

**THE OPTIMIZATION OF MELATI TYPE HOTEL OCCUPANCIES:  
CASE STUDY IN BADUNG REGENCY, BALI**

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**ABSTRACT.** Tourism accommodation services, both star hotels and non-star hotels today are increasingly competitive. The purpose of this study is to discuss the efforts of non-star rated hotel management marketed through on-line booking in Badung Regency to maximize the hotel occupancy. The study applies qualitative method, data collection done by observation technique, document studies and depth interview to seven informants of hoteliers of non-star rated hotel in Badung regency which were selected by purposive sampling. Data is analysed by using descriptive qualitative in tourism studies perspective. The studies found that the occupancy of non-star rating hotel is lower than star hotel. The efforts done by management to optimize their hotel occupancy are set up the organization chart, increasing the skill of the human resources, increasing the quality of the services and developing the marketing channel by optimizing online booking.

**KEYWORDS :** Occupancy, non-star rated hotels, online booking

**MENGOPTIMALKAN OKUPANSI HOTEL MELATI:  
STUDI KASUS DI KABUPATEN BADUNG, BALI**

**ABSTRAK.** Layanan akomodasi pariwisata, baik di dalam hotel berbintang maupun hotel non-berbintang saat ini semakin kompetitif. Tujuan dari penelitian ini adalah untuk membahas tentang upaya pengelolaan hotel berbintang yang dipasarkan melalui jalur pemesanan di Kabupaten Badung untuk memaksimalkan hunian hotel. Penelitian ini menggunakan metode kualitatif; pengumpulan data dilakukan dengan teknik observasi, studi dokumen dan wawancara mendalam terhadap tujuh informan pelaku bisnis non-starred hotel di Badung regency yang dipilih secara purposive sampling. Data dianalisis dengan menggunakan deskriptif kualitatif dalam perspektif studi pariwisata. Studi tersebut menemukan bahwa okupansi hotel non-bintang hotel lebih rendah dari hotel berbintang. Upaya yang dilakukan oleh manajemen untuk mengoptimalkan hunian hotel mereka, adalah menyusun bagan organisasi, meningkatkan keterampilan sumber daya manusia, meningkatkan kualitas layanan dan mengembangkan saluran pemasaran dengan mengoptimalkan pemesanan online.

**KATA KUNCI:** okupansi, hotel melati, online booking.

**INTRODUCTION**

The growth of tourism will be continuing to increase from year to year. By 2020, the number of international tourists to come will reach 1.6 billion. The development of tourism brings a huge economic impact both for government, private sector, and people in the tourist destination. Priority has become the largest industry today, both in terms of the amount of labor absorbed and the amount of dollars generated (Pitana, 2011: 1).

Bali tourism developed since the 1920s has attracted local and foreign tourists. In general there are 8 factors of attraction for foreign tourists to visit Bali, namely: (1) reasonable prices of tourism products, (2) culture in various forms of manifestation, (3) beach with all its charm, (4) comfort (5) the great image of Bali, (7) the beauty of nature, (8) the hospitality of the local people (Suradnya, 2006).

Bali has developed into a tourist destination that is increasingly recognized by the world community. Bali has received several awards, among others The Best Island in Asia Pacific by Destin-Asia magazine Hong Kong (2009); "Island Destination of the Year" at the China Travel and Meetings Industry Award 2013 event; and the Worlds Best Awards 2014 in the category of The Best Island in Asia by international tourism magazine, "Travel + Leisure" (Kompas, Tuesday, 23 September 2014; metrobali.com/2014/09/23) positive to the number of tourist visits. In addition, the security of Bali is also guaranteed to provide a positive contribution to increase tourist visits.

Tourism has become a mainstay sector to support the development of Badung regency, in addition to the basic sectors of agriculture, plantation and fisheries. Approximately 70% Local Own Revenue (PAD) of Badung Regency comes from the tourism sector (Gunarta, 2015). In addition, tourism has also encouraged the emergence of a variety of businesses and services, including the growth of tourism agencies, event providers, tourist attractions, travel agents and the provision of accommodation services, both star hotels and non-star class hotels (Stokes 2003). The facilities of star and non-star hotels accommodation appear to grow, in line with the development of tourism in Badung regency. In the last year 2015, the number of star and non- star hotels in Badung regency is as much as 651, consisting of star hotels 168 units and non-star hotels 483 units. The 483 units of non -star rated hotels in Badung Regency are spread in 6 districts, namely: South Kuta District as many as 95 units, Kuta District as many as 305 units, District Kuta Utara as many as 66 units, Mengwi Sub-district as many as 13 units, Abiansemal District as much as 2 units, and Petang District as much as 2 units (Pemkab Badung, 2017).

The rapid development of the hotel has resulted in excessive number of rooms which subsequently led to various problems. Among them is the emergence of unhealthy competition between star hotel with non-star hotel. Star hotels tend to win the competition because it is supported by an international marketing network, while non-star hotels rely solely on local marketing network. In addition, many non-star hotels that only rely on passive system of passive, just waiting for guests comes have not implemented online booking system. There are

also non-star rated hotels that already apply online booking, but the ability of non-star staff in the online marketing system is still not optimal. The skills of sales-marketing staff in the application of non-star e-commerce hotel technology are still minimal. This scientific study deliberately addressed the problem and solution efforts undertaken by the non-star hotel management to maintain and improve the occupancy rate of their hotels in Badung Regency.

### ***RESEARCH METHODS***

This paper was a form of tourism science study that uses a qualitative approach. The data collection process was done by observation technique, document study and in-depth interview with seven hoteliners of non-star rated hotels in Badung Regency. Those hotels are Abalihouse at Mengwi, Dhyanapura II hotel at Kapal, Made hotel at Mengwi, Darmadi hotel at Kuta, Puri Nusantara Hotel at Kuta, Wisma Sriwijaya at Kuta, and Maria Hotel at Kuta, those are selected by purposive sampling. The data was analysed by applying descriptive-qualitative method.

### ***RESULTS AND DISCUSSION***

#### **Optimization of 'Non Star Rated ' Occupancy**

In general, the occupancy rate of non-star rated hotels cannot compete with star-rated hotels. Occupancy rate of non-star rated hotels in Badung regency in 2014 and 2015 is low (about 43,26 and 43,73), while the occupancy of star hotel (61,43 and 62,33). The low rate of non-star rated hotels in Badung will automatically reduce the hotel's revenue level (revenue) concerned.

The low occupancy rate of the non-star rating hotel in Badung regency is caused by numerous factors. Among them is the factor of non-star rated hotel marketing strategy, just rely on a conventional passive system. Non-star rated hotels do not have global exposure network such as chain (star) hotels. Government and PHRI need to provide a more conducive space for non-star hotel management can develop a global network of payment system such as star hotel.

In addition, the low rate of hotel room occupancy of non-star rated hotel is also caused by the excess of hotel rooms in Bali in general. In the last four years (2010-2014), the number

of star hotels and non-star hotels in Badung regency increased dramatically. If in 2010 the number of star and non-star rated hotels in Badung Regency is 633 units or 25,649 rooms, then at the end of 2014 to 957 units or 36,344 rooms (Disparda Bali, 2014).

The increasing number of hotel rooms in Badung regency has led to a tariff war among hotel accommodation providers. The price of the hotel room is falling. In some hotels the price of 3 and 4 star rooms originally sold at prices ranging from Rp. 500.000 - Rp. 750,000 was reduced to Rp. 250.000 - Rp. 350,000. This is considered by some as a phenomenon of tourism business that is less healthy.

To optimize the hotel occupancy rate, the management of non-star rated hotels in Badung regency continue to seek strategies and steps in maintaining the existence of the hotel. Based on the results of observation and in-depth interviews with representative sources, there are four things in increasing non star hotels occupancy. First, the demands to restructure the hotel organization. Organizational restructuring takes place when the organizational structure is deemed inadequate (ineffective and efficient) to achieve organizational goals and objectives. Organizational restructuring is carried out by: unification or merger of multiple units of work or deorganization: removal of organizational units, revitalization, i.e. empowering organizations or re-engineering changes to organizational work systems, e.g. production systems, input supply systems, marketing systems, communication systems, and others with a view to building more effective and efficient links between the systems. Organizational strategic rearrangement takes place when the organization's strategic position is no longer compatible with organizational goals and objectives (Kotter, 1997).

In general, non-star rated hotels in Badung regency still apply the traditional organizational structure. The hotel is managed with a family management system. The management system of non-star rated hotels with this outmoded management needs to be reviewed. In order for the management of non-star hotels to be more efficient, competitive and innovative, organizational restructuring efforts are absolutely necessary. This organizational restructuring is necessary to maintain the effectiveness and efficiency as well as organizational performance (Sutawa, 2015). Internally, each hotel management needs to take anticipatory steps in order to stay competitive in these very strict conditions. In this regard, the management of the hotel in Badung regency on the one hand still maintain the existing divisions, namely front office (FO), housekeeping (HK), food & beverage (FB), sales-marketing (SM), Accounting, and human resource division (HRD), on the other hand also adjust the hotel organization structure according to the challenges of globalization era which is

coloured by the progress of information technology (internet / web-sites). In accordance with the advancement of information technology in the current global era, the addition of divisions in the organization of hospitality arrangements in Bali has added the e-commerce section of staff and revenue managers.

**Second**, problems related to human resource management (HR). Increasing the number of hotel rooms in Badung regency has not been anticipated with the availability of the number of trained hotel workers. Hotel services can vary when the ratio between hotel and worker rooms is 1: 1. Most of the non-star hotels in Badung regency has not been able to meet the needs for trained strictly according to the number of hotel rooms. Trained workers are relatively inadequate, so some non-star rated hotels in Badung hire new employees who recently graduated hotel schools with a relatively low quality (Sutawa, 2015).

In addition, circulation or mobility (turn over) of hotel workforce is quite high (20%). The relatively high turnover of hotel employment is due to other employment opportunities, such as employment opportunities for cruise ships, working in overseas hotels. The provision of labour according to the ratio of the number of rooms in the hotel non star rated is necessary. In addition, the management of non-star rated hotels in Badung regency also need to increase motivation for the workers. Among them is to provide incentives in the form of additional one-time salary (1 month) in a year, best employer of the month program, best employer of the quarterly, best employer of the year and the provision of opportunities for employees to improve their careers as has been applied to hotels - the famous Balinese hotel.

**Third**, efforts to improve the quality of non-star rated hotel services. The managers of non-star rated hotel accommodation services in Badung regency are faced with a challenge in an effort to provide quality service to its customers. However, most of the non-star rated hotel workers in Badung Regency do not yet have adequate individual communication skills, so the services provided to hotel guests are less than optimal. For that, the management of non-star rated hotels in Badung regency need to continue to improve the capacity of its workers so that they are able to hone their communication skills and want to listen to the expectations and pay attention to hotel guests input to improve services. In addition it is expected that every hotel worker must play a role as sales-marketing.

Quality services expected satisfaction and loyalty of tourists can be improved. Service satisfaction and loyalty is reflected in the length of stay as well as the selection of tourist re-

accommodation of hotels that have served them (Solihin, 2011). The average length of stay of both domestic and foreign tourists traveling in Bali is only about 2-4 days (see Table 1).

Table 1  
Length of Stay of Foreign and Domestic Travellers  
in Badung Regency 2014 and 2015

Year	Old stay (days)	
	2014	2015
Star hotel		
Foreign	3,33	3,12
Domestic	3,83	3,84
Non star/Melati hotel		
Foreign	3,42	2,7
Domestic	4,93	3,97

[Source: Bali Tourism Statistics (2016)]

Efforts to improve services in the hotel environment among other non-star hotels by performing the task professionally, take rapid action, develop the best communication system with relationships to hotel guests, and carry out activities according to the time frame, clear service so that the hotel guests feel comfortable as staying at home (guest feel home). Some star hotels in Badung regency attempt to improve its services in accordance with the character of its guests.

**Fourth**, in an effort to optimize the hotel occupancy rate, the management of non-star hotels also need to adopt the latest information and communication technology, which is developing an online marketing system through web-e-commerce. However, the application of e-commerce technology to support the non-star rated hotel marketing system in Badung regency has not been optimal because it is supported by a staff of operators who have special skills required. For that, the management of non-star rated hotels should continue to improve the ability of its sales-marketing staff in applying e-commerce. Implementation of information technology and online communication (e-commerce) has been applied to hotels in Badung regency. In the All Season hotel for example, in 2014 has managed to do marketing by utilizing the social media network, i.e. on line travel agents and websites that contribute to the occupancy rate of 56%. By 2015, this on line marketing is targeted to contribute to room occupancy rate of 65% (Sutawa, 2015). In order for non-star hotels can also follow the star rated hotel, then the implementation of e-commerce - online booking must be done to support

the conventional marketing system. Recently, part of the non-star hotel in Badung Regency has sold the room by online booking such as Maria Hotel, Kuta.

## ***CONCLUSIONS AND SUGGESTIONS***

### **Conclusion**

The occupancy occupancy of non-star rating hotel is lower than star hotel. The efforts done by management management to optimize their hotel occupancy were set up the organization chart, increasing the skill of the human resources, increasing the quality of the services and developing the marketing channel by optimizing online booking.

### **Suggestion**

To optimize the occupancy of non-star hotels in Badung regency, efforts to increase the capacity of human resources and marketing with online booking need to be improved.

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