

Internet marketing and direct marketing to increase room occupancy at Ayodya Resort Bali

Ni Komang Nova Ari Susanti^{1*}, I Gusti Agung Mas Krisna Komala Sari², Tyas Raharjeng Pamularsi³

^{1,2}Tourism Business Management Study Program, Politeknik Negeri Bali, Indonesia

³Hospitality Study Program, Politeknik Negeri Bali, Indonesia

Email: ¹novaarisusanti1@gmail.com, ²gungmas88@gmail.com, ³ajeng13@pnb.ac.id



Abstract

Purpose: This study examines the influence of internet marketing and direct marketing on room occupancy at Ayodya resort Bali in the period 2017 to 2019. It also finds out which variable has the most dominant influence.

Research methods: This research used a mixed methodology of qualitative and quantitative. The data source used are primary data collected from observations and interview and secondary data in the form of room night and occupancy. The data obtained will be processed using multiple linear regression analysis techniques to determine the improvements offered by internet marketing and direct marketing to increase room occupancy at Ayodya Resort Bali.

Results and discussion: The results show that variable internet marketing has positive and significant influences partially with significance value 0.000 and direct marketing with significance value 0.000 to the room occupancy at Ayodya resort Bali. The effective contributions obtained indicate that internet marketing provides a very good contribution reached 56 percent than direct marketing only gives a small effect only reached 33.83 percent. The total effect of independent variables reaching 90.3 percent on room occupancy that's mean both of them have a positive and strong partial relationship with a partial correlation analysis.

Conclusion: In order to increase the effect of direct marketing, the hotel needs to improve cooperation with offline travel agents from various types of existing markets therefore Ayodya Resort Bali remains a priority.

Keywords: room occupancy, internet marketing, direct marketing

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Introduction

Tourism is the overall activities associated with the entry, stay, and movement of foreign residents within or outside a particular country, city, or region (Primadany, 2013). Increasing tourist visits to Bali from year to year make a tight competition, and one of its effect is fluctuations in the occupancy of rooms in a hotel. Hotel is a business entity engaged in accommodation services that are managed commercially, by providing food, beverage and

other facilities (Darsono, 2011). The hotel occupancy is a condition to what extent rooms sold, compared to the total number of rooms that can be sold (Suastika, 2017).

To observe current development the hotel needs to develop marketing strategies by online and offline to increase the occupancy in order to gain profits. Not only understanding in theory how the strategy was made but also examining the development of the era that is known at this time technological advances in marketing becomes one of the things that should be mastered to increase occupancy and revenue in a hotel. With this technological advancement, marketing be able to finishing via internet marketing media properly. The internet is a business that is moving fast forwarding (Ustadiyanto, 2002). Internet marketing is actually very simple, namely marketing products or services via the internet (Wong, 2013). Internet marketing is an activity carried out via internet media with the aim of obtaining profits (Shera, 2010). Although in this case technology is more influential in a marketing but it is undeniable that direct marketing also still has a role until now. Direct marketing refers to direct communications with carefully targeted individual customers to obtain an immediate response and to cultivate lasting customer relationships (Venkatesh, 2015). Direct marketing is a type of marketing activity aimed at obtaining responses from potential customers, whether via telephone, letter, e-mail, or fax communication (Bly, 2006).

Marketing activities via internet and directly carried out most of hotel industry one of them is Ayodya Resort Bali, a hotel under the management of a company owned by PT. Banigati Betegak. Internet marketing media is a contribution from direct websites, offline travel agents, and wholesalers while offline travel agents, and others (customers who do not have a prior contract between the two parties) belong to direct marketing. Ayodya Resort Bali has been using direct marketing since the establishment of this hotel and internet marketing has been used since 2008 to increase room occupancy at the hotel. Room occupancy are expressed as a percentage of the ratio of rooms sold compared to the total of all hotel rooms available or the total number of rooms that can be sold (Pramudia, 2017). The following are the room occupancy at Ayodya Resort Bali.

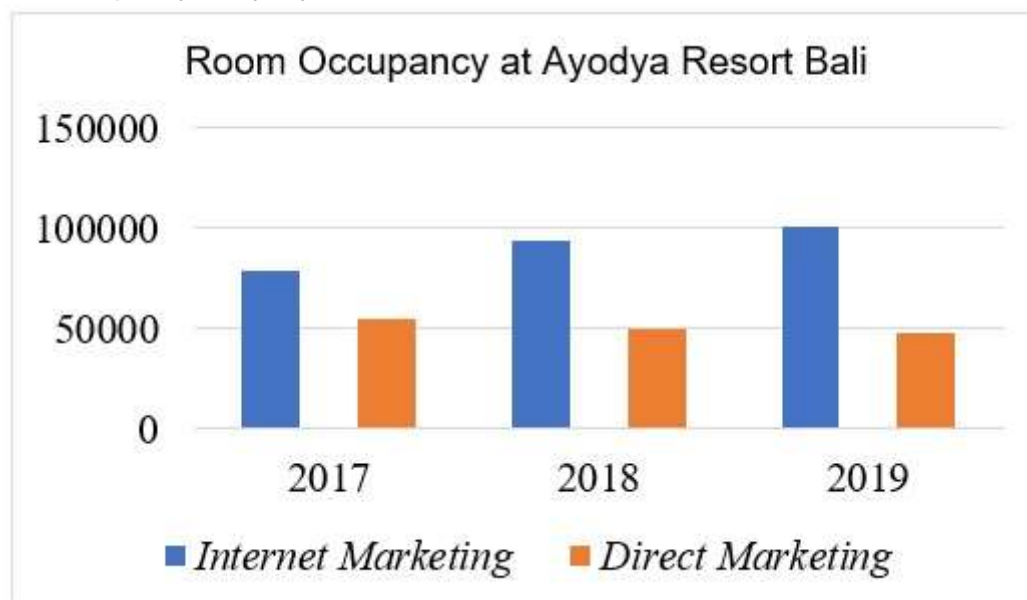


Figure 1. Room Occupancy at Ayodya Resort Bali in 2016-2019
(Source: Sales & Marketing Department Ayodya Resort Bali, 2019)

Based on Figure 1, it can be concluded that internet marketing media has increased and otherwise the direct marketing media decreasing every year. Based on the background of the problem description as above, the purpose of this study is to analyze the effect of Internet marketing and direct marketing as a marketing media to increase the room occupancy at Ayodya Resort Bali.

Research methods

This research was conducted at Ayodya Resort Bali, located in the Indonesia Tourism Development Corporation (ITDC) Nusa Dua Area. The data was obtained is taken from the sales & marketing department. The research of object that will be examined is Internet Marketing and Direct Marketing to increase the room occupancy at Ayodya Resort Bali by using two types of data, quantitative and qualitative. While the data source used are primary data collected from observations and interview and secondary data in the form of room night and occupancy from 2017 to 2019 sourced from e-commerce. The data used were obtained via observation, interviews and documentation studies. The technique data analysis used is multiple linear regression analysis and processed using SPSS program version 23. Variables independent are internet marketing X1 from direct website contributions, online travel agents and wholesaler, and direct marketing X2 originating from offline travel agents and other contributions which include: walk-in guests, and bookings made by government agencies, they don't even used travel agent and there is no contract of cooperation between the two parties. The following research concept for this study as per below research concept.

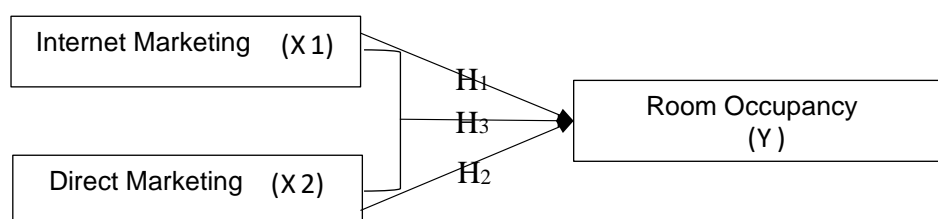


Figure 2. Research concept

Results and discussion

General features of distribution channels and room occupancy period january 2017-december 2019 at Ayodya Resort Bali

To find out the characteristics based on the variables used descriptive statistics analysis are presented to provide information about research variables include the number of observations, minimum value, maximum value, average value, median, and standard deviation as the Table 1 below.

Table 1. Descriptive Statistics Test

	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic
Internet Marketing	36	6180	4197	10377	7609.03	1791.083	3207978.942
Direct Marketing	36	6127	661	6788	4221.08	1263.864	1597351.679
Room Occupancy	36	9893	5187	15080	11830.11	2095.077	4389346.216
Valid N (list wise)	36						

Based on Table 1, the N values for each variable amounted to 36 periods from January 2017 to December 2019. The internet marketing variables were able to produce a minimum of 4,197 room nights with a maximum achievement of 10,377 room nights where, on average donations were obtained around 5,818 room nights up to 9,400 room nights every month. The direct marketing variable was able to contribute at least 661 room nights and the highest achievement was 6,788 room nights with an average monthly contribution of 2,957 room nights to 5,485 room nights. Variable room occupancy is able to produce the lowest achievement of 5187 room nights to obtain the highest achievement of 15080 room nights with an average range of 9,735 room nights to 13,925 room nights per month.

The influence of internet marketing and direct marketing as a marketing media to increase the room occupancy at Ayodya Resort Bali

To find out the effect of internet marketing and direct marketing on room occupancy at Ayodya Resort Bali, will be examined and analyzed via several quantitative analysis tests using the SPSS version 23 program. The results of partial correlation analysis data is described as Table 2.

Table 2. Partial Correlation Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	8.827	3.690		2.392	.023			
	Internet Marketing	.005	.000	.735	13.515	.000	.768	.920	.734
	Direct Marketing	.006	.001	.561	10.304	.000	.603	.873	.560

Based on the Table 2, the result showed that has a positive and very strong relationship partially between the internet marketing and room occupancy and as well as direct marketing also have positive and very strong relationship between room occupancy at Ayodya Resort Bali. The next test was continued with the multiple coefficient correlation as in Table 3.

Table 3. Multiple Coefficient Correlation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.950 ^a	.903	.897	4.05580	1.777

Based on the Table 3, the result showed that the magnitude of R value obtained 0.950 at a coefficient between 0.80 - 1,000. It can be concluded that the correlation between internet marketing and direct marketing to room occupancy has a positive correlation and is very strong simultaneously. The next test continued with classic assumption test. The results of normality test data in this study use the Kolmogorov-Smirnov test of normality as in Table 4.

Table 4. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		36
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	3.93821066
Most Extreme Differences	Absolute	.122
	Positive	.065
	Negative	-.122
Test Statistic		.122
Asymp. Sig. (2-tailed)		.191 ^c

Based on the Table 4, the data has been distributed normally because on the column Asymp.Sig (2-tailed) higher than 5% ($0.191 > 0.05$). The next test was continued with the linearity test as in Table 5.

Table 5. The Result of Linearity Test

Variables	F	Sig.	Information
Internet Marketing	48.797	.000	Linear
Direct Marketing	19.438	.000	Linear

Based on the Table 5, linearity test with the curve estimation Test obtained the probability value of relations between independent and dependent variables as follows: internet marketing (X1) to room occupancy (Y) = 0,000 and direct marketing (X2) to room occupancy (Y) = 0,000. Based on the analysis results it is known that both variables obtain values probability < 0.05 , it can be stated the relationship of research variables is linear. The next test was continued with the heteroscedasticity as in Table 6.

Table 6. The Result of Heteroscedasticity Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.522	2.242		-.233	.817
Internet Marketing	.000	.000	.206	1.225	.229
Direct Marketing	.000	.000	.162	.963	.343

Based on the Table 6, there is no heteroscedasticity on the data used in this study. Because the significance value of each variable more than 0.05. The next test was continued with the multicollinearity test as in Table 7.

Table 7. The Result of Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Internet Marketing	.997	1.003
Direct Marketing	.997	1.003

Based on the Table 7, the result showed of tolerance values > 0.1 and VIF values < 10 for all independent variable. It can be concluded that there is no multicollinearity correlation between independent variables. The next test was continued with the autocorrelation test as in Table 8.

Table 8. The Result of Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.950 ^a	.903	.897	4.05580	1.777

Based on the Table 8, the result showed the Durbin-Watson value is at 1,777. It can be concluded that the DW value is between -2 - +2, therefore there is no autocorrelation on the data used. The next test was continued with the multiple regression analysis as in Table 9.

Table 9. Multiple Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	8.827	3.690	2.392	.023		
	Internet Marketing	.005	.000	.735	.000	.997	1.003
	Direct Marketing	.006	.001	.561	.000	.997	1.003

Based on the Table 9, obtained the significance of the constant value exceeds the significance level (0.05), the regression modeling can be seen as follows:

$$Y = a + b_1X_1 + b_2X_2 \dots\dots\dots(1)$$

$$Y = 8.827 + 0.005X_1 + 0.006X_2 \dots\dots\dots(2)$$

The results of test multiple linear regression analysis explained the constant coefficient value is = 8,827, which means that if all independent variables are assumed to be constant or 0, the room occupancy will be $8,827 \approx 9$ percent. The regression coefficient $X_1 = 0.005 \approx 0.5$, which means that when internet marketing is increased one hundred times, the room occupancy is 9.5 percent, assuming direct marketing is considered constant or 0 and the regression coefficient $X_2 = 0.006 \approx 0.6$, which means that when direct marketing is increased one hundred times, the room occupancy is 9.6 percent, assuming internet marketing is considered constant or 0. The next test continued with the test of t test as in Table 10.

Table 10. T-test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	8.827	3.690	2.392	.023		
	Internet Marketing	.005	.000	.735	.000	.997	1.003
	Direct Marketing	.006	.001	.561	.000	.997	1.003

Based on the Table 10, the result showed that the t_{count} of internet marketing is 13,515 and direct marketing is $10.304 > t_{\text{table}} 1.692$ then the t_{count} is in the rejection area of H_0 and thus the acceptance of H_a . It can be concluded that there is a positive and partially significant effect between internet marketing and direct marketing on the room occupancy at Ayodya Resort Bali. The next test continued with the F-test as in Table 11.

Table 11. F-test

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5032.386	2	2516.193	152.965	.000 ^b
	Residual	542.833	33	16.449		
	Total	5575.218	35			

Based on the Table 11, the result showed that there is a positive and significant effect simultaneously between internet marketing and direct marketing variables on the room occupancy at Ayodya Resort Bali because the value of F_{count} is 152,965 > F_{table} 3.28 then F_{count} is in the rejection area of H_0 and thus the acceptance of H_a . The next test continued with the determination test as in Table 12.

Table 12. Determination Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.950 ^a	.903	.897	4.05580	1.777

The results of the analysis test of determination obtained a value of R square at 89.7 percent, which means internet marketing and direct marketing contribute to the room occupancy at 89.7 percent. The next test continued with the effective contribution analysis as in Table 13.

Table 13. Effective Contribution Analysis

Variable	Koefisien Regresi (Beta)	Koefisien Korelasi (Zero Order)	R square
Internet Marketing (X1)	0,735	0.768	90.3%
Direct Marketing (X2)	0,561	0.603	

From the results of calculations done on the contribution of the effectiveness of internet marketing and direct marketing can reach 90.3 percent and the rest of it's taken up with room complimentary.

The influence of internet marketing to increase room occupancy at Ayodya Resort Bali

The segment that provides the highest influence on room occupancy on internet marketing variables is wholesaler. Ayodya Resort Bali is an independent hotel without using a franchise from well-known brands such as starwood, marriot and others, in terms of marketing this hotel is experiencing difficulties because Ayodya Resort Bali does not yet have its own brand like other hotel chains that are well known throughout the world, this hotel needs to do marketing from zero therefore Ayodya Resort Bali is more inclined to the wholesaler segment with the marketing wholesaler can be more easily done than using other segments because the wholesaler segment uses agents where many guest groups will book rooms via wholesalers whereas if via online travel agents usually choose the right room according to the wishes of consumers. Another advantage of using a wholesaler is that the hotel does not need to make a promotion to attract consumers because it has made an agreement and provides several benefits with the wholesaler so that it can attract more consumers.

The influence of direct marketing to increase room occupancy at Ayodya Resort Bali

Direct marketing media that provide the highest influence is offline travel agent because in addition to selling rooms offline travel agents also offer a variety of tour packages for tourists, usually these offline travel agents are booked by guest groups and have much cheaper room rates, apart from that the advantages of offline travel The agent also provides various types of promotions both on weekdays or on certain celebrations. While the influence

of the other is not so significant on the room occupancy because when viewed in modern times such as the current interest of tourists coming directly to the desired hotel has decreased and it is impractical and can pose a risk to consumers if the desired room is up before sold. In addition, booking a room from a government agency may not necessarily be due to a reservation, the government agency should conduct a meeting.

The most dominant influence to increase the room occupancy at Ayodya Resort Bali is internet marketing

This can be proven in the results of the calculation of effective contributions obtained from each independent variable where, effective contribution internet marketing gets the highest value of 56.45 percent which means internet marketing is able to influence the level room occupancy of 56.45 percent. The influence of internet marketing can be said to have the most dominant influence because the contributing segments in it are direct websites, online travel agents (OTA) and wholesalers. The influence of wholesalers is able to provide 181,630 room nights for the room occupancy at Ayodya Resort Bali. Cited from a journal that discusses the internet marketing also said that the development of internet marketing that is promising it can be seen from the growth of users which is increasing every year. From 2000 which only supported 2 million internet users jumped dramatically in 2007 and 2008 to reach 25,000,000. And at the end of 2009 it had already shown 30,000,000 internet users in Indonesia (Andriyanto, R. D., & Haryanto, J. O. 2010).

Conclusion

Based on the results of analysis that has been done using multiple linear regression analysis on internet marketing data, direct marketing using room night and room occupancy period January 2017 to December 2019 at Ayodya Resort Bali with several variables that affect room occupancy in Ayodya Resort Bali consists of internet marketing and direct marketing variables. The effect of internet marketing can increase the room occupancy rate at Ayodya Resort Bali which is implemented in three ways, namely direct websites, online travel agents and wholesalers, each of which contributes to the room occupancy rate, namely direct website by 2.59 percent, online travel agent by 16.16 percent and wholesaler for 36.90 percent so it can be concluded that the contribution of internet marketing to the room occupancy rate at Ayodya Resort Bali is 55.65 percent.

The effect of direct marketing can increase the room occupancy rate at Ayodya Resort Bali which is applied in two ways, namely other (walk-in guests and bookings made by government agencies) and offline travel agents. Each segmentation has a very clear contribution difference, namely for the other only contributing 2.22 percent and offline travel agents by 31.61 percent. So the effect of direct marketing on the occupancy rate of the rooms is 33.83 percent.

Internet marketing variables give the most dominant influence to increase the room occupancy rate at Ayodya Resort Bali because it gets the highest value on the calculation of the effective contribution (SE), which is 56.45 percent. This increase is due to internet marketing media which can provide more room nights than direct marketing media, this is due to the contribution of the wholesaler segment.

Based on the resulted as above, with seeing the rapid development, this should be maximized by handling truly considered in the future by always monitoring developments that occur not only in the Nusa Dua area but able to see trends that are happening in the world. The hotel side should analyze of direct marketing media used consistently then the media able to increase in the following years by maintaining good cooperation with the offline travel agent

therefore Ayodya Resort Bali remains a priority as an accommodation in the Nusa Dua Region/ 5-star hotel like as well as providing several promotions to tourists who come via other segments.

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