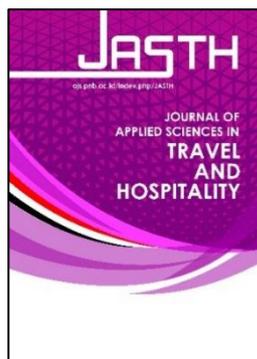


The Effectivity of E-Commerce in Increasing The Room Occupancy at Intercontinental Bali Resort, Jimbaran

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Abstract

This study is based on the effectiveness of e-commerce implementation increasing room occupancy. It aims to find out how effective the implementation of e-commerce is and to find out the most effective variables in increasing the room occupancy at InterContinental Bali Resort. This research theoretically is expected to support other research by providing additional information regarding the development of e-commerce activities and practically is expected to be useful for hotel management to evaluate the effectiveness of e-commerce implementation. The data collection methods used in this research are documentation, interviews, and observations. The data analysis technique used is a quantitative analysis which is done through the calculation of the percentage of effectiveness using the effectiveness formula, and descriptive qualitative that is done to explain the information and data in the form of numbers collected during conducting research. Data processing is done using Microsoft Excel and the results of data analysis in the form of numbers, percentages, and graphs will be qualitative in the form of information to answer the problem formulation, make conclusions and suggestions for this research. The implementation of e-commerce which is examined in this research is through B2B and B2C strategies. Based on the analysis that has been done, the results show that the average effectiveness of e-commerce is reaching 100% or it is categorized as "Very Effective" and B2B strategy is more effective in contributing room occupancy because it can exceed the target to be achieved.

Keywords: *marketing, e-commerce, room occupancy*

INTRODUCTION

Tourism is one of the major players in international commerce and the fastest growing economic sectors which represents one of the main income sources for many developing countries. As one of Indonesia's favourite tourism destinations, Bali was chosen as the travelers' choice top destination in 2017 by Trip Advisor Travellers Choice ratings. The high popularity of Bali as a tourist destination causes very tight competition among the hospitality business and its tourism industry especially hotels as they built to cater to the tourist needs. Hotel is one kind of accommodations that uses partly or fully the building to provide service for the public that is managed commercially (Ekaningrum, 2016: 41). Recognizing that 25.80%

of total hotels in Bali are built in Badung Regency makes a very competitive business cannot be avoided and create a fierce battlefield as companies fight to capture a similar type of guest (Statistic of Bali Province, 2019). With that competition, hotels in Bali compiled various marketing strategies in increasing room occupancy to be able to compete competitively. The success of a hotel in increasing room occupancy is inseparable from the efforts made by the Sales & Marketing Department in the form of e-commerce activities. The presence of e-commerce helps a Sales & Marketing Department to promote the products to the consumers through online portal and it can be accessed by all people in the world.

E-commerce is defined as a way to sell and buy goods (and services) through the internet network, but this of course, covers various aspects, included purchase transactions and fund transfers via computer networks (Nugroho, 2006: 5). There are four types of e-commerce based on their characteristics, such as Business to Business (B2B), Business to Customer (B2C), Customer to Customer (C2C), and Customer to Business (C2B) (Pratama, 2015: 10). However, this research is focusing to discuss the Business to Business (B2B) and Business to Customer (B2C). B2B is an online business communication system between business people, while the sellers in selling their products, do not interact and communicate directly with consumers. Whereas B2C can be interpreted as a type of electronic commerce where a company (Business) sells its products directly to buyers (Customers) or without using an intermediary (distributor).

Table 1. Room Night's Contribution by 2017-2019

Distribution Channel				
Year	E-commerce Target	E-Commerce	Offline Travel Agent	Group
2017	70,812	71,437	30,590	19,220
2018	71,295	68,555	29,326	19,239
2019	77,437	80,182	30,678	20,466

(Source: Sales and Marketing Department, 2019)

InterContinental Bali Resort is one of the five stars hotel that implemented e-commerce to win this tough competition. As can be seen on the above room nights contribution table, it is dominated by e-commerce. Meanwhile, according to these problems, the researcher has questions, is it all of the e-commerce activity contribute effectively to the hotel and how it effects? Therefore, the researcher raises the title "The Effectivity of E-Commerce in Increasing the Room Occupancy at InterContinental Bali Resort, Jimbaran". Effectivity means that the information must be in accordance with user needs in supporting a business process, including

information that must be presented in the right time, the right format so that it can be understood, consistent with the previous format, the contents are in accordance with current needs and complete or by following the needs and conditions (Mc Leod, 2007: 41). The purposes of this study are to find out how effective the implementation of e-commerce is and to find out the most effective variables in increasing the room occupancy at InterContinental Bali Resort.

RESEARCH METHOD

The location of the study is at InterContinental Bali Resort, located at Uluwatu Street, No. 45, Jimbaran, South of Kuta, Bali. There is a total of 3 variables that have been used in this research, such as Business to Business (B2B), Business to Customer (B2C), and Room Occupancy. Variables are anything in the form of whatever is determined by researchers to be studied so that information is obtained about it, then conclusions are drawn (Sugiyono, 2014). The population used in this research is all the Online Travel Agencies (OTA) liaised with InterContinental Bali Resort and the sample only 10 OTA selected to be studied in this research. The data used in this study is quantitative data in form of target of the room nights to be achieved, the total of room night contribution (room sold), and room occupancy. In this study, the study documentation, interview, and observation are used to collect the data needed. Researches concerning effectivity of e-commerce to hotel's room occupancy had been done by some researches such as Caliskan (2013), Agag (2017), Elhaj (2016), Julyanti (2099), and Dewi (2018). However, they did not cover all aspects of e-commerce channel distributions as we do (Business to Business and Business to Customer). Besides that, the location they chose is different from the one that researcher do.

Data analysis technique used in this study are quantitative analysis and qualitative descriptive analysis. Quantitative analysis which is used to answer the problem identification through the effectiveness formula (Mahmudi, 2005), as below:

$$Effectiveness = \frac{Total\ of\ room\ sold}{Target\ of\ rooms\ to\ be\ sell} \times 100\%$$

The descriptive qualitative analysis technique used to describe the information obtained from the effectiveness calculation through the effectiveness formula, then the results of calculations and tabulation of data in the form of percentages, tables and graphs are then analyzed, presented, interpreted and systematically described.

RESULTS AND DISCUSSION

1. The Effectivity of E-Commerce through B2B Implementation

Monthly	2017				2018				2019			
	R/S	Target	Effectivity	Criteria	R/S	Target	Effectivity	Criteria	R/S	Target	Effectivity	Criteria
Jan	2,915	2,884	101.07	VE	2,203	1,880	117.15	QE	3,505	3,467	101.08	VE
Feb	2,978	2,947	101.07	VE	2,584	2,112	122.34	QE	4,689	4,652	100.80	VE
March	2,955	2,924	101.07	VE	2,596	2,123	122.26	QE	3,609	2,973	121.39	VE
April	4,159	4,129	100.74	VE	2,753	2,268	121.37	QE	4,198	3,561	117.89	VE
May	3,750	3,719	100.84	VE	3,648	3,695	98.75	QE	2,743	2,706	101.37	VE
June	5,121	5,090	100.61	VE	3,119	3,206	97.28	QE	2,723	2,686	101.37	VE
July	5,309	5,278	100.58	VE	5,190	5,118	101.41	QE	5,274	5,235	100.74	VE
August	5,227	5,195	100.62	VE	5,829	5,707	102.13	QE	5,396	5,359	100.70	VE
Sept	3,013	2,981	101.06	VE	5,160	5,090	101.37	QE	5,256	5,219	100.71	VE
Oct	3,575	3,544	100.87	VE	5,179	5,108	101.40	QE	5,351	5,314	100.69	VE
Nov	2,145	2,294	93.51	E	3,158	3,242	97.41	QE	2,446	2,408	101.56	VE
Dec	1,287	1,503	85.63	QE	3,141	3,227	97.35	QE	2,919	2,882	101.29	VE
Total	42,434	42,487	99	E	44,561	42,777	104	VE	48,109	46,462	104	VE
Average	3,536	3,541			3,713	3,565			4,009	3,872		

(Source: Revenue Department InterContinental Bali Resort (data processed))

The result conducted from above table shown that in 2017 the implementation of OTA it is targeted to 42,487 room nights but the results can be achieved in the amount of 42,434 room nights, it is shown did not achieved the desire target by 0.12% and categorized ineffective. However, in 2018 and 2019 is exceed the desired target of and it is categorized that the implementation of OTA strategy can be said effective. Furthermore, based on the effectiveness calculation resulted that in 2017 and 2018 effectivity criteria are lies in "Effective" criteria with the result is 99%. Meanwhile in 2019, the effectivity calculation in the year 2019 shown that the effectivity criteria are lies in "Very Effective".

2. The Effectivity of E-Commerce through B2C Implementation

Monthly	2017				2018				2019			
	R/S	Target	Effectivity	Criteria	R/S	Target	Effectivity	Criteria	R/S	Target	Effectivity	Criteria
Jan	1,944	1,923	101.10	VE	1,186	1,254	94.62	E	2,336	2,312	101.06	VE
Feb	1,985	1,964	101.05	VE	1,391	1,408	98.81	E	3,126	3,101	100.80	VE
March	1,970	1,949	101.07	VE	1,398	1,416	98.75	E	2,406	1,982	121.39	VE
April	2,774	2,752	100.78	VE	1,482	1,512	98.03	E	2,799	2,374	117.90	VE
May	2,500	2,479	100.84	VE	1,965	2,463	79.76	QE	1,829	1,804	101.39	VE
June	3,414	3,393	100.61	VE	1,679	2,137	78.57	QE	1,816	1,791	101.41	VE
July	3,540	3,519	100.60	VE	2,795	3,412	81.91	QE	3,516	3,490	100.74	VE
August	3,484	3,463	100.60	VE	3,138	3,805	82.49	QE	3,597	3,572	100.69	VE
Sept	2,008	1,988	101.03	VE	2,779	3,394	81.88	QE	3,504	3,479	100.71	VE
Oct	2,384	2,363	100.90	VE	2,789	3,405	81.90	QE	3,568	3,543	100.71	VE
Nov	1,730	1,529	113.13	VE	1,701	2,162	78.68	QE	1,630	1,606	101.52	VE
Dec	1,270	1,002	126.75	VE	1,692	2,151	78.63	QE	1,946	1,921	101.29	VE
Total	29,003	28,325	102	VE	23,994	28,518	84	QE	32,073	30,975	104	VE
Average	2,417	2,360			2,000	2,377			2,673	2,581		

(Source: Revenue Department InterContinental Bali Resort (data processed))

The result conducted from above table shown that in 2017 the implementation of B2C it is targeted to 28,325 room nights but the results can be achieved in the amount of 29,003 room nights, it is shown did not achieved the desire target by 2.34% and categorized effective. However, in 2018 the room night contribution did not achieve the desire target with the room night achieved is 23,994 from the target 28,518 and it is categorized ineffective. Meanwhile, in 2019 is exceed the desired target of and it is categorized that the implementation of B2C strategy can be said effective. Furthermore, based on the effectiveness calculation resulted that in 2017 effectivity criteria are lies in “Very Effective”, in the year 2018 shown that the effectivity criteria are lies in “Quite Effective”, in the year 2019 shown that the effectivity criteria are lies in “Very Effective”.

3. Effectivity of E-Commerce Implementation in Increasing the Room Occupancy at InterContinental Bali Resort.

The implementation of e-commerce in increasing the room occupancy at InterContinental Bali Resort can be seen from the results of data calculations conducted by the Revenue Department. The data calculation is done to know how much contribution is made by the implementation of ecommerce in increase room occupancy at InterContinental Bali Resort, as follow:

Table 2. Contribution of E-Commerce to The Room Occupancy

Monthly	2017		2018		2019	
	Room Occ (%)	E-commerce Occ (%)	Room Occ (%)	E-commerce Occ (%)	Room Occ (%)	E-commerce Occ (%)
Jan	69.10	37.59	38.25	26.22	81.40	45.18
Feb	69.70	39.67	48.51	31.77	91.00	62.47
March	69.70	38.10	50.10	30.90	70.80	46.53
April	84.20	55.42	57.64	33.85	85.20	55.93
May	83.30	48.35	59.66	43.42	78.20	35.37
June	90.60	66.02	65.41	37.12	87.80	35.11
July	92.90	68.45	86.20	61.77	95.40	68.00
Aug	91.70	67.39	92.70	69.37	97.80	69.57
Sep	77.40	38.84	89.60	61.41	97.00	67.77
Oct	65.20	46.10	87.60	61.64	94.40	69.00
Nov	50.00	29.98	56.81	37.59	71.40	31.53
Dec	26.00	19.78	55.14	37.39	74.50	37.63
Average	72.48	46.31	65.64	44.37	85.41	52.01

(Source: Revenue Department InterContinental Bali Resort (data processed, 2020))

This contribution is used to provide an overview of the benefit of using the e-commerce, so it will assist in taking appropriate method in increasing room occupancy in the following year. In the year 2017 the contribution from e-commerce is 46.31% from the total room

occupancy is 72.48%. Furthermore, in 2018 the contribution of e-commerce decreased at 1.94% from the previous years, as shown that the contribution that achieved is 44.37% from the total room occupancy is 65.64%. This business declined because of the impact from the renovation program for several building at InterContinental Bali Resort, and the phenomena of Mount Agung eruption that happened on September 2017. Meanwhile, in 2019, some of the building have been renovated and the Sales and Marketing Department create special offers for the OTA, create several new room packages on the website to promote the new product, and the condition of Mount Agung is fully recovered. Therefore, it is increased the contribution by 7.64% from the previous year with the number of contributions is 52.01% from the total room occupancy achieved on this year is 85.41%. Referring to the previous research which develop the reservation of Online Travel Agent (OTA) to the Room Occupancy period 2015-2017, stated that the reservation in 2015 is 41% from the total room occupancy is 42%. In the year 2016, the total reservation of OTAs is 50% from the total room occupancy is 58% and on the year 2017 the total reservation from OTAs raised 51% from the total room occupancy is 59%. This percentages show that the contribution from OTAs distribution channel has great influence toward increased the room occupancy (Dewi, 2018).

4. The Most Effective Variable in Increasing Room Occupancy at InterContinental Bali Resort

Table 3. Target of Room Night Contribution 2017 - 2019

Years	E-Commerce		B2B		B2C	
	Room Night	Occ (%)	Room Night	Occ (%)	Room Night	Occ (%)
2017	70,812	45.65	42,487	27.39	28,325	18.26
2018	71,295	45.96	42,777	27.58	28,518	18.38
2019	77,437	49.92	46,462	29.95	30,975	19.97
Total	219,544	47.18	131,726	28.31	87,818	18.87

(Source: Revenue Department (data processed, 2020))

Table 4. Room Night Contribution 2017 - 2019

Years	E-Commerce		B2B		B2C	
	Room Night	Occ (%)	Room Night	Occ (%)	Room Night	Occ (%)
2017	71,437	46.31	42,434	27.35	29,003	18.70
2018	68,555	44.37	44,561	28.73	23,994	15.47
2019	80,182	52.01	48,109	31.01	32,073	20.68
Total	220,174	47.56	135,104	29.03	85,070	18.28

(Source: Revenue Department (data processed, 2020))

By grouping the total target and total room night contribution achieved, the result shown that in 2017-2019 the implementation of e-commerce through the B2B strategy as overall is targeted at 131,726 room nights and the overall results at 135,104 rooms nights, which shown that it is exceed the target by 2.50%. While the implementation of e-commerce through the B2C strategy in the 2017-2019 period as overall is targeted at 87,818 room nights, but the overall results can be achieved at 85,070 room nights, which is shown that the implementation of B2C did not achieve the desired target of 3.13%. This result shown that B2B strategy is more effective when compared to the B2C strategy, since B2B could exceed the desire target.

CONCLUSIONS

Based on result of data analysis, can be concluded that B2B has increased every year from 2017-2019 and is able to produce room night contribution which is exceed the target and it is categorized to be effective. However, the implementation of B2C is categorized ineffective since the overall contribution still below the desire target. Furthermore, the variables that give the most effective contribution to the room occupancy is Business to Business (B2B), as it is able to exceed the desire target, if compared with Business to Customer (B2C) variable.

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