

Hotel Room Marketing Strategy during the January-December 2019 Period in the City of Parepare, South Sulawesi

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ABSTRACT

Hotel room occupancy rates/sales tend to show a graphical decline in the last three years. The purpose of this study was to determine the marketing strategy for hotel rooms in Parepare City, South Sulawesi. This type of research is descriptive qualitative research. Data regarding marketing strategies will be obtained through direct interviews and circulating questionnaires with employees of the front office of the hotel, employees of the marketing division of the City of Parepare. The data used in this study were collected using several techniques, namely: questionnaires, interviews, observation, and documentation techniques. There are several marketing strategies carried out by hotel management who are respondents in this study, one of which is through the internet. This is believed to be a powerful tool for marketing products (hotels). Also, the strategy taken to market the rooms is through private companies, State-Owned Enterprises (BUMN), Government Agencies, and Travel Agencies in Parepare City.

Keywords: occupancy rates, hotel rooms, marketing strategies

INTRODUCTION

The inflation rate in 2019 is 3.49 percent, in early 2020 the inflation rate is estimated to rise to 3.39 percent (Bisnis.com Jakarta, 2020), including prices for hotel necessities that have also increased, while room sales tend to decline, one of which is due to by the mushrooming growth of hotels in South Sulawesi. The decline in world economic growth also has an impact on the decline in economic growth in Indonesia, South Sulawesi's highest economic growth in Indonesia is 7.21 percent (Governor of South Sulawesi, 15 November 2019), although South Sulawesi's economic growth is high, sales of hotel rooms have decreased. One of them is that many companies that were once victorious have collapsed unable to fight global competition, including companies in the hotel sector in South Sulawesi. With so much growth in the hospitality sector, it has a very serious impact on decreasing room sales (Lai & Wong, 2020; Soehardi & Untari, 2020), if tourists or businesses do not experience a significant increase in visiting South Sulawesi. Almost all business fields cannot avoid the influence of this situation, so hotel managers must always follow economic developments.

Hotel room occupancy rates/sales tend to show a graphical decline in the last three years. In South Sulawesi, around 13,350 hotel rooms are available with an average 2019 occupancy rate of 58.29%. The number of hotels in South Sulawesi is around 265 hotels consisting of 158-star hotels, the rest are non-star hotels (Chairman of PHRI South Sulawesi). To increase room sales, one of which is a promotion from both the government and the hotel itself.

Marketing is the process of delivering goods and services whose demand is by human behavior (Lovelock & Wirtz, 2010; Siegel, 1997; Wensley, 2010), thus marketing is an

important factor in the cycle that begins and ends with consumer needs. Because marketing is an important factor in meeting consumer needs, the company's marketing activities must be able to provide satisfaction to consumers (El-Ansary, 2006; Fornell, 1992; Shoemaker & Lewis, 1999), if you want your business to run, consumers have a good view of the company.

According to (2010:8), Marketing is the overall system of business activities aimed at planning, pricing, promoting, and distributing goods, services, ideas to target markets to achieve organizational goals. From this definition, the writer can describe that the marketing process begins long before the goods are produced, it does not start when production is finished, nor does it end with sales. All decisions made in the field of marketing must be aimed at determining the product, market, price, and promotion. The important thing is that entrepreneurs must be able to provide satisfaction to consumers if they want their business to continue, or consumers have a good view of the company. Good guarantees for goods and services can be made after the sale.

After the outbreak of the Coronavirus at the end of December 2019 in several countries began, the hotel business sluggish (Foo et al., 2020; Hao et al., 2020; Jiang & Wen, 2020; Tsionas, 2020). The regional management body for the Indonesian Restaurant Hotel Association in South Sulawesi released hotel occupancy rates down to 20 percent since the news of the Coronavirus in Indonesia was rampant. Chairman of Indonesian Restaurant Hotel Association South Sulawesi, Anggiat Sinaga, said that in addition to the average occupancy rate in several hotels in Makassar, only 40 to 43 percent, the impact of the Coronavirus is also detrimental to hotels due to the number of event reservations being canceled due to concerns about the Coronavirus.

Parepare City is a business city, where every vehicle that leads to the Provinces of Central Sulawesi and North Sulawesi, Palopo City, North Luwu Regency, East Luwu Regency, dominantly passes and will stop to eat and drink or rest and some will stay at hotels in the City. Parepare. Hotel management in the City of Parepare, conducts marketing, both domestically and abroad by the competencies possessed both in terms of human resources and in the form of facilities and funds owned, however, sales of hotel rooms are still low in Parepare City, South Sulawesi Province.

Based on data from the Chairman of Indonesian Restaurant Hotel Association I of South Sulawesi Province, the average reduction in hotel occupancy rates/room sales is 20 percent, including hotels in the City of Parepare. A decrease in room occupancy means a decrease in the level of sales, which means a decrease in profits. Sales are the room price multiplied by the room occupancy rate. The researchers' observations are that the low sales of hotel rooms in Parepare City generally do not reach the target set by hotel management. Not achieving the set sales target for rooms is a problem that must be resolved as early as possible.

Previous research published in Darmajaya Business Journal, Vol. 02. No.02, July 2016 (Juhari) with the title "Price Analysis of Room Occupancy Hotels and Lodging in Pangkal Pinang". The results of this study indicate that price has a positive and significant effect on room occupancy. Meanwhile, based on the analysis of the correlation coefficient and determination, the effect of price on hotel room occupancy in Pangkalpinang City is very strong, namely 74.8%, while the remaining 25.2% is influenced by other factors such as service quality, customer satisfaction, promotion. and so on which were not examined in this study.

METHOD

This type of research is descriptive qualitative research. The research location is at hotels in the city of Parepare. The research was carried out from April to October 2020. Data regarding marketing strategies will be obtained through direct interviews and circulating questionnaires with employees of the front office of the hotel, employees of the marketing department in Parepare City. Meanwhile, regarding room rates, promotional costs and room sales rates are obtained through documentation from the hotel management. The data used in this study were collected using several techniques, namely: (1) distributing questionnaires to front office employees, hotel marketing division in Parepare City, (2) interviewing, namely data collection by conducting direct interviews with employees of the office division, marketing in front of hotels in the City of Parepare, (3) observation, namely by conducting a direct review of the activities of hotels in the City of Parepare, (4) documentation techniques, namely data collection which is carried out through documentation available at hotels in the City of Parepare.

RESULT AND DISCUSSION

Hotel Lotus Parepare has an average room price sold in January - December 2019 amounting to 1,646, while the number of rooms available is 5,400. The average room price is Rp. 170.000, - So the room occupancy rate is 0.30 or 30 percent. Meanwhile, the promotion fee for 1 room is 5 percent of the average room price. Furthermore, Denpasar Hotel has an average room occupancy rate from January to December 2019, the number of rooms sold is 640 while the number of rooms available is 9720. The average room price is Rp. 300.000.- the occupancy rate (room occupancy) is 0.06 or 6%. Meanwhile, the promotion fee for 1 room is 5 percent of the average room price. Meanwhile, Bugis Hotel in the period January - December 2019, the number of Bugis Hotel rooms sold was 1,227 while the number of rooms available was 23,400. The average room occupancy is Rp. 312,000, - with an occupancy rate of 5 percent. The promotion fee for 1 room is 5% x the average room price. It is different with Hotel Delima Sari in January - December 2019, the number of rooms sold was 2,568 while the number of rooms available was 13,320. The average room price is Rp. 305,000, - so the occupancy rate (room occupancy) is 2,568: 13,320 = 0.19 or 19%. The promotion fee for 1 room is 5% of the average price. Then Pare Wisata Hotel Room Prices In January - December 2019, the number of rooms sold was 1,348 while the number of rooms available was 6,120. The average room price is Rp. 175.000, - So the room occupancy rate is 1.348: 6.120 = 0.22 or 22%. The promotion fee for 1 room is 5%. Also, Platinum Hotel Room Prices in January - December 2019, the number of rooms sold was 2,525 while the number of rooms available was 11,160 The average room price was Rp. 275,000.-. So the room occupancy rate is 23%. The promotion fee for 1 room is 5% x the average room price. Hotel Mario Room Prices in January - December 2019 had 1,041 rooms sold while the number of rooms available was 14,320. The average room price is Rp. 310,000, -. So the room occupancy rate is 0.24 or 24%. The promotion fee for 1 room is 5% of the average room price. Hotel Satria Wisata Parepare, in January - December 2019 has 1,780 rooms sold while the number of available rooms is 6,840. The average room price is Rp. 350,000, -. So the room occupancy rate is 0.26 or 26%. Promotion fee of Rp. 17,500, - per room sold. Amanda Hotel Room Prices in January - December 2019 have 961 rooms sold while the number of rooms available is 5,400. The average room price is Rp. 310,000, -. So the room occupancy rate is 0.18 or 18%. The promotion fee for 1 room is 5% of the average room price. The Bukit Indah Kenari Hotel Room Prices in January - December 2019 have 1,969 rooms sold while the

number of rooms available is 7,200. The average room price is Rp. 400.000, - So the room occupancy rate is 0.27 or 27%. The promotion fee for 1 room is 5% of the average room price. For more details, it is presented in Table 1:

Table 1.
Room Rates, Promotional Costs, and Hotel Occupancy Rates in the City Of Parepare

Number.	Name of Hotel in the City of Parepare	Room Occupancy Rate (%)	Room Occupancy Rate (Rp)	Promotion Fee / Room (Rp)
1	Hotel Lotus Parepare	30	170.000,-	8.500,-
2	Hotel Denpasar Parepare	6	300.000,-	15.000,-
3	Hotel Bugis Parepare	5	312.000,-	15.600,-
4	Hotel Platinum Parepare	19	275.000,-	15.200,-
5	Hotel Pare Wisata	22	175.000,-	8.750,-
6	Hotel Star Parepare	24	235.000,-	11.750,-
7	Hotel Mario Parepare	24	310.000,-	15.500,-
8	Hotel Satria Wisata Parepare	26	350.000,-	17.500,-
9	Hotel Amanda	18	350.000,-	15.500,-
10	Hotel Bukit Indah Kenari Parepare	27	400.000,-	20.000,-
	Rata-rata	21	277.700,-	12.530,-

Source: Processed data, October 2020

The impact of COVID-19 has hit various sectors in Indonesia, including the hotel industry. Some hotels offer to leave to lay off their daily workers. From the table above, it can be seen that the occupancy rate (room occupancy) of hotels in Parepare varies, with the highest being the Lotus hotel with a percentage of 30%. The room occupancy rate which is quite high is also shown by the Pare Wisata hotel, the Star Parepare hotel, the Mario Parepare hotel, the Satria Wisata Parepare hotel, and the Bukit Indah Kenari Parepare hotel because it is above 20%, meanwhile, the Bugis hotel and the Denpasar Parepare hotel are only 5%. and 6%. To improve this, an incentive scheme in the form of hotel tax coverage by the government must be implemented, however, until now it has not been felt by hotel entrepreneurs.

In preventing the spread of the coronavirus, the hotels in Parepare have implemented standard health protocols, including the provision of hand sanitizers, masks for all hotel employees and guests, hand washing stations, arranging social distancing through sticking stickers and strict supervision, and requiring all hotel employees follow health protocols. In addition to tightening health protocols, the hotel is also developing a way to check-in online through a reservation application to limit interactions during the check-in process.

From table 1, it can also be seen that the room price and promotional costs per room are the highest, namely the Bukit Indah Kenari Parepare hotel, amounting to Rp. 400,000 one room per night with a promotional fee of IDR 20,000 per room. The room prices offered by the Denpasar Parepare hotel, the Bugis Parepare hotel, the Mario Parepare hotel, the Satria Wisata

Parepare hotel, and the Amanda hotel are relatively similar, namely an average of Rp. 300,000, with room promotion, costs also relatively the same, namely an average of Rp. 15,000.

There are several marketing strategies carried out by hotel management who are respondents in this study, one of which is through the internet. This is believed to be a powerful tool for marketing products (hotels). Also, the strategy carried out to market the rooms is through private companies, State-Owned Enterprises (BUMN), Government Agencies, and Travel Bureau Companies in Parepare City.

Discussion

Hotel marketing is a science that aims to make guests feel happy since they arrive at the hotel and carry out activities so that they can finally make a profit (Horng et al., 2017; Kanagal, 2009; Xi Y. Leung & Bai, 2013). Hotel marketing has many purposes and objectives and deals with different consumers (Chan, 2013; El Dief & Font, 2010; Xi Yu Leung & Baloglu, 2015).

Marketing is the overall system of business activities aimed at planning, pricing, promoting, and distributing goods, services, ideas to target markets to achieve organizational goals. The marketing process starts long before goods are produced, it does not start when production is finished, nor does it end with sales. All decisions made in the field of marketing must be aimed at determining the product, market, price, and promotion. The important thing is that entrepreneurs must be able to provide satisfaction to consumers if they want their business to continue, or consumers have a good view of the company. Good guarantees for goods and services can be made after the sale.

A marketing mix strategy is a set of marketing tools (product, price, distribution, and promotion) that a company uses to achieve its goals in marketing. To be successful in marketing a product, every company must set its price appropriately. Price is the only element of the marketing mix that provides input or income to the company, while the other three elements (product, promotion, and distribution) generate expenses. The price level applied affects the quality sold. Also, the price indirectly affects costs, because the quantity sold affects the costs it incurs about production efficiency. Distribution strategy is concerned with determination and management. distribution channels used by producers to market goods and services, so that these products can be delivered to target consumers in the quantity and type needed, when needed, and in the right place. Distribution can be defined as a marketing activity that seeks to facilitate and facilitate the delivery of products from producers to consumers so that their use is as needed.

Based on (UU No.10 Tahun 2009 Tentang Kepariwisata), tourism is defined as all activities related to tourism and is multi-dimensional and multi-disciplinary which arise as a manifestation of the needs of each person and country as well as interactions between tourists and local communities, fellow tourists, the Government, local governments, and entrepreneurs. The success of tourism development depends on the advantages of tourist attractions, the quality of facilities and infrastructure in tourist destinations, and the existence of the tourism industry. The tourism industry is defined as a collection of interrelated tourism businesses to produce goods and/or services to meet the needs of tourists in tourism administration. The tourism business that is meant is a business that provides goods and/or services to meet the needs of tourists and organizes tourism which includes: (1) tourism attraction businesses; (2) tourism area business; (3) Tourism transportation services; (4) Tour travel services; (5) Food and

beverage services; (6) Providing accommodation; (7) Organizing entertainment and recreation activities.

CONCLUSION

The hotel room occupancy rates of the hotels that were the respondents in this study varied, starting from the Lotus hotel with an average room occupancy of 30% and a room price of Rp. 170.000, -, Denpasar hotels have an average room occupancy rate of 8% with a room price of Rp. 300,000, -, Bugis hotels have an average room occupancy rate of 5% with a room price of Rp. 312,000, -, Platinum hotels have an average room occupancy rate of 19% with a room price of Rp. 275,000, -, the Pare Wisata hotel has an average room occupancy rate of 22% with a room price of Rp. 175,000, -, Star hotels have an average room occupancy rate of 24% with a room price of Rp. 235,000, Hotel Mario has an average room occupancy rate of 24% with a room price of Rp. 310,000, -, Hotel Satria Wisata has an average room occupancy rate of 26% with a room price of Rp. 350.000, -, Amanda hotel has an average room occupancy rate of 18% with a room price of Rp. 350,000, -, and the Bukit Indah hotel with an average room occupancy rate of 27% with a room price of Rp. 400,000, -. Therefore, the average hotel room occupancy rate in this study is 21% with a room price of Rp. 277,700, -. The strategy taken to market the rooms is through private companies, State-Owned Enterprises (BUMN), Government Agencies, and Travel Bureau Companies in the City of Parepare.

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