

Management Audit as a Basis to Assess the Efficiency and Effectiveness of Marketing Function at the Inaya Putri Bali Hotel

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Abstract: This study aims to assess the efficiency and effectiveness of the implementation of the marketing function at the Inaya Putri Bali Hotel and reveal the findings obtained during the management audit. Based on findings audit, it can be given right recommendations to make company's future performance better. The data analysis techniques used are quantitative and qualitative methods. Data used is sourced from primary and secondary data through interviews, observations, and documentation. The research begins with collection of data and information relevant to marketing function then processed and analyzed in conformity with the company's plans and guidelines as well as calculation of effectiveness and efficiency levels of Revenue and marketing costs. The results of this research show efficiency of marketing function in Inaya Putri Bali Hotel runs efficiently, but effectiveness marketing function is still under standards company caused by decrease in income room, food and beverage. The company needs to evaluate all sales and marketing management staff, make an innovative promotion programs, make all sales personnel to be active to attend exhibition, sales mission also hotel events and provide training to sales personnel periodically to support performance Inaya Putri Bali Hotel in maximizing the income of room, food and beverage for company.

Keywords: management audit, efficiency, effectiveness, marketing function

1. Introduction

Sales of hotel rooms constitute the largest revenue for hotels, amounting to 52.4% [1]. Room sales is an important element in hotel operational activities. The management in its operations makes room revenue targets to be achieved which are compiled in a budget format. The marketing function is concerned with satisfying customer needs and desires [2]. A good marketing function is a marketing function that can achieve company goals in terms of effectiveness, efficiency and economization in marketing its products. The achievement of these objectives is controlled through operational audits of the marketing function to evaluate the implementation of marketing function activities in order to achieve an effective, efficient and economical result [3].

Hotels that succeed in achieving their goals are strongly influenced by the company's ability to market their products. Hotel Inaya Putri Bali is a hotel with five-star accommodation which is strategically located in the center of tourist attractions in Bali. Competitive competition causes companies to be

required to improve their marketing function in order to meet the specified room revenue targets. Inaya Putri Bali Hotel occupancy rate has continued to decline in the last three years. The following is a table that shows the budget and realization of the occupancy rate of Hotel Inaya Putri Bali in 2017 - 2019:

Table 1. Occupancy Report Inaya Putri Bali Hotel in 2017-2019

Years	Budget	Realization	Variance
2017	87	79.52	7.48
2018	88	78.12	9.88
2019	89	80.87	8.13
Average	88	80	8

Based on Table 1, in 2017 occupancy realization experienced a decrease of 7.48% of the planned budget, as well as in 2018 occupancy realization experienced a decrease of 9.88% of the budget and in 2019 occupancy realization experienced a significant decrease, namely of 8.13% of the planned budget. The cause of hotel room revenue does not perform well is the occupancy rate that did not reach the target as a result of a decrease in the number of guests on the market segment who comes to Bali (Reza). The decline in occupancy rates has an impact on the decline in revenue which can be seen in table 2 below:

Table 2. Total Revenue Inaya Putri Bali 2017-2019

Years	Revenue	Growth
2017	311,500,195,983	-
2018	284,313,537,000	27,186,685,983
2019	302,569,727,764	18,256,190,764

Table 2 shows that the occupancy rate has a very influential on the revenue that will be obtained by the Hotel Inaya Putri Bali, in the last three years the occupancy rate has continued to experience a significant decline and an increase that is not too significant, this can be seen from the 2017 revenue that was obtained of IDR 311,500. 195,983 with an occupancy rate of 79.52%, in 2018 the revenue obtained was IDR 284,313,537,000 with an occupancy rate of 78.12% and in 2019 the revenue received was IDR 302,569,727,764 with an occupancy rate of 80.87%.

According to Nofitasari (2013), the assessment of the efficiency and effectiveness of the success of marketing activities is assessed based on the scope of management audits as well as an assessment of plans and realization of revenue and marketing costs accompanied by a profitability ratio. The purpose of this study was to analyze the effectiveness and efficiency of the marketing function at Hotel Inaya Putri Bali.

2. Literature Review

2.1. Management Audit

A management audit is an implementation of a supervisory function that is carried out to ensure that these activities are carried out based on various principles such as efficiency, effectiveness, productivity, coordination, functionalization, and so on [5]. The scope of management audit is all aspects of the company's management activities. The objectives of management audits can be divided into 3, namely: Analytical review procedures, evaluation of management control systems, and compliance tests [6]. The

targets in a management audit are activities, activities and programs in companies that are identified as requiring improvement / improvement, both in terms of economization, efficiency and effectiveness [7]. The management audit stage consists of preliminary audits, review and testing of management controls, detailed audits, reporting, and follow-up.

2.2. *Efficiency and Effectiveness*

Efficiency is the achievement of maximum output with a certain input or the use of the lowest input to achieve a certain output. Efficiency is the ratio of output / input [8]. Effectiveness is the level of achievement of program results with the targets set. In simple terms, effectiveness is a comparison of outcomes with outputs. Effectiveness describes the entire input-process-output cycle. As for the effectiveness of organizational performance in carrying out work in essence the workers need a sense of security, which has to do with future guarantees, an organizational atmosphere that provides opportunities for growth, without any threats, the relationship between superiors and human subordinates [11].

2.3. *Marketing*

Marketing is the process of creating, distributing, promoting, and pricing goods, services, and ideas to facilitate satisfying exchange relationships with customers and to build and maintain positive relationships with stakeholders in the environment [2]. The marketing management process is a management process in analyzing the market opportunities of its products, selecting target markets then developing the marketing mix and managing the marketing efforts that will be carried out [7].

2.4. *Marketing Management Audit*

Marketing audits are comprehensive, systematic, independent, and periodic testing of the marketing environment, objectives, strategies and activities of companies or business units, to determine opportunities and problem areas that occur, and recommend action plans for improve the marketing performance of a company [7]. The scope of the marketing audit includes marketing environmental audits, marketing strategy audits, marketing organization audits, marketing system audits, marketing productivity audits, and marketing function audits.

3. **Research Methods**

The qualitative data used in this study were guidelines, procedures and police from the sales and marketing department and the results of interviews regarding the marketing function of the sales and marketing department based on company guidelines. The quantitative data used in this study are budget and revenue realization, budget and realization of marketing costs in 2017, 2018 and 2019. The methods used in data collection are interviews, observation and documentation. The data analysis technique used is quantitative and qualitative analysis techniques. Quantitative analysis techniques are used to calculate effectiveness and efficiency as well as calculate the difference between the realization and the budgeted budget. The formula used is as follows:

$$\text{Efficiency} = \frac{\text{Marketing Cost Realization}}{\text{Revenue Realization}} \times 100 \%$$

$$\text{Effectiveness} = \frac{\text{Revenue Realization}}{\text{Revenue Budget}} \times 100 \%$$

As for this qualitative analysis technique is carried out to analyse operational activities that are effective and efficient in marketing activities by conducting management audit stages such as preliminary audits, review and testing of management controls, detailed audits, reporting and follow-up.

4. Result and Discussion

4.1. Efficiency and Effectiveness

The efficiency of the marketing function at Inaya Putri Bali Hotel can be calculated by using a cost ratio analysis, namely by comparing the costs sacrificed with company revenues. The following is a calculation of the efficiency of the marketing function in 2017, 2018 and 2019 at Inaya Putri Bali Hotel.

Table 3. Marketing Cost Ratio

Year	Revenue Realization	Marketing Cost Realization		Desc
2017	311,500,195,983	8,679,369,462	2.786%	Efficient
2018	284,313,537,000	109,460,710	3.850%	Efficient
2019	302,569,727,764	109,872,850	3.631%	Efficient

The use of this fee based on the policy of the Inaya Putri Bali Hotel is said to be efficient because it is still below 4%. The calculation of the ratio of marketing costs in Table 4.1 shows the results for 2017, 2018 and 2019 the use of marketing costs at Hotel Inaya Putri Bali meets predetermined standards, so it can be indicated that the marketing function activities are running efficiently.

The effectiveness of the marketing function at Hotel Inaya Putri Bali can be calculated using revenue ratio analysis, namely by comparing the revenue realization with the revenue budget so that the calculation of the income ratio analysis for 2017, 2018 and 2019 is as follows:

Table 4. Revenue Ratio

Year	Revenue Budget	Revenue Realization		Desc
2017	314,487,760,304	311,500,195,983	99.050%	Effective
2018	295,189,981,293	284,313,537,000	96.315%	Ineffective
2019	310,946,270,996	302,569,727,764	97.306%	Ineffective

The data in Table 4.2 shows the analysis of the income ratio in 2017 to get a result of 99.050% based on the policy of the Inaya Putri Bali Hotel, this achievement has been effective because it is above 98%. In 2018 the results of the calculation of the income ratio analysis were 96.315% and in 2019 the results of the analysis of the income ratio of 97.306% of this achievement can be said to be ineffective because the achievements in 2018 and 2019 are below 98%.

The effectiveness of the marketing function in 2018 was not achieved because based on the analysis of variants, the overall income variant in 2018 experienced an unfavourable difference mainly in room, food and beverage revenue. This also happened in 2019 where the overall 2019 income variant experienced an unfavourable difference, mainly in room and food income.

The cause of this condition is known through interviews and observations with the sales section, public relations and reservations. Based on the results of observations and interviews conducted with the sales, public relations, and reservation sections, it can be seen that the findings that cause 2018 and 2019 are ineffective conditions. The reason for the occurrence of room income conditions in 2018 and 2019 has very unfavourable variants, one of which is because the evaluation of marketing achievements is not carried out to all sales and marketing departments. Research conducted by Aziz (2013), also found that evaluations that were not communicated appropriately and quickly would lead to suboptimal achievement of targets.

The causes of room, food and beverage revenue conditions in 2018 and 2019 have very unfavourable variants, one of which is the absence of innovative promotional programs related to rooms and the inactivity of sales personnel in participating in exhibitions, hotel events, and related sales missions. This activity is very important for companies to maintain relationships with other hotels, travel agents, and airlines that have worked with hotels for a long time and also expand the hotel distribution channels to get new clients to further expand the market share owned by Hotel Inaya Putri. Bali. In addition, there has not been any training for sales personnel, especially for new staff, which also causes room income, food and beverage conditions in 2018 and 2019 to have very unfavourable variants. Through interviews with the sales, it was found that the company had carried out training and coaching for sales personnel, but it was not done regularly, because it needed professional staff. Meanwhile, new sales personnel have not received training but coaching has been carried out in carrying out administrative work. This is in line with research conducted by Bety (2013) who found that there is no training for salespeople because they are not given a budget for training.

4.2. Recommendation

Recommendations that can be given to management where the company must evaluate all marketing functions without exception, this is because evaluation has an important role in assessing the performance of each marketing function that has been achieved or has not been achieved. Sales and Marketing Department should create new promotional programs that are unique and in accordance with the characteristics of the target market. In making promotional programs, it is better if market analysis is carried out in advance, both those in the Nusa Dua area and outside Nusa Dua to find out which guests are visiting a lot, the needs of these guests, knowing the weaknesses and strengths of competitors, and knowing opportunities that are still rare for competitors so that by knowing these things, the program that will be made will be right on target. In hotel events, exhibitions and sales missions, be it meetings, award awards, and seminars, new knowledge will be obtained which includes the development of other hotels, the way other hotels do marketing and promotional programs implemented by other hotels, so that by knowing this can provide ideas and foster creativity in carrying out activities related to bringing in guests after knowing what events have the potential. The important thing for the company to do is that the management must conduct training and coaching consistently for sales personnel, this is because sales personnel play an important role in conveying the quality of the products owned by the Inaya Putri Bali Hotel to buyers and prospective buyers. Sales personnel must master how to communicate and how to negotiate properly, this can be supported through training and coaching provided by management.

5. Conclusions and Suggestions

Based on the results of research and discussion, it can be concluded that: the efficiency of the marketing function in 2017, 2018, and 2019 runs efficiently based on the standards of the Inaya Putri Bali Hotel. This is because the results of the calculation of the ratio of marketing costs in 2017 were 2.786%, in 2018 was 3.850%, and in 2019 was 3.631% which was below the company's standard of 4%. The effectiveness of the marketing function in 2017 was effective due to the calculation of the income ratio of 99.050%, but it was not the same as in 2018 and 2019 which were ineffective, 96.315% and 97.306% where this achievement was not effective based on the standards of Inaya Putri Bali Hotel because it was below 98%. Effectiveness has not been achieved because based on the results of variant analysis, it is known that room, food and beverage income in 2018 has a very unfavorable variance and in 2018 room and food income also has a very unfavorable variance.

The cause of this condition is due to several internal factors such as lack of evaluation from the director of sales and marketing, lack of room promotion program innovation, food, and beverage, inactive sales personnel in participating in events related to sales and marketing, training and coaching are not carried out. periodically.

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