

E-COMMERCE IMPLEMENTATION MODEL IN INCREASING ROOM OCCUPANCY AT GRAND INNA KUTA HOTEL

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ABSTRACT

This study examines the implementation of e-commerce at Grand Inna Kuta Hotel and its effect on room occupancy rate in the period of 2015 – 2017 . The study covered some topics including business to business (B2B) and business to customer (B2C) as the independent variables, and room occupancy rate as dependent variable. The study used mixed methodology of both qualitative and quantitative approach. The primary data comes from the interview that conducted by the author of this paper with the hotel and marketing staffs. Cost of sale and occupancy rate of room would be the secondary data of this paper. Moreover, the methodology in collecting the data is using the observation method, interview, and documentation. Further, the data analysis techniques are using the descriptive statistical test to determine the effectiveness of the application of B2B and B2C to increase the occupancy rate of rooms in Grand Inna Kuta. The results show that B2B only contributed a small amount to the room occupancy rate of the Grand Inna Kuta. However, B2C made a good contribution to the hotel's occupancy rate.

Keywords: E-commerce business to business (B2B), E-commerce business to customer (B2C), occupancy rate

PRELIMINARY

Tourism is a wide range of tourism activities and supported by various facilities and services provided by the community, businessmen, government and local government. (Tourism Law No. 10 Year 2009). The development of tourism industry will simultaneously influence the growth of many sectors, such as the media or communication tools, agents and travel agencies, and hotels.

Moreover, hotel is a commercially managed accommodation, provided for everyone to get services, lodging, eating and drinking (Sulastiyono, 2011). The marketing strategy of an accommodation service company should preview the things that become the strengths, weaknesses, opportunities, and threats that distinguish the

company with the competitors (Dewi 2011). Besides, the Internet is the most helpful yet threatening as its uses for marketing tools. One of the technology implementation that could increase the business competition and product sales is by using E-Commerce (Electronic commerce), in terms of marketing various products or services, both in physical and digital form, Gita (2014). E-commerce activity is an important tool for disseminating information on the variety of product uniqueness and expanding the market share that aimed to achieve global competitive advantage and competitiveness (Afsar et al., 2013). The types of e-commerce transactions are done through business to business (B2B), business to consumer (B2C), consumer to consumer (C2C), consumer to business (C2B), government to citizen (G2C) Herman (2010).

Further, E-commerce is also applied in *Grand Inna Kuta Hotel* that consists of business to business, and business to customer. Grand Inna Kuta cooperates with at least 6 extranets and cooperation with 18 OTA (Online Travel Agent). By cooperating with several OTA, Grand Inna Kuta could attract customers and increase the occupancy rate of the room. The following Table 1 shows the occupancy rate of Grand Inna Kuta rooms for the last 3 years:

Table 1
Data on Room Occupancy Rate Target Year 2015-2017
At Grand Inna Kuta

Year	Occupancy (%)
2015	80.65
2016	80.36
2017	78.62

Source : Marketing Departement Grand Inna Kuta, 2018

Table 1 describes that Grand Inna Kuta went through the decline of occupancy rate from 2015 to 2017. It had a slight reduction between 2015 and 2016; nevertheless, in 2017 it declined sufficiently significant. E-commerce is most likely the major factor that could affect the occupancy rate. The implementation of e-commerce in Grand Inna Kuta determines the discount; promotional and special price according to the rate contract.

LITERATURE REVIEW

E-Commerce

According to Loudon (1998) E-Commerce is a process of transactions conducted by buyers and sellers in buying and selling various products electronically from company to company by using a computer as an intermediary of business transactions conducted.

Baourakis, Kourgiantakis, and Migdalas (2002) defined that E-Commerce is a form of trade of goods and information through internet network. Quayle (2002) pointed out E-Commerce is a sharing of electronic data interchange (EDI) that involves sellers and buyers through mobile devices, E-Mail, mobile connected devices, in internet and intranet networks. Therefore, it concludes that E-Commerce is the process for delivering information, products, services, and payment processes; via phone cord, internet connection and other digital access.

Business to Business (B2B)

Business to business is an online form of E-Commerce interaction between producers (companies, home industries, goods and services providers) with distributors (suppliers) and retailers. In which, these distributors or retailers distribute the product to their respective customers. This interaction is generally conducted and does not necessary directly interact to particular consumers who need the goods and services. In the B2B process that occurs in this E-Commerce are including Supply Chain, information exchange, operational management, and so on.

Business to Customer (B2C)

B2C is part of E-Commerce which emphasizes to process ordering, purchasing, and selling product or service through the Internet access. This means that sellers and buyers can directly meet to transact, through the electronic transaction, or online utilizing provided features.

Business To Customer conducted online involves customer, business organization, and Website. Business Organization to Customer has its Suppliers that serves as a distribution process or supply products to be sold. Further, the process of buying and

selling transaction is conducted in the Website. From Customer to Website there is an Order that states the conditions where the consumer can place an order of the desired product online.

Room Occupancy Rate

According to Sugiarto (2002: 55), the occupancy rate of a room is a state to which the number of rooms is sold, when compared to the total number of rooms capable of being sold. The occupancy ratio is a measure of the success of the hotel in selling its main product i.e. room. The following is a formula to calculate the percentage of room occupancy rate, Sugiarto (2002: 56):

$$\% \text{ Room Occupancy Rate} = \frac{\text{Number of rooms sold}}{\text{Number of available rooms}} \times 100\%$$

RESEARCH METHODS

Research Sites

This research was conducted at Grand Inna Kuta hotel which is located at Pantai Kuta Street No. 1, Br. Pande Mas, Kuta, Bali. Telephone: 0361 751361, Fax: 0361 - 751362, with website: www.grandinnakuta.com and email: reservation@grandinnakuta.com.

Operational Definition of Variables

In this study there are independent variables and varieties dependent. The independent variables are including business to business (B2B) X1 and business to customer (B2C) X2, while the dependent variable consists of Occupancy Rate (THK) Y.

Data Analysis Technique

The analysis technique used in this research is Descriptive Statistical Analysis Technique. Sugiono (2016: 238) defined descriptive statistics are statistics used to analyze data by way of describing the data that has been collected without intending to make conclusions that apply to the public or generalization.

DISCUSSION

Implementation of E-Commerce Business To Business in Increasing Room Occupancy at Grand Inna Kuta Hotel.

E-commerce business to business is an activity to sell hotel rooms online via the Internet between related parties who have cooperated and accept the price agreement according to the contract rate, profit, and payment system. Most of the hotels in Bali are using business to business system to enhance their product marketing and sales. Hence, Hotel Grand Inna Kuta is implementing business to business activities as well in order to be able to compete with other competitors.

Implementation of E-Commerce Business To Customer in Increasing Room Occupancy at Grand Inna Kuta Hotel.

E-commerce business to customer is an activity to sell hotel rooms online through internet (business to customer) between the hotel to the consumer directly meet, and interact online and electronic by utilizing the existing features without using the services of distributors as intermediaries. Grand Inna Kuta applies business to customer to fulfill the demands and requirements of the customers. Nowadays, the majority of society are using the Internet and conducting business to business and business to customer system.

Descriptive Statistics Results

Descriptive statistics presented in the **Table 2** provide information on the characteristics of research variables consisting of the number of observations, minimum values, maximum values, mean values, median, and standard deviations.

Table 2
Descriptive Statistics Results

No	Variable	N	Min	Max	Mean	Median	Std Dev
1	B2B (X1)	36	41	537	177	144	111,41
2	B2C (X2)	36	2875	4999	3765	3520	604,38
3	Room Occupancy Rate (Y)	36	2966	5063	3943	3818	599,60

Based on the above table it can be seen that the number of observations (N) from this study was 36 months. Business to business variables have a minimum value of 41 rooms night and a maximum value of 537 rooms night so that the average value of 177 rooms is obtained.

Business to customer variables have a minimum value of 2875 room night and a maximum value of 4999 room night so that the average value is 3765 room night. The median value of 3765 with a standard deviation of 604.38 indicates that the standard deviation is lower than the average value which means there is a low variation in data, so it shows that the influence of the number of room occupancy through the sale of business to customers from one online travel agent one with the others almost the same.

The occupancy rate variable has a minimum value of 2966 room night and a maximum value of 5063 room night so that the average value is 3943 rooms. The median value is 3818 standard deviations for the variable room occupancy rate of 599.60.

Implementation of E-Commerce Bussiness to Bussiness (B2B) to Room Occupancy at Hotel Grand Inna Kuta

Based on the results of descriptive statistics in the table above it was found that the mean value of B2B was 177 while the mean occupancy rate of the room was 3943. During the study period, namely 2015-2017, the average business to business e-commerce resulted in 177 room sales, very far from the average total occupancy of rooms sold. This can be interpreted as business to business contributing very low to room sales in the last 3 years, which only contributed an average of 177 of the average room occupancy rate of 3943. The results of this study are in accordance with the results of research by Aryawan and Ridwan (2016) stated that business to business affects only 11.66, while the remaining 83.43 is influenced by Online Travel Agent (OTA).

Implementation of E-Commerce Bussiness to Customer (B2C) to Room Occupancy at Hotel Grand Inna Kuta

Based on the results of the descriptive desk analysis in the table above. It was found that the mean business to customer value was 3765 while the mean occupancy

rate of the room was 3943. During the study period of 2015 - 2017, the average e-commerce business to customer produced an average room sales of 3765 close to the average total occupancy rooms sold.

Based on 21 OTAs, Booking.com makes sales that are close to the average, namely in 2015 of 19,306, in 2016 amounting to 22,154, and 2017 amounting to 20,855. Agoda.com is selling close to the average in 2015 of 10,471, in 2016 of 4,894, and in 2017 of 8,459. Expedia made sales that were close to the average in 2015 of 11,352, in 2016 of 12,349, and 2017 of 12,839. While Traveloka is only able to make sales exceeding the average that is in 2017 amounting to 3,678.

Comparison of E-Commerce Business to Business (B2B) and E-Commerce Business to Customer (B2C) Towards Room Occupancy At Hotel Grand Inna Kuta

Comparison between e-commerce business to business (B2B) and e-commerce business to customer (B2C) to the level of room occupancy at Grand Inna Kuta Hotel, we can see that the average business to business sales each year decline. In 2015, B2B sales were 237 rooms, in 2016 it was 175 rooms, and in 2017 it was 120. Meanwhile, business to customer sales were inversely proportional to business to business where B2C sales always experienced an increase in sales each year. In 2015 sales amounted to 3593, in 2016 amounted to 3615, and in 2017 amounted to 4087. These results illustrate that customers in the current era are more interested in ordering through Online Travel Agent (OTA) where OTA is facilitated by applications that are easily accessible via smartphone .

CONCLUSION

Based on the results of research and discussion in the previous chapter, then obtained some conclusions as follows:

1. The application of e-commerce business to business at the Grand Inna Kuta hotel is conducted with PT Mandira Abadi Hotel Reservation, Antavaya, MG Holiday, Darmawisata Indonesia uses an extranet system where sales are made through intermediaries in room booking transactions. The implementation of business to business has a reference in the form of a contract rate. Grand Inna

Kuta has a program every year that is following the table top and road shows. From the results of descriptive statistics it was found that the mean business to business value was 177 room nights, while the average room occupancy rate was 3943 room nights. The average yield obtained from business to business activities is far above the average generated so that the implementation of business to business is less effective and efficient due to differences in contract rates given by the hotel.

2. The application of e-commerce business to customer at the Grand Inna Kuta hotel is done with Agoda, Asiaroom.com, Asia Travel, Booking.com, Expedia.com, Hoterip.com, Pegi-peggi.com, Rakuten, Tiket.com, Tourico, Travelio , Rajakamar, Traveloka, Revato (Hotels Combined), Mister Aladin, Klikhotel.com, Ctrip, Scoopon, Hotelclicks.com, WEBSITE.HIG. The implementation of business to customer has a reference that is using the Best Available Rate. From the results of descriptive statistics it was found that the average value of business to customer was 3765 room night, while the average occupancy rate of the room was 3943 room nights. The average results obtained from business to customer activities are close to the average generated so that the implementation of business to customer is far more efficient and effective for guests and more profitable for the hotel.
3. Based on the results of the research, the application of e-commerce in increasing the occupancy rate of rooms in the Grand Inna Kuta hotel is dominated by business to customers. This means that the implications of business to customer are very good where the results of room occupancy are close to the average. The results of the study the authors agree with the research of Aryawan and Ridwan (2016).

SUGGESTION

Based on the results of the above analysis, the writer can provide suggestions that is to increase cooperation with several business to business e-commerce companies to be able to increase production so that production received through business to business increases or approaches the average. In addition, the hotel should increase market

share so that more customers know hotel products and increase cooperation with travel agents in conducting promotions especially with business to business. Besides that, for the implementation of e-commerce business to customers, it must be maintained in terms of promotion because the production received is very good.

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