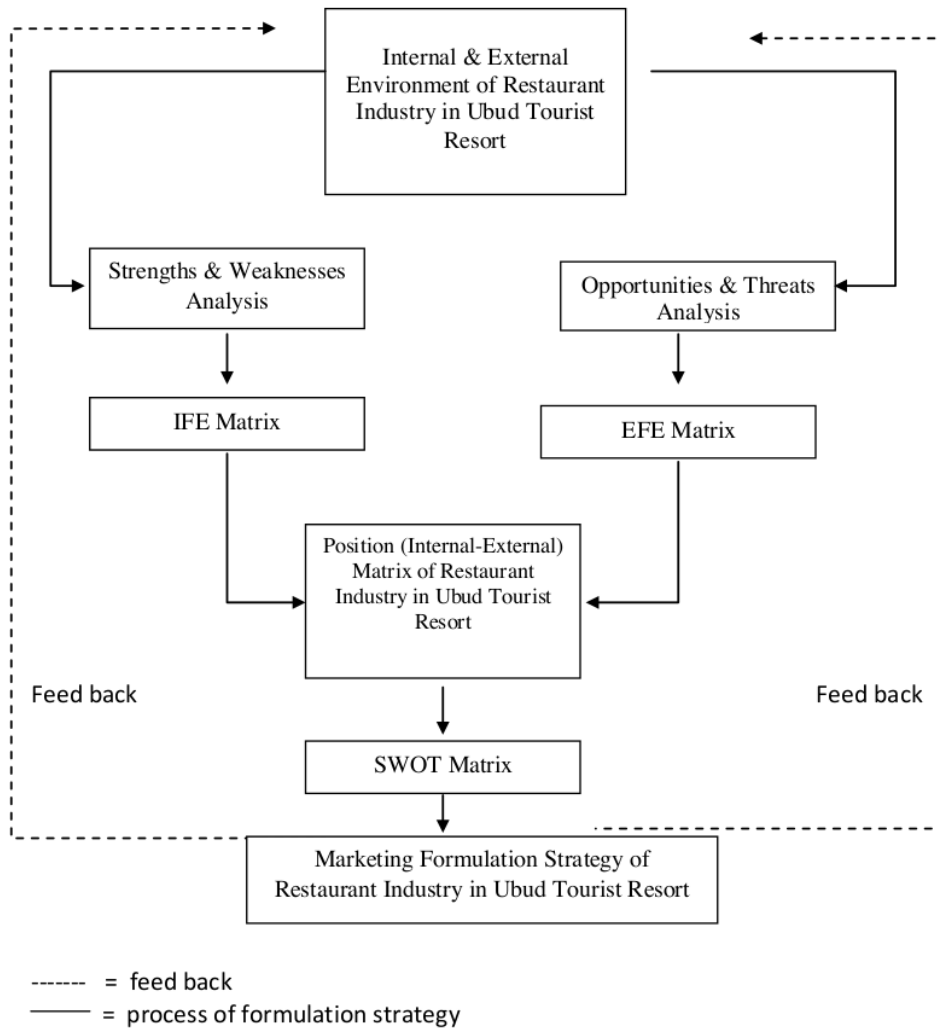
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                    ┌──────────────────────┐
                    │ Internal & External  │
                    │ Environment of       │
                    │ Restaurant Industry  │
                    │ in Ubud Tourist      │
                    │ Resort               │
                    └──────────────────────┘
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Figure 1.
Marketing Formulation Strategy Model

------ = feed back
——— = process of formulation strategy

Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) were calculated to obtained Internal-External (IE) Matrix or Position Matrix. Next, based on Position Matrix,

SWOT Analysis was formulated or conceptualized to propose Grand Strategies and Alternative Strategies. In this case, two models of IE Matrix were used, the first model is IE Matrix developed by McKinsey & Company at General Electric, is also called as the industry attractiveness-business strength matrix (Pearce II and Robinson, 245-247 : 2011), second is IE or Position Matrix introduced by Hsu and Powers, (2002: 133). ;

Figure 1 summarized the research model.

Empirical Result and Discussion

The demographic structures of the respondents (restaurant's customers) are presented in table 2.

Table 2. Demographic structure of respondents (N =125)

Demographic	Respondents	Percent
1. Nationality		
• Japan	28	22.40
• Australia	22	17.60
• Indonesia	12	35.00
• Germany	10	8.00
• USA	8	6.40
• Holland	7	5.60
• Singapore	6	4.80
• Others	32	25.66
	125	100.00
2. Gender		
• Male	67	53.60
• Female	58	46.40
	125	100.00
3. Occupation		
• Company's employee	54	43.20
• Entrepreneur	31	24.80
• Professional	20	16.00
• Student	6	4.80
• Others	14	11.20
	125	100.00
4. Purpose of visit to Bali		
• Business	16	12.80
• Pleasure	101	80.80
• Personal development	40	6.40
5. Number of visit to Bali		
• 1	66	52.80
• 2	18	14.40
• 3	25	20.00
• 4 or more	16	12.80

	125	100.00

The demographic structures of the respondents (restaurant's managers) are presented in table 3 underneath.

Table 3. Demographic structure of respondents (N =40)

Demographic	Respondents	Percent
1. Age group		
• 21-35 years	8	32.00
• 36-50 years	15	60.00
• 51-65 years	2	8.00
	25	100.00
2. Gender		
• Male	3	12.00
• Female	22	88.00
	25	100.00
3. Educational background		
• High School	3	12.00
• Undergraduate	11	44.00
• Graduate	9	36.00
• Master degree	2	8.00
	25	100.00
4. Marital status		
• Married	22	88.00
• Single	3	12.00
	125	100.00

IFE Result

This stage aims to determine internal strengths and weaknesses of restaurant industry which may influence marketing strategy. Indicator's performances was categorized as strength if the mean score are between 2,51 to 4,0, on the other hand, indicators was classified as weaknesses if the mean score are between 1,00 to 2.49. Indicator's performance rating known as Rating A, and the degree of important of each indicator represented by Rating B. Table 4 summarizes strengths and weaknesses and their relative impact ratios.

Table 4. Internal Factor Evaluation of Marketing Strategy of Restaurant Industry in Ubud

Indicator	Rating A	Rating B	Weight	Mean	Catagory	Score (Mean X Weight)
1. Visibility	439	457	0.064	3.51	S	0.224
2. Easy access	417	377	0.052	3.34	S	0.175
3. Convenience	400	409	0.057	3.20	S	0.182
4. Curbside appeal	411	372	0.046	3.29	S	0.151
5. Parking	365	396	0.055	2.92	S	0.161
6. Excellence food	416	456	0.064	3.33	S	0.211
7. Good service	408	465	0.065	3.26	S	0.211
8. Cleanliness	386	409	0.057	3.09	S	0.176
9. Ambience	375	425	0.059	3.00	S	0.178
10. Value for money	383	430	0.060	3.06	S	0.183
11. Credit card acceptance	372	345	0.048	2.98	S	0.143
12. Competitors price	366	349	0.049	2.93	S	0.142
13. Advertising	389	430	0.060	3.11	S	0.187
14. In-House selling	392	330	0.046	3.14	S	0.144
15. Advertising appeal	331	409	0.057	2.65	S	0.151
Total strength score						**2.619**
16. Travel guide for free advertising	308	354	0.049	2.46	W	(0.121)
17. Social Media advertising	310	371	0.052	2.48	W	(0.128)
18. Mailing list	292	393	0.055	2.34	W	(0.128)
Total weakness score						**(0.377)**
IFE score			1.000			2.031

Rating A = performance; Rating B = degree of importance; S = strength; W = weakness

As provided in Table 4, based in the study area there are 15 internal strong points and 3 internal weak points of marketing environment of restaurant industry in Ubud. The maximum weight coefficient for the strength points belongs to good service (0.065), excellence food (0.064), and visibility (0.064) respectively. As for weaknesses, lack of travel

guide for free advertising (2.46), lack of social media advertising (2.48), and mailing list (2.34) are responsible for minimum performance rating.

Parking is a crucial problem for all of restaurants located in the central of Ubud area becauce of traffic jam and limited space capacity, on the other hand, parking is an advantage value for restaurants located outside of Ubud city center because of more free space was available.

EFE Result

This stage aims to determine external strengths and weaknesses of restaurant industry which may influence marketing strategy. Indicator's performances categorized as opportunities if the mean score are between 2,51 to 4,0, on the other hand, indicators categorized as threat and threat if the mean score are between 1,00 to 2.49. Table 4 summarizes opportunities and threats and their relative impact ratios.

Table 5. External Factor Evaluation of Marketing Strategy of Restaurant Industry in Ubud

Indicator	Rating A	Rating B	Weight	Mean	Category	Score (Mean X Weight)
1. Competition	59	81	0.045	2.36	T	(0.106)
2. Booming of asian tourist	80	89	0.050	3.20	O	0.160
3. Growth of hotel and lodging industry in Ubud	74	80	0.045	2.96	O	0.133
4. Consumers expenditure	71	80	0.045	2.84	O	0.128
pattern	80	89	0.050	3.20	O	0.160
5. Advant culinary/cooking tech.	68	80	0.045	2.72	O	0.122
6. Advant marketing tech. media	84	89	0.050	3.36	O	0.168
7. Regional political tension	68	80	0.045	2.72	O	0.122
8. Local government regulation	71	95	0.053	2.84	O	0.151
9. Ubud area security	80	86	0.048	3.20	O	0.154
10. Local community	91	80	0.045	3.64	O	0.164
11. Local value & culture	82	70	0.039	3.28	O	0.128
12. Local customers	86	90	0.050	3.44	O	0.172
13. Domestic and foreign customers	64	67	0.038	2.56	O	0.097
customers	68	70	0.039	2.72	O	0.106
14. Travel agents	69	80	0.045	2.76	O	0.124
15. Shuttle & taksi drivers	66	100	0.056	2.64	O	0.148
16. free individual/group traveller	66	100	0.056	2.64	O	0.148
17. supply of clean fresh waters	75	94	0.053	3.00	O	0.159
18. Supply of energy (electricity)	55	89	0.050	2.20	T	(0.110)
19. Supply of fresh raw materials	69	92	0.052	2.76	O	0.144
20. Environment carrying capacity						**2.688**
21. Pollution level						**(0.216)**
Total opportunity score			1.000			**2.148**
Total threat score						
EFE score						

Rating A = performance; Rating B = degree of importance; O = opportunity; T = threat

According to Table 4, the external marketing environment of restaurant industry in Ubud were nineteen (19) opportunity points and two (2) threat poits. Lack of environment carrying capacity and tight competition are crucial weaknesses of external marketing environment of restaurant industry in Ubud. But the maximum weight coefficient is 0.056 belong to supply of clean fresh water and energy or electricity which mean these indicators could be potentially as serious threats or problem in future.

SWOT Analysis Result
Internal-Eksternal Matrix Result
According to Table 4 and 5, IE Matrix then formulated as shown at figure 2 bellow. The matrix has two dimensions, internal and external marketing environment. Internal dimension score calculated by adding total strength score (2.619) to total weakness sore (0.377), in this case, the score result were 2.996. Meanwhile, the same methode were used to calculate the external dimension score result (2.904).

TOTAL MEAN OF IFE SCORE

	Strong (3,0 – 4,0)	Average (2,0 – 2,99)	Weak (1,0 – 1,99)
High (3,0 – 4,0)	I	II 2.996	III
Medium (2,0 – 2,99)	IV 2.904	V X(IE Score)	VI
Low (1,0 – 1,99)	VII	VIII	IX

TOTAL MEAN OF EFE SCORE
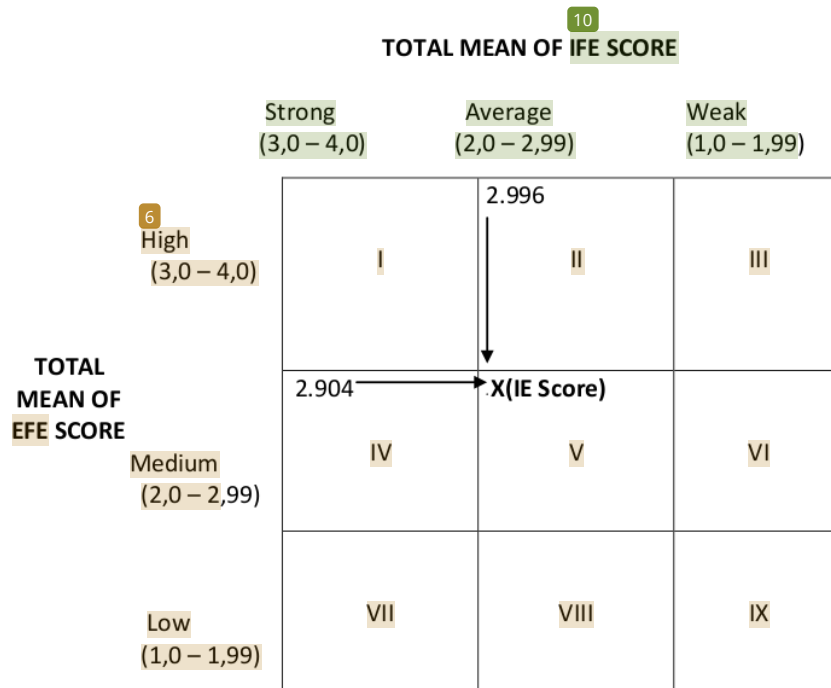
Figure 2.
IE matrix of Restaurant's Marketing Formulation Strategy in Ubud

Based on Figure 2, the coordinate performances of restaurant industry in Ubud located at cell V (average-medium). The proper strategy for cell V is prime-selectively invest for earnings strategy. In contrast, considering the performance coordinate (2.904 ; 2.996) is quite close to Cell I, which the strategies are grow and build strategy, consisting of market penetration, product development, and market development strategy.

The strategy of Cell V, supposed to adopt by restaurants who has stagnan or slow growth in sales history, limited market segments with limited brand equity. Meanwhile, considering the coordinate position of restaurant industry performances were quite close to cell I, the suggested alternative strategy in this study is aggressive. This strategy supposed to adopt by restaurant which has prospected sales history, mix market segments, and strong brand image.

Position Matrix Result

Based on Table 4 and 5, the Position Matrix of restaurant industry in Ubud presented by Figure 3. The matrix also has two dimensions, internal (x) and external (y) marketing environment. Internal dimension score calculated by reducing total strength score (2.619) to total weakness sore (0.377), in this case, the score result was 2.031. External dimension score also calculated by reducing total opportunity score to total threat score. The score result was 2.148.
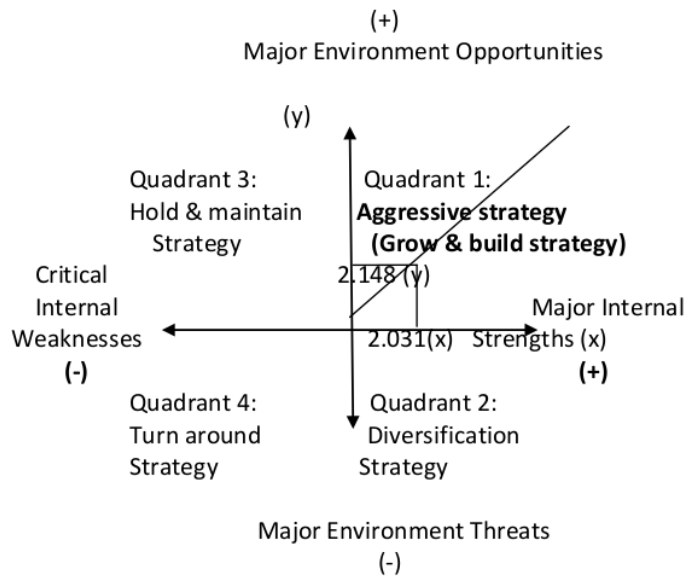
Figure 3.
Position Matrix of Restaurant Marketing Strategy Formulation in Ubud

Based on figure 3, the restaurant industry marketing environment position were at quadrant 1, at the coordinate of (2.031; 2.148). The proper strategy for quadrant 1 are grow and build or aggressive strategy, consisting of market penetration, product development, and market development strategy.

SWOT Analysis Matrix

By combining the result showed by Table 4 and 5, SWOT Analysis Matrix then formulated as presented by Table 6..

Table 6. SWOT Analysis Matrix of Restaurant Industry in Ubud

Internal Factor Evaluation (IFE) / *External Factor Evaluation (EFE)*	*Strengths (S)*	*Weaknesses(W)*
	1) Visibility, 2)Easy access, 3)Convenience, 4)Curbside appeal, 5)Parking, 6)Excellence food, 7)Good service, 8) Cleanliness, 9)Ambience, 10)Value for money, 11)Credit card acceptance, 12)Competitors price, 13)Advertising, 14)In-House selling, 15)Advertising appeal	1. Social media advertising 2. Mailing list 3. Travel guide for free advertising
Opportunities(O)	**SO Strategy**	**WO Strategy**
1. Booming of asian tourist 2. Growth of hotel and lodging industry in Ubud 3. Consumers expenditure pattern 4. Advance culinary/cooking tech. 5. Advance marketing tech. media 6. Regional political tension 7. Local government regulation 8. Ubud area security 9. Local community 10. Local value & culture 11. Local customers 12. Domestic and foreign customers 13. Travel agents 14. Shuttle & taksi drivers 15. free individual/group traveller 16. supply of clean fresh waters 17. Supply of energy (electricity) 18. Supply of fresh raw materials 19. Pollution level	1. Creating *organic healthy food*. 2. Increasing selling price of menu item slowly 3. Creating tropical garden concept 4. Creating modern-traditional architecture. 5. Implementing restaurant's CSR for community 6. Maintaining product and service quality 7. Product and service development 8. Market development and market penetration.	1. Creating social media blog. 2. Creating website mailing list for customers. 3. Mutual partnership with travel guide book/magazine. 4. Local government and restaurant association create Ubud culinary tourism or Ubud food & cooking festival.

Threats (T)	ST Strategy	WT Strategy
1. Competition 2. Environment carrying capacity	1. Focus on specific market segment 2. Creating specific restaurant design, ambiance & atmosphere. 3. Differentiating product and services 4. Increasing product and service quality. 5. Implementing water and energy save concept for restaurant operation.	1. Tight control on legal permit operation by local government for new restaurant. 2. Implementing proper waste management system. 3. Implementing environment protection based advertising. 4. Implementing cultural events based advertising. 5. Increasing governmentally support on SME's.

Based on Table 6, this study formulated grand strategies and alternative strategies for restaurant marketing in Ubud. A grand strategy is formulation of SO strategy, consisting of 8 strategies, meanwhile, alternative strategies are formulation of ST, WO, and WT strategies, consisting of 14 strategies.

Conclusion

Based on the model of SWOT strategy, the qualitative result of each of internal and external factors identified indicate that:

- Regarding the restaurant marketing strategies, most indicators of internal marketing environment are in advantage performances, meanwhile, most indicators of external marketing environment are also in advantage performances.
- Compared to the threats and weaknesses, the opportunities and strengths of the marketing environment of restaurant industry in Ubud are high.
- According to the IE Matrix result, the grand strategy is prime-selectively invest for earnings strategy, on the other hand, some restaurants suggested to implement aggressive strategy.
- According to the Position Matrix result, the grand strategy is aggressive or grow and build strategy.
- Based on SWOT Analysis Matrix, the grand strategy is SO strategy as the implementation of Grow and Build Strategy, meanwhile, the alternative strategies are ST, WO, and WT strategies.
- Environment carrying capacity and competition are the most crucial problems of restaurant business in Ubud, meanwhile, supply of energy (electricity) and fresh clean water are the most crucial potential problem for the future of restaurant business in Ubud.

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