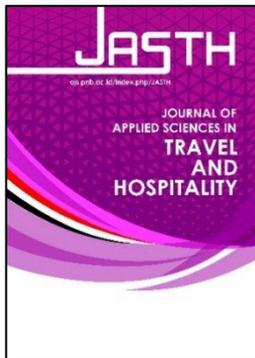


Alternative Digital Promotion at W Bali - Seminyak

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Abstract:

This research is conducted to find out the application of alternative digital promotion at W Bali - Seminyak because in the last three years, there was a fluctuation of room occupancy especially from online booking. Objectives of this research are to formulate promotion strategy of W Bali-Seminyak, especially digital promotion that can be applied by the hotel to achieve the occupancy target. The method in this research used observation, interview, questionnaire and documentation with 7 key informants from sales and marketing department. The data in this research is analyzed by using the combination of qualitative and quantitative analysis; IFAS (Internal Factor Analysis Summary), EFAS (External Factor Analysis Summary), IE (Internal-External) Matrix, SWOT (Strengths Weaknesses Opportunities Threats) and QSPM (Quantitative Strategic Planning Matrix). The results of IFAS matrix shows that the major strength is the hotel provides complete information at hotel website, social media, brochure, magazine and newspaper, meanwhile the weakness is the hotel does not have its own magazine. The EFAS matrix shows if one of the opportunity is level of safety in Bali is conducive and the threats are many similar hotels around Seminyak area which offer lower price. The SWOT analysis gives 8 alternatives digital promotion with the highest TAS (Total Attractive Score) is 99,32. Thus, the main strategy recommended is developing special package with affordable price in low season. The results are expected could be used by the hotel management to develop the digital promotion strategy theoretically and enrich the reference especially on promotion strategy.

Keywords: *digital promotion, promotion, SWOT*

INTRODUCTION

Promotion is one of important element in marketing process because promotion can be defined as one of ways of communication form of company to reach the target market (Budi, 2013:102). Promotion also can be described as an effort to promote company products even goods and services by informing and persuading prospective customers in appropriate communication in order to make them happy and interest towards the products. In this modern era the technology in the world is growing rapidly and people could not deny its existence. Technology brings a digital or internet era to people life. The influence of technology and internet also affect to the promotion system in hotel industry which is changing from offline to online system. An online system is really loved and helping people in their daily life because

they could access and know the information easily. The purpose of electronic marketing is to utilize the internet and any form of electronic communication in order to communicate with prospective and target markets in the most cost-effective ways and to be able joint working with certain organization with which there is common interest (World Tourism Institution in Vucetic, 2016: 132). By this reason, at this moment most of hotel companies like W Bali–Seminyak is using digital promotion and internet features as an easy way to be connected to their prospective customers in order to convey the information of products and services of the company. The talent of W Bali–Seminyak especially from sales and marketing department have an important role in promoting the products and stay connecting to prospective customers. The usage of online system is not only for selling and promoting products but also for increasing the room occupancy at W Bali–Seminyak. The room occupancy at W Bali-Seminyak are fluctuating in the last three years about 2131, 2372, and 2443 in total which also influence the online booking source every month. Although W Bali–Seminyak has existed for eight years, they still need to develop the digital promotion strategy to maximize the profit of the company especially during low season. Based on those background, the objectives of this research are to find out the internal factors, external factors of promotion mix that influence digital promotion strategy and to find out the appropriate digital promotion strategy applied by W Bali–Seminyak to increase the room occupancy.

Promotion has been defined as the efforts of coordination of all seller-initiated to set up information channels and persuasion to sell and promote idea and products even goods or services (Familmaleki, 2015: 1). In general, Tjiptono (1997:222) explained that the form of promotion has same functions, but it can be differentiated by its special tasks. Some of those special tasks are called promotion mix (promotion mix, promotion blend, and communication mix). The promotion mix consists of five indicators such as personal selling, mass selling, sales promotion, public relations and direct marketing. Proctor (2014: 1) stated that a strategy is a plan that integrates an organization’s major purpose or goals, policies, decision and sequences of action into a cohesive whole that can be implemented at all levels in an organization and pertain to any of the management functional areas. Promotion strategy can be concluded as an optimal use of plan and implementation of promotion elements such as advertising, public relations, personal selling, and selling promotion to achieve the company target.

RESEARCH METHOD

This research was conducted at W Bali–Seminyak as a five-star hotel which is located on Jalan Petitenget Kerobokan, Seminyak, Badung. This research took six months from 3rd

of January until 2nd of July 2019. Sugiyono (2016:95) stated that variable in a research basically are everything in any form that is determined by researcher to be studied in order to obtain the information and to get the conclusion. In qualitative research which is holistic one and emphasizes the process, then in looking at the relationship between variables in the object under researched is more interactive which is mutual influence (reciprocal/interactive), so it is not known which is independent and dependent variables (Sugiyono, 2017:17). This research is a qualitative research, therefore the variables in this research identify input variables which is the internal factor of the company by using the indicators of promotion mix by Tjiptono (1997: 222) that consists of personal selling, mass selling, sales promotion, public relations and direct marketing and six external factors approach by Kotler and Keller (2009: 159) in Ari (2017:9) that consists of competitive environment, economic environment, natural environment, technology, politic, legislation and regulation and social-cultural environment, whereas the output variable is the digital promotion strategy. There are two types of data namely qualitative and quantitative, while the source of data that used are primary and secondary data. Methods of data collection in this research is participant observation, interview, questionnaire and documentation with seven key informants from sales and marketing department because they know the information regarding internal and external factors and play a role in formulating digital promotion strategy, the products and know the overall of company conditions. The techniques of data analysis of this research are using the combination of qualitative and quantitative descriptive; analysis of IFAS (Internal Factor Analysis Summary), EFAS (External Factor Analysis Summary), SWOT (Strengths Weaknesses Opportunities Threats) analysis, and analysis of QSPM (Quantitative Strategic Planning Matrix).

The flow of data analysis in this research is started by observing and interviewing the internal and external factors of W Bali–Seminyak to the seven respondents. The second is data sorting and identification the results into the tabulation of internal and external factors. The results of each indicator in internal and external factors will be used in questionnaire to be filled up by the respondents to measure the weight, rating and score of IFAS and EFAS. The total score of IFAS and EFAS will be used to find out the current position of company by IE (Internal-External) matrix. In this IE matrix, it can be found that in what cell and what category the company stands for. The strategy is formulated based on this position and combining the internal and external factors in SWOT matrix to find out the four types of strategies are SO (Strengths Opportunities) strategy, ST (Strengths Threats) strategy, WO (Weaknesses Opportunities) strategy and WT (Weaknesses Threats) strategy. These strategies are used to make the QSPM questionnaire to find out the total attractive score. This analysis is used to know which alternative strategy is the best to be chosen. QSPM matrix uses the data from IFAS, EFAS, and SWOT analysis to determine relativeness of varieties

strategies had chosen and to determine which strategy is the best that can be applied by W Bali–Seminyak.

RESULTS AND DISCUSSION

Internal and External Analysis

The qualitative analysis is started by doing the observation and interview regarding internal and external factors of W Bali–Seminyak to seven talents as the key informants. Then, the results of interview will be used as a tool in measuring the weight, rating, and score in questionnaire as the quantitative analysis.

The results of questionnaire in this research are inputted in the form of IFAS or Internal Factor Analysis Summary matrix (Table 1) and EFAS or External Factor Analysis Summary matrix (Table 2) with the common issue. In this opportunity, the talents of sales and marketing department especially the manager decided the weighting and rating that is shown in both matrix and the results will be used to analysis the position of W Bali–Seminyak in the IE or Internal-External matrix (Figure 1).

The IFAS score is acquired from the weighting of internal indicators that is multiplied by the average of rating in each of internal indicator. The internal factors in IFAS matrix divided into two categories are strengths and weaknesses. The details of IFAS matrix with total score of 2,75 can be seen in Table 1.

Table 1. IFAS of Digital Promotion

No	Strengths	Weight	Rating	Score
1	Has professional team in doing sales presentation	0.14	3.29	0.46
2	Provide complete information at hotel website, social media, brochure, magazine and newspaper	0.14	3.57	0.50
3	Variety of special offers or discounts	0.13	3	0.39
4	Press Release at hotel website and social media	0.13	3.14	0.41
5	Promoting activities, events and direct respond in social media	0.14	3.29	0.46
	Total	0.68		2.22
	Weaknesses			
1	Use “videotron” and video at youtube as an advertising media	0.07	1.57	0.11
2	Participate in exhibition event as a promotion media	0.08	1.86	0.15
3	Relationship with local community	0.09	2.14	0.19
4	Has own company magazine	0.04	1	0.04
5	Use email marketing for promotion	0.04	1	0.04
	Total	0.32		0.53
	Total of Weight x Score to obtain Internal Factor	1.00		2.75

After analyzing the internal factors in the current situation, then it is continued by analyzing the external factors that faced by W Bali–Seminyak that divided into opportunities and threats which can be seen in EFAS matrix. The total score in the EFAS matrix is acquired from the weighting of external factors is multiplied by the average of rating in each external factors. The details of EFAS matrix with total score of 2,71 that can be seen in below Table 2.

Table 2. EFAS of Digital Promotion

No	Opportunities	Weight	Rating	Score
1	Political conditions in Indonesia are relatively stable	0.13	2.86	0.37
2	Level of safety in Bali relative conducive	0.14	3	0.42
3	Extensive internet network	0.14	3	0.42
4	The development of electronic devices and modern applications	0.14	3	0.42
5	The attraction of local culture (Balinese Culture)	0.14	3	0.42
6	Natural environment around hotel area well maintained	0.14	3	0.42
	Total	0.83		2.47
Threats				
1	The existence of competitors around Seminyak area that has similar products	0.05	1.14	0.06
2	There are many similar hotels around Seminyak area which offer lower price	0.04	1	0.04
3	High inflation rate that affects tourists to travel (economic situation)	0.08	1.71	0.14
	Total	0.17		0.23
	Total of Weight x Score to obtain External Factor	1.00		2.71

After finishing the analysis of internal and external factors, then it is continued by moving the score into the Internal-External matrix. In previous calculation, it found that the score of IFAS is 2,75 and the score of EFAS is 2,71. These score scan be used to analyze the position of W Bali–Seminyak which shown in below Figure 1.

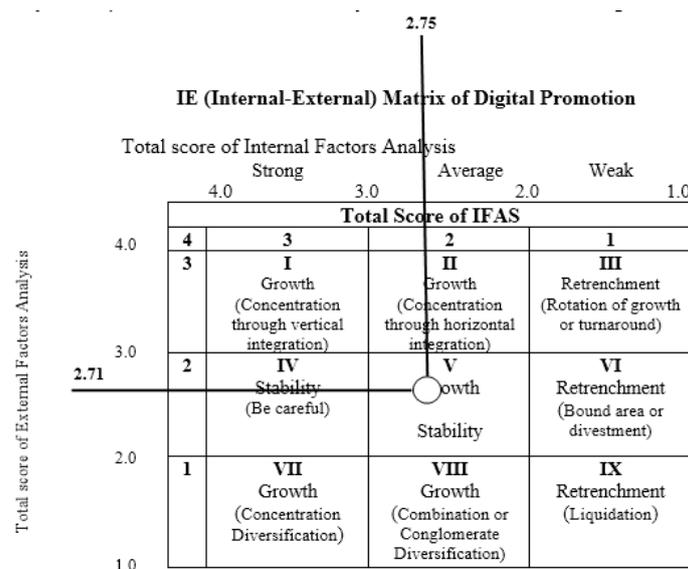


Figure 1. Current Position of W Bali Seminyak by IE Matrix

The Figure 1 shows the position of W Bali - Seminyak in cell V of internal and external matrix. In this position, the hotel stands in growth and stability position which has the average level of business internal strengths and medium of industry attractiveness where they can expand the target market, facilities, or use the technology through internal and external to formulate the alternative strategy of digital promotion through SWOT Matrix which shown in table 3. Gürel (2017: 995) defines SWOT analysis as a tool that used for make strategic planning and management in an organization. It can be used to build organizational strategy and competitive strategy effectively. This analysis can be used to optimize the strengths and opportunities while try to minimize the existed weaknesses and threats.

Table 3. SWOT Matrix

IFAS EFAS	Strengths (S)	Weaknesses
	<ol style="list-style-type: none"> 1. W Bali - Seminyak has professional team in doing sales presentation. 2. The hotel provides complete information at hotel website, social media, brochure, magazine and newspaper. 3. The hotel has variety of special offers or discounts 4. The hotel provides press release at hotel website and social media. 5. The hotel promoting activities, events and direct respond in social media. 	<ol style="list-style-type: none"> 1. W Bali - Seminyak use videotron and video at youtube ineffectively as advertising media. 2. The hotel does not participate in exhibition event as promotion media too much. 3. The weak relationship with local community. 4. The hotel does not have their own company magazine. 5. The hotel does not use email marketing.
Opportunities (O)	SO Strategies	WO Strategies
<ol style="list-style-type: none"> 1. Political conditions in Indonesia are relatively stable. 2. Level of safety in Bali relatively conducive. 3. Extensive internet network. 4. The development of electronic devices and modern applications. 5. The attraction of local culture (Balinese Culture) 6. Natural environment around hotel area well maintained. 	<ol style="list-style-type: none"> 1. W Bali - Seminyak could create more information about new promotion and other interest contents in social media. 2. The hotel can start using google business for detail products of restaurant. 	<ol style="list-style-type: none"> 1. W Bali - Seminyak could create video review from guests who had stay in W Bali - Seminyak in youtube channel. 2. The hotel could start using free email marketing. 3. The hotel could create their own printed and electronic magazine.
Threats (T)	ST Strategies	WT Strategies
<ol style="list-style-type: none"> 1. The existence of competitors around Seminyak area that has similar products. 2. There are many similar hotels around Seminyak area which offer lower price. 3. High inflation rate that affects tourists to travel (economic situation) 	<p>The hotel could develop special package which affordable price in low season.</p>	<ol style="list-style-type: none"> 1. W Bali - Seminyak should enhance the relationship with offline and online travel agent. 2. The hotel could provide complimentary stay for certain period in an exhibition.

Based on table 3 above, it can be explained the strategies with details as below.

1. SO (Strengths Opportunities) Strategy

Based on strengths and opportunities of W Bali - Seminyak, there are two alternative strategies that recommended in this SO strategy. First is W Bali - Seminyak should create more information about new promotion and other interest contents in social media especially in Instagram account because at this moment, they mostly repost from guest post which contains the food and beverage and lifestyle contents. If they attempt to post the promotion or their own offer and picture, they could reach more prospective guests who will be interested to the posts and ask the questions and inquiries. And the second is the hotel can start using google business for detail products of restaurants. Google is one of search engine that loved by many people to find the information that required. By this google business, people can read and know the all information such as the opening hours, details of menu, phone number of restaurants and find the location easily because it connects to google maps.

2. ST (Strengths Threats) Strategy

ST strategy uses the strength to tackle the threats that faced by W Bali - Seminyak. The alternative strategy in this ST strategy is W Bali - Seminyak could develop special package with different benefits with affordable price in low season such as stay 4 pay 2 for young people with special criteria about age or their Instagram followers in certain period only. This strategy is expected to be able to attract more customers to come and stay.

3. WO (Weaknesses Opportunities) Strategy

There are three alternative strategies of WO that can be used by W Bali - Seminyak to minimize the weaknesses and utilize the opportunities in the same time which are W Bali - Seminyak can create a video review from guests who had stay in the hotel or create a short video promotion in you tube channel because nowadays you tube becomes the famous platform to share videos in a big scope. It can be seen by the number of viewers in you tube to search everything they need. By utilizing this channel more often, the hotel can get more viewers who can be their prospective customer and their products can be known by many people around the world. In this channel, they can give the link where the guest can click it to reserve a room or seat at W Bali - Seminyak directly or just ask the questions about the promotion and the products. The second is the hotel could start using free email marketing as a tool of promotion to reach significant target. Firstly, W Bali - Seminyak must make guest address list and ask permission to their guests to get their email address in order to send the new events or promotions through email. The platform who provides the service of email marketing are Mail Chimp and Get Response, where they offer free trial for the beginner. If it shows a positive response from the guests which can be seen from total reach or new response from email, W Bali - Seminyak could continue it into the paid service like Get

Response about \$15 per month for premium account which we can add the advertisement and get more features. And the last is the hotel could create their own printed and electronic magazine. By printed magazine, W Bali - Seminyak can provide more complete information about the activities of hotel, products, and news with less cost rather than collaboration with other media in limited page. They also can create e-magazine in hotel website by adding new feature or item for magazine category.

4. WT (Weaknesses Threats) Strategy

In minimizing the weaknesses and tackle the threats, there are two alternative strategies of WT that can be implemented by W Bali - Seminyak such as W Bali - Seminyak should enhance the relationship with offline and online travel agent. If their relation is good enough and they trust each other especially for the price and the benefits, so W Bali - Seminyak will be more known and considered as a destination place to stay by travel agent for their group or fit guests. And the hotel could provide complimentary stay or experience stay 2 days 1 night for certain period in an exhibition like a voucher with some benefits include inside where the lucky guests can redeem the voucher by contacting the provided contact number or clicking the link that provided on it for further information. This free experience stay is expected can make the guests or customers happy and satisfied. In this chance, hotel can ask the guests to create a positive review in tripadvisor, website, google or social media with pictures in hotel area as an evidence and it can help the hotel to create a good image as an accommodation provider.

QSPM (Quantitative Strategic Planning Matrix) Analysis

The final stage of this analysis is determining the assessment of alternative strategies that have been formulated by using the SWOT analysis matrix previously into QSPM analysis. The purpose of this alternative strategy assessment is to find out the most effective digital promotion strategies that can be applied by W Bali–Seminyak by using QSPM (Quantitative Strategic Planning Matrix) analysis. This QSPM assessment uses the average of rating and average of alternative strategy that produces the total attractive score (TAS). The calculation formulas are mention as below:

$$\text{TAS} = \text{Rating} \times \text{AS}$$

Note : TAS (Total Attractive Score)
AS (Attractive Score of alternative strategy)

The output of QSPM are the promotional strategy that formulated for W Bali–Seminyak which can be seen in table 4 as follow.

Table 4. Digital Promotion

Strategy Code	Strategy	TAS
SO1	Create more information about new promotions and other interest contents in social media	71.01
SO2	Start using google business for detail products of restaurants	68.92
ST1	Make special package which affordable price in low season	99.32
WO1	Create video review from guests who had stay in W Bali–Seminyak in youtube channel	91.37
WO2	Start using free email marketing	85.26
WO3	Create own printed and electronic magazine	98.45
WT1	Enhance the relationship with offline and online travel agent	80.76
WT2	Provide complimentary stay for certain period in an exhibition	60.60

In above table 4 shows the results of QSPM that selected by the managements for determining the most effective strategy of digital promotion that can be implemented by W Bali–Seminyak. The management can apply all the strategies or few of them. Nevertheless, based on the results of QSPM, the management have scored and chosen 3 alternative strategies as the priority that can be applied by W Bali–Seminyak for their digital promotion strategies. The first strategy come from the ST1 strategy with total score of TAS about 99.32 is make special package with affordable price in low season. The second strategy comes from WO3 strategy is creating own printed and electronic magazine with total score of TAS about 98.45 and then followed by WO1 strategy which is creating video review from guests who had stayed in W Bali–Seminyak in youtube channel with total TAS score about 91.37. W Bali–Seminyak could make special package with reduce the price based on market situation and condition for instance special discount in father’s day or special price for youngers who just graduate from campus and give a flexible rate for special needs. This special package will be printed and posted in social media and website to keep the online booking source. It can be planned to keep the number of occupancy in the hotel. Creating own printed and electronic becomes a good idea for W Bali–Seminyak, because it will be a place to share complete information for their prospective guests. While, creating a video review from guests who had stayed in W Bali - Seminyak can be strategy in the future to attract more guests by using the technology of digital platform because nowadays people love watching and know the review or feedback from experienced people with real evidence.

CONCLUSIONS

Based on the results and discussions of digital promotion strategy that consists of internal and external factors of W Bali - Seminyak in previous chapter, the conclusion can be described as follow. The internal factors of W Bali - Seminyak consist of strengths and

weaknesses. Their strengths are the hotel has professional team in doing sales presentation, provides complete information at hotel website, social media, brochure, magazine and newspaper, has a variety of special offers or discounts, press release at hotel website and social media, promoting activities, events and direct respond in social media, meanwhile the weaknesses are the hotel uses “videotron” and video at youtube as an advertising media ineffectively, the hotel does not participate in exhibition as a promotion media too much, the weak relationship with local community, has not own company magazine and they do not use email marketing for promotion. The external factors of W Bali – Seminyak consist of opportunities and threats. The opportunities are political condition in Indonesia are relatively stable, level of safety in Bali relative conducive, extensive internet network, the development of electronic devices and modern applications, the attraction of local culture, natural environment around hotel area well maintained and the threats are the existence of competitors around Seminyak area that has similar products, many similar hotels around Seminyak area offer lower price and high inflation rate that affect tourists to travel. The appropriate digital promotion strategy that can be applied by W Bali – Seminyak are creating more information about new promotions and other interest contents in social media, start using google business for detail products of restaurants, make special package which affordable price in low season, create video review from guests who had stayed in W Bali - Seminyak in youtube channel, start using free email marketing, create own printed and electronic magazine, enhance the relationship with offline and online travel agent and provides complimentary stay for certain period in an exhibition.

In doing their operational especially the digital promotion strategy as previous discussion, there are two suggestions for W Bali – Seminyak that expected can help to increase the room occupancy in the future are mention as follows. The first suggestion is W Bali - Seminyak should create more information about their promotion in social media because nowadays people love to see and get something from social media instead of sharing the lifestyle photos only which can be seen whenever and wherever by all people around the world, so the hotel can reach a big number of total viewers. The second suggestion is W Bali - Seminyak should create their own magazine especially e-magazine for paperless and it can contain the information in a large number and completely, so the guests and prospective guests can focus on what’s new and happening in W Bali – Seminyak.

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