

## **The Effect of Room Price on Occupancy at Kenari Hotel**

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### **ABSTRACT**

Kenari Hotel at Parepare Regency needs to carry out a strategy in the quality of service, service, and hotel room sales rates. This study aims to determine the Effect of Room Prices on Occupancy at Kenari Hotel at Parepare Regency. The type of research used in this research is quantitative research. Based on the results of the study regarding the independent variable or free variable room prices and the dependent variable that is the occupancy rate. A coefficient of 34% and the remaining 66% is needed by other factors namely, service quality, customer satisfaction, promotions and so on that are not by this study. meaning that each increase in room price variable (x) by one percent will increase room occupancy at Kenari Hotel at Parepare Regency amounting to 0.238. Meanwhile, determining a coefficient of 34% and the remaining 66% is needed by other factors. Meaning that each increase in room price variable (x) by one percent will increase room occupancy at Kenari Hotel at Parepare Regency amounting to 0.238. This research can be used as a reference in developing the level of tourism in Indonesia, especially in the hotel sector.

Keywords: Price, occupancy, room rate rental;

### **INTRODUCTION**

Tourism is a journey carried out by a person within a certain period from one place to another by prior planning, the purpose is for recreation or for an interest to be fulfilled Kadji, (2015); Winowatan, (2019), or tourism can also be interpreted as traveling from one place to another for recreation or fun than returning to the starting place. In Undang-Undang Nomor 10 Tahun 2009 tentang Kepariwisataaan, which contains seventeen chapters and seventeen articles containing provisions covering eight things, in Chapter I, Article 1, it reads: tourism is a travel activity carried out by a person or group of people by visiting certain places for recreation, personal development or studying the uniqueness of power. tourist attraction visited on a temporary period; Tourists are people who do tours; tourism is a variety of tourism activities and is supported by various facilities and services provided by the community, businessmen, government, and local governments; tourism is the overall activity related to tourism and is multidimensional and multidisciplinary that appears as a form of tourists, government, and government entrepreneurs; Tourist attraction is everything that has uniqueness, beauty, and value in the form of the diversity of natural, cultural and man-made wealth which is the target or purpose of tourist visits; tourism business is a business that provides goods or services to fulfill the needs of tourists and tourism organizers; Tourism entrepreneur is a person or group of people who carry out tourism business activities.

Based on data from the Indonesian Ministry of Tourism, the country's foreign exchange earnings from the tourism sector in 2015 reached US\$ 12.23 billion or equivalent to Rp. 169 trillion. This number is ranked fourth as the largest foreign exchange earner in 2015, behind oil and gas, coal, and palm oil. Then in 2019, the country's foreign exchange earnings from the

tourism sector are targeted at US\$ 20 billion and become the largest, beating the results of exports of palm oil and oil and gas.

The smooth implementation of tourism is not only with the development of the tourist attraction itself but must be supported by the availability of tourism business facilities and infrastructure (Hasyim et al. 2020; Nur et al. 2019; Said et al. 2017) needed by tourists as a means to meet the needs of tourists while in the tourist location (Aulya, Mindarti, and Amin 2016).

One of the businesses that support the development of tourism in the City of Parepare is the accommodation business. Accommodation is something provided to meet needs, for example, a place to stay or temporary residence for people who are traveling (Winarto and Niswaty 2015). In tourism, accommodation is an industry, so the definition of the accommodation industry is a component of the tourism industry because accommodation can be in the form of a place or room where people or visitors or tourists can rest or stay or sleep, bathe, eat and drink and enjoy services and services. available entertainment (McGuffie 1994; Sudana 2013; World Travel and Tourism Council 2019). One of the accommodation providers that support this is a hotel, in the City of Parepare, South Sulawesi.

Hotel is a company managed by the owner by providing food, beverage, and room facilities for sleeping to people who travel and can pay a reasonable amount by the services received without any special agreement (Baharuddin, Kasmita, and Salam 2017; Suardana, Suni, and Ridwan 2020; Tinri 2018). This is because the occupancy rate is a measure of the hotel's success in selling room rental services (Novicadisa and Sjamsuddin 2016; Suardana et al. 2020). According to (Sulastiyono 2008). Occupancy rate is the number of occupied rooms that are rented out to guests compared to the total number of available rooms, which are calculated on a daily, monthly, and yearly basis.

The occupancy rate is influenced by several factors. One of them is room pricing, room pricing policy is a complex and complicated thing. This requires a systematic approach, which involves setting goals and developing an appropriate pricing structure (Hasyim et al. 2020; Muhtasom and Ab 2019). Based on the problems that have been described, the authors are interested in researching with the title This Study Aims To Determine The Effect Of Room Price On Occupancy At Kenari Hotel At Parepare, South Sulawesi.

## **METHOD**

The type of research used in this research is quantitative research. According to (Sugiyono 2013) Quantitative research is one type of research whose specifications are systematic, well-planned, and structured from the beginning to the making of the research design. what is meant by quantitative data is respondent data and the results of the questionnaire which were processed with the help of the SPSS (Statistical Packages for the Social Science) version 21 program. The type of data used in this paper is quantitative data. That is data in the form of numbers or qualitative data that is scored (Sugiyono 2012). The population used in this study were all guests who stayed at the hotel in January – August 2021 at the Kenari Hotel, Parepare City. The number of samples is determined by the Slovin formula, which is 100 respondents. The samples in this study were: respondents aged at least 18 years, respondents who had stayed at the hotel at least 1 time, and guests who stayed at the hotel in April – August 2021. Further descriptive analysis was by analyzing quantitative data that had been obtained through questionnaires with guests. at the Kenari Hotel, Pare City, South Sulawesi Province April – August 2021.

## RESULT AND DISCUSSION

Hotel Kenari Parepare is the only hotel that combines modern facilities with beautiful natural scenery. This becomes very interesting because you can enjoy various challenging natural adventures including a visit to the beach of Parepare City. One of the advantages offered by this hotel is a restaurant and coffee shop with a delicious food menu. The breakfast buffet is also delicious, the swimming pool area is also very suitable for relaxing while looking at the view of Parepare City and the beach, to spend vacation time.

The number of rooms owned by Hotel Kenari Kota Parepare has deluxe and cottage type rooms and is equipped with the following facilities: television; air conditioner; there is tea and coffee available; phone. In addition to the facilities provided in each room at Hotel Kenari Parepare, it also provides other services to support the smooth running to meet the satisfaction of guests staying, these facilities include: welcome drink; The swimming pool can see the beautiful sea from a height; a large parking area and laundry services.

Location of public transportation/bus routes to the northern part of South Sulawesi, Tana Toraja, Luwu, Palopo City, North Luwu, East Luwu, Central Sulawesi, Southeast Sulawesi, North Sulawesi, Gorontalo.

**Table 1.**  
**Room Types and Room Rates at Kenari Hotel, Parepare City.**

Category	Room Size	Bed Type	Room Available/Room Rate
Deluxe	32 m <sup>2</sup>	Double	20/Rp. 700,000,-
Cottage	38 m <sup>2</sup>	King	10/Rp. 500,000,-
Total	Total		30/Rp.1.200.000,-

Source : Hotel Kenari Parepare, 2021

Respondents' descriptions of guests staying at Kenari Hotel, Parepare City, namely gender, age, and occupation.

**Table 2.**  
**Frequency Distribution of Respondents' Gender.**

		Frequency	Percent	Valid Percent	Cummulative Percent
Valid	Man	58	58.0	58.0	58.0
	Woman	42	42.0	42.0	100.0
	Total	100	100.0	100.0	

Source: Data in Researcher, 2021

Based on the data in table 2, it can be seen that the male respondents were 58 respondents or 58% more than the female respondents, which amounted to 42 respondents or 42%. So it was concluded that more male respondents stayed at the Kenari Hotel, Parepare City, 58%. The age distribution of respondents can be shown in the following table:

**Table 3.**  
**Age Distribution of Respondents**

<b>Age</b>	<b>Number of Respondents</b>	<b>Percent</b>
18-30	78	78%
31-40	13	13%
40	9	9%
Total	100	100%

Source: Data in Researcher, 2021

Based on the results of table 3, it can be seen that the age of respondents between 18-30 years amounted to 78 respondents or 78% and the age of respondents between 31-40 years amounted to 13 respondents or 13%, and respondents aged 40 years amounted to 9 respondents or 9%. So it can be concluded that the age between 18-30 years is the respondent who mostly stays at the Kenari Hotel Parepare by 78%. The distribution of respondents' work can be shown in the following table:

**Table 4.**  
**Distribution of Respondents' Jobs**

<b>Work</b>	<b>Amount Respondent</b>	<b>Percent (%)</b>
civil servant	24	24%
Private employees	23	23%
Businessman	9	9%
Housewife	8	8%
Student (i)	8	8%
Other	28	28%
Amount	<b>100</b>	<b>100%</b>

Source: Data in Researcher, 2021

Based on the results of table 4, shows that the respondent's work is dominated by other jobs as many as 28 respondents or 28%, then occupied by civil servants as many as 24 respondents or 24%. So it can be concluded that the work of respondents who stay at the Kenari Hotel Parepare is mostly other work as much as 28%. Likewise, the average respondent's answer achievement rate (TCR) is 80.9%. So that it can be said that the level of achievement of respondents' answers (TCR) on average is very good. The average level of achievement of respondents' answers (TCR) is 86.35%. So that it can be said that the level of achievement of respondents' answers (TCR) on average is very good.

## **DISCUSSION**

The average level of achievement of respondents' answers (TCR) is 80.9%. So that it can be said that the level of achievement of respondents' answers (TCR) on average is very good. Before the instrument is used to carry out research, the instrument must be tested first on several respondents. If the instrument is valid, the researcher is ready to use the questionnaire for research. The instrument in this study was tested on 100 selected respondents. To test the validity of this instrument, the researcher used the help of the SPSS 21 for the windows program. This validity

test is carried out with the condition that if  $r\text{-count} > r\text{-table}$  then the item from the instrument is valid, and vice versa if  $r\text{-count} < r\text{-table}$  then the item from the instrument is invalid.

**Table 5.**  
**Price Variable Instrument Validity (X)**

Instruments	Validity Value		Conclusion
	r-count	r-table	
X.P1	0.668	0.361	Valid
X.P2	0.523	0.361	Valid
X.P3	0.485	0.361	Valid
X.P4	0.493	0.361	Valid
X.P5	0.601	0.361	Valid
X.P6	0.540	0.361	Valid
X.P7	0.424	0.361	Valid
X.P8	0.508	0.361	Valid
X.P9	0.325	0.361	Valid
X.P10	0.590	0.361	Valid
X.P11	0.435	0.361	Valid
X.P12	0.583	0.361	Valid
X.P13	0.423	0.361	Valid
X.P14	0.519	0.361	Valid
X.P15	0.635	0.361	Valid

Source: Primary Data Processed by Researchers, 2021

From table 5, it can be seen that each instrument variable price has rcount 0.361. Thus, it can be concluded that the overall question instrument of the price variable used is valid.

**Table 6.**  
**Validity of Occupancy Rate Variable Instrument (Y)**

Instruments	Validity Value		Conclusion
	r-count	r-table	
Y.P1	0.920	0.361	Valid
Y.P2	0.890	0.361	Valid
Y.P3	0.919	0.361	Valid
Y.P4	0.929	0.361	Valid

Source: Data processed by researchers, 2021

Based on table 6 above, it can be seen that the results of each instrument variable occupancy rate (Y) have r-count 0.361. Thus, it can be concluded that the overall instrument statement of the guest satisfaction variable (Y) used is valid.

**Reliability Test**

The reliability test in this study used Cronbach's Alpha method to test the reliability of the measuring instrument. A variable will be said to be reliable if it has a Cronbach's Alpha greater than 0.6 (V. Wiratna Sujarweni, 2014: 193). The author uses the help of SPSS 21 software for windows to manage data in the study and the test results are obtained as follows:

**Table 7.**  
**Price Variable Reliable (X)**

Reliability Statistics	
Cronbach's Alpha	N of Items
,796	15

Source: Data processed by researchers

From table 7, it can be seen that N of Items with a total of 15 items with a Cronbach's Alpha value of 0.796. Because the value of Cronbach's Alpha is  $0.796 > 0.60$ , it can be concluded that each item of the instrument variable price (X) is reliable.

**Table 8.**  
**Reliable Occupancy Rate Variable (Y)**

Reliability Statistics	
Cronbach's Alpha	N of Items
,934	4

Source: Data processed by researchers

From table 8, it can be seen that N of Items with a total of 4 items with a value of *Cronbach's Alpha* of 0.934. Because value *Cronbach's Alpha*  $0.934 > 0.60$  it can be concluded that each instrument item Occupancy Rate variable (Y) is reliable.

**Table 9.**  
**Reliable Price Variable (X) to Occupancy Rate Variable (Y)**

Reliability Statistics	
Cronbach's Alpha	N of Items
,858	19

Source: Primary Data processed by Researchers, 2021

From table 9. it can be seen that there are N of Items with a total of 19 items with a Cronbach's Alpha value of 0.858. Because Cronbach's Alpha value is  $0.858 > 0.60$ , it can be concluded that each item of the instrument variable price (X) and variable occupancy rate (Y) is reliable.

**Simple Linear Regression Test**

To prove the hypothesis test proposed in the discussion of this study, the author uses a simple linear regression method using the SPSS version 21 software program table 10.

**Table 10.**  
**Simple Linear Regression Test**

	Model	Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	3,263	1,911	
	Price Room	0,227	0,031	0,597

The general formula for simple linear regression is

A simple linear regression equation can be explained that:

$a = 3.263$  (Ustandardized Coefficients).

$Y = a + bX$ . The linear regression equation is

$Y = 3.263 + 0.227X$ .

Which is a constant number which means that if there is no effect of room price (X) then the value of the occupancy rate (Y) is 3.263.  $b =$  regression coefficient 0.227, which means that for every 1% addition to the room price level (X), the occupancy rate (Y) will increase by 0.227. So it can be said that the direction of the influence of the variable X on Y is positive.

#### Partial Test or t-test

The t-test (partial) is used for the hypothesis that the room price (X) has a positive effect on the hotel occupancy rate (Y).

#### 11.

##### Partial Test or t Test

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
		B	Std. Error	Beta		
1	(Constant)	3,263	1,911		1,707	
	Price Room	0,227	0,031	0,597	7,370	0,000

Source: Data processed by researchers, 2021

Based on table 11, it is known that the significance value (Sig.) X is 0.000 which is smaller than alpha 0.05. The t-count value for the room price variable (X) is 7,370 from the t-table value of 1.98. Because  $t\text{-count} > t\text{-table}$  ( $7.370 > 1.98$ ), then  $H_0$  is rejected. This means that there is a significant influence between room prices and occupancy rates. That is, every one percent increase in room prices will result in room occupancy rates at the Hotel Kenari Parepare. So it can be concluded that the room price affects the occupancy rate at Hotel Kenari Parepare.

## CONCLUSION

Room price is one of the factors that influence buying interest at the Kenari Hotel, Parepare City. Consumers in making room reservations. Determining the selling price of a product or service (room rate) will greatly affect the increase in room occupancy at the Kenari Hotel,

Parepare City. Regarding the influence of the independent variable or the independent variable, namely the room price (X) and the dependent variable or the dependent variable, namely the occupancy rate (Y) at the Kenari Hotel, Parepare City. Then the data obtained by the level of achievement of respondents' answers (TCR) of 81.7% and can be categorized as very good.

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