

## THE ANALYSIS INTERNET MARKETING IMPLEMENTATION AS ONE OF MARKETING MEDIA AT THE PATRA BALI RESORT & VILLAS

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### ABSTRACT

Internet marketing is very important to support marketing activities in the current era of technology. The purpose of this study, to find out how the implementation of marketing media through internet marketing used along with the revenue generated and to determine which variables are most effective in increasing the occupancy rate of rooms in The Patra Bali Resort & Villas. The study results show that internet marketing used are; websites, online travel agents (OTA), social media and e-mail. Hotel website and online travel agent give direct contribution to room occupancy and hotel's revenue. Social Media (facebook, twitter, instagram, tripadvisor) and e-mail don't contribute directly because they are just as communication's tools. Online travel agent gives the highest contribution to the increasing room occupancy than hotel website. The total of 3 years contributions from 2015-2017, online travel agent contribute 18,83% with the highest income from booking.com 7.6%. Hotel website contribute 2.42%. Internet marketing's income is increasing and decreasing in certain months due to the holiday peak season. This study have an impact for development internet marketing media used as the basis for taking decision at The Patra Bali Resort & Villas hotel, in an effort to increase rooms occupancy and achieved the sales target through internet marketing set by hotel management.

**Keywords:** Contribution, Rooms Occupancy, Internet Marketing.

### I. INTRODUCTION

Bali was chosen as the Best Destination in the World by TripAdvisor Travelers' Choice Awards 2017. Bali increasingly known as a must-visit tourist attractions for both domestic and foreign tourists. The number of tourist visits to Bali will impact the room occupancy of the Hotel in Bali. According Damarjati (2006) room occupancy rate is the percentage of rooms occupied or rented to guests compared with the number of rooms sold, other than that the occupancy rate of the room is also a benchmark for the success of a hotel.

Seeing the competition happened nowadays, every hotel must have a way or strategy to sell the room and maximize the achievement in this case is the room occupancy. With the advancement of technology, the marketing strategy activities can be done by using internet media or internet marketing. Kotler and Armstrong (2008)

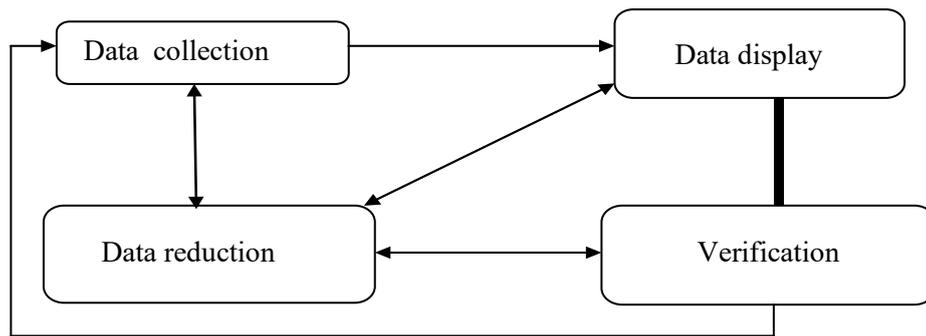
stated that Internet marketing or online marketing is a form of business from companies to market their products and services and build relationships with customers through the internet. By applying internet marketing, it can reach a wider market share with indefinite time. Ahmadi, et al (Yulianto 2015: 65) stated that online marketing through internet (internet marketing) generally consists of websites, social media, banner ads, affiliate online, search engine marketing (SEM), search engine optimization (SEO), online travel agent (OTA) and e-mail.

Marketing activities through internet marketing have been implemented by most of the hospitality industries. One of them is The Patra Bali Resort & Villas, one of five-star hotels under the management of state-owned enterprises (Pertamina). The Patra Bali Resort & Villas is in the effort to increase the rooms occupancy and they apply internet marketing in addition to marketing in a conventional way. In general, the implementation of internet marketing, this hotel has Hotel Website <http://www.thepatrabali.com/>, actively working with Online Travel Agent (OTA) including booking.com, agoda.com, expedia.com, traveloka. com, self-managed Social Media hotel (facebook, instagram, twitter) and also used E-mail reservation@thepatrabali.com.

The purpose of this research is to find out how the implementation of internet marketing at the The Patra Bali Resort & Villas. The results of this study are expected to be a consideration in making effective decisions made by the sales & marketing. Based on the previous description above, this research focuses on internet marketing application as one of the most used media by The Patra Bali Resort & Villas then presented by descriptive qualitative.

## **II. RESEARCH METHODS**

This research was conducted at The Patra Bali Resort & Villas located at Jl. Ir. H. Juanda South Kuta Beach Kuta, 80361, Bali - Indonesia. The research's object is internet marketing used by the hotel which consists of hotel website, Online Travel Agent (OTA), Social Media and E-mail that contribute directly or indirectly to room occupancy rate and income in reaching company's goal. Sources of data used primary and secondary data. Methods of data collection used in this research consists of participatory observation, structured interview, literature study and documentation. Analytical technique used is qualitative descriptive with analysis and interactive models according to the Figure 1 below.



Sumber: Sugiyono (2007)

Figure 1. Interactive model analysis

The scheme on data analysis component above explains that, in conducting qualitative data analysis, it can be done simultaneously with data collection process. These concurrent processes include data reduction, data presentation and conclusions.

### III. RESULTS AND DISCUSSION

#### Implementation of Internet Marketing at The Patra Bali Resort & Villas

Internet marketing has been implemented by The Patra Bali Resort & Villas hotel since 2004. All forms of marketing activities conducted by using internet media can be categorized as internet marketing such as Hotel Website, Online Travel Agent (OTA), Social Media and E-mail, it can be explained as follows:

##### 1. Hotel Website.

Official Website of The Patra Bali Resort & Villas is <http://www.thepatrabali.com/>, managed by management of The Patra Bali Resort & Villas in cooperation with the management of PT. Patra Jasa as the main company of The Patra Bali hotel. Hotel website managed by e-commerce section, public relations and reservation in Sales & Marketing department. E-commerce is responsible for operational activities such as updating information, photographs, offering sales videos and other promotional activities. Public Relation is responsible for preparing necessary content on websites such as photos and videos about hotels and other activities that can attract tourists to stay at the hotel. Reservation section responsible for the reservation and e-mail service to the customer ordering the room. Making a reservation through the official website, provides much convenience and benefit for tourists such as discount from

20% -45% depending on the condition and situation of the hotel, free shuttle service and discount of SPA & FB in accordance with the old guests stay.

## 2. Online Travel Agent (OTA).

The Patra Bali Resort & Villas started working with Online Travel Agent (OTA) in 2005, it was the entry of e-commerce in Indonesia and the renewal of the hotel management system. The Online Travel Agent (OTA) that is actively working with The Patra Bali Resort & Villas hotel including: Booking.com, Expedia.com, Agoda.com, Traveloka.com, Hotelbed.com, Gta.com, Tiket.com, Asiatravel.com, Hoteltravel.com, Ctrip.com, GDS.com, and Grouponeurope.com. The form of cooperation made by hotel management with online travel agent is by giving wholesaler rate and commission. Where the commission of each travel agent online is different from 10% - 20% commission for each room that can be sold per night. With the provision of wholesaler rate and commission, the hotel expects good feedback like the number of room bookings in order to increase the online sales volume to The Patra Bali Resort & Villas hotel.

## 3. Social Media.

Social Media started to be implemented at The Patra Bali Resort & Villas in the middle of 2012, beginning with the of Facebook which was very popular at that time. Social Media is done independently by Marketing Communication Sales & Marketing department. Social Media is used to gain market share and do marketing activities in general such as Public Relation, Advertising, Direct Marketing and others. The types of Social Media actively used in acquiring market share precisely in 2015 are Facebook (@ thepatrabaliresort & villas), Instagram (@thepatrabali), Twitter (@thepatrabali) and Tripadvisor (The Patra Bali Resort & Villas). Social Media is also actively used as a medium of communication with the audience to give positive image and response to the existence of The Patra Bali Resort & Villas in the virtual world, by uploading all activities and events held at the hotel The Patra Bali Resort & Villas. This is done to introduce hotel products to costumers especially those who are using social media.

## 4. E-mail.

Using e-mail as one of internet marketing type is very helpful to support sales activities, sales and operational activities. Furthermore, The Patra Bali Resort & Villas has been using e-mail address "reservation@thepatrabali.com" operated directly by the reservation section. Operational activities conducted by Reservation such as

servicing the guests and request information, make correspondence and negotiate with the travel agency (offline and online), and conduct operational activities among departments, hotel management and management of PT. Patra Jasa. Besides, the implementation of e-mail as well as supporting other internet marketing such as Website, Online Travel Agent (OTA) and Social Media to follow-up activities or reservation process.

### Internet Marketing Contribution At The Patra Bali Resort Hotel & Villas

Contributions is a result from the implementation of internet marketing and its activities. Contribution is the number rooms' sold and the amount of income generated from all media marketing through internet marketing. Maximum income is the main goal of every company. In this research the contribution refers to the number of rooms that can be sold by each variable of internet marketing and revenue generated in the last three years of 2015-2017 and has been described in the background of the problem that the implementation of internet marketing has not reached the targets set by the hotel management. The amount of revenue generated by each internet marketing for the last three years 2015-2017, can be seen in Table 1 below.

Table 1. Internet Marketing Income Period 2015 - 2017

Number	OTA Accounts	Income ( Rp )		
		2015	2016	2017
1	Booking.com	3,155,600,000.00	4,128,000,000.00	5,123,000,000.00
2	Expedia	1,200,650,000.00	1,802,280,000.00	2,507,599,202.00
3	Agoda	1,009,037,202.00	1,326,000,000.00	2,131,750,000.00
4	Website	1,056,600,000.00	939,905,493.00	1,377,000,000.00
5	Traveloka	265,000,000.00	340,200,000.00	389,000,000.00
6	Hotelbeds	200,300,000.00	108,750,000.00	267,300,000.00
7	GTA	8,400,000.00	14,700,000.00	231,600,000.00
8	Tiket.com	11,874,000.00	18,125,000.00	19,950,000.00
9	Asiatravel.com	5,600,000.00	7,000,000.00	32,300,000.00
10	Hoteltravel.com	8,400,000.00	5,026,000.00	76,050,000.00
11	Ctrip	-	800,000.00	14,800,000.00
12	GDS	-	-	5,200,000.00
13	Groupon Europe	-	-	50,700,000.00
	Total	6,921,461,202.00	8,690,786,493	12,226,249,202.00

Source : Sales & Marketing The Patra Bali Resort & Villas

From Table above can be seen that every year there is an increase revenues generated by each internet marketing used. The total revenue is the total income from the internet marketing media through the hotel website and purely through online media related. From 13 internet marketing used at The Patra Bali Resort & Villas, not

all internet marketing can contribute equally to get large income. There are several types of internet marketing that don't contribute a lot, or the contribution given away from the expected result. The biggest contribution comes from Booking.com, Expedia.com and Agoda.com in which they are part of online travel agent. The fourth contribution comes from hotel website and the fifth from Traveloka. It was top five contribution of internet marketing will be discussed. From the table above, contributions of Booking.com, Expedia.com, Agoda.com and Traveloka.com always make an increasing contribution. However, hotel website in 2016 decreased its contribution from previous year which is about Rp. 116,694,507.00 lower than 2015. In 2017 its contribution increased again to reach Rp. 2,131,750,000.00, which was considered to be the highest contribution for the last three years.

The other internet marketing such as social media used at The Patra Bali Resort & Villas are Facebook, Twitter, Instagram and Tripadvisor don't contribute to direct sales of rooms and revenues. Because every social media will be connected to the link of hotel website. All of social media users can see the hotel profile, photos and video then if they are interested in booking a room they will click the link that exist on each social media. That is how the social media work to help increasing room occupancy and revenue.

E-mail as one of internet marketing at The Patra Bali Resort & Villas will help the sales activities such as replay the email booking from online travel agent to make sure that the booking was definite. Email also plays an important role in hotel as a means of communication. Incoming emails especially about rooms booking or inquiry rooms will be printed as archives before being entered into the hotel booking system. E-mail usually as a means of communication or liaison between the parties with a third party. E-mail doesn't contribute directly in providing income revenue same as social media.

#### **IV. CONCLUSION AND SUGGESTION**

##### **Conclusion**

In accordance with the problems and descriptions in the previous discussion, internet marketing has been implemented by The Patra Bali Resort & Villas hotel since 2004 using Hotel Website <http://www.thepatrabali.com/>, Online Travel Agent such as Booking.com, Expedia.com, Agoda.com, Traveloka.com, Hotelbed.com, Gta.com, Tiket.com, Asiatravel.com, Hoteltravel.com, Ctrip.com, GDS.com, and Grouponeurope.com. Social Media started used in 2015 like Facebook

(@thepatrabaliresort&villas), Instagram (@thepatrabali), Twitter (@thepatrabali), Tripadvisor (The Patra Bali Resort & Villas) and E-mail with address reservation@thepatrabali.com. Internet marketing activities handled by sales & marketing department, especially e-commerce and market communication section, and for the email handled by reservation section.

The contribution of internet marketing especially hotel website and online travel agent (Booking.com, Expedia.com, Agoda.com, Traveloka.com) they give direct contribution to room occupancy and hotel's revenue. Social Media (facebook, twitter, instagram, tripadvisor) and e-mail don't contribute directly to room occupancy and hotel's revenue, because they are just as communication's tools. Booking.com gives the highest contribution every year. The last, it shows that the most effective variable increasing room occupancy and revenue is the online travel agent although at the end, total contribution of internet marketing is still under budget. In other words, it can be stated that it can reach the main target of the income.

### **Suggestion**

Based on data analysis and discussion previously elaborated, some suggestion can be drawn such as, The hotel management must maintain all internet marketing as a marketing tool and also it must follow the times and the trend of internet marketing to maximize its performance. The implementation of internet marketing should be more maximized to contribute in accordance with expectations, goals as well as the target. Besides, hotel should offer more attractive deals on hotel websites, make mutually beneficial deals with online travel agents and update content on social media to make customers increasingly interested at staying at The Patra Bali Resort and Villas.

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