

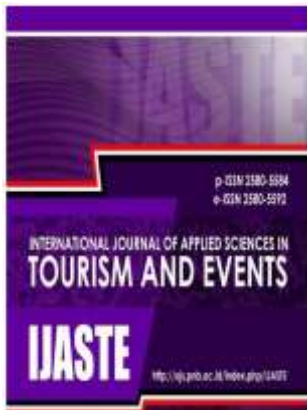
# The Impact of Promotion on Room Occupancy Rate in Mesra Business and Resort Hotel Samarinda

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## Abstract

**Purpose:** The purpose of this research is to test and analyze the effect of the development of room occupancy rates at the Mesra Business and Resort Hotel in Samarinda.

**Research methods:** The population in this study is the number of guests staying during the unknown study period. The sampling technique was taken based on accidental sampling. Primary data obtained by conducting interviews with 70 respondents using a secondary questionnaire data collected by conducting field observation. Data were analyzed using a simple linear regression method with the help of SPSS statistical software.

**Results and discussions:** The result showed that the promotion variables consisting of advertising, direct sales, sales promotion, publicity, and word of the mouth simultaneously had a significant effect on room occupancy rates.

**Conclusion:** The promotional mix variable has a positive and significant effect on the room occupancy rate variable or the consumer's decision to choose a place to stay at the Mesra Business and Resort Hotel.

**Keywords:** *Promotional Mix, occupancy rate, business and resort hotel*

## Article History

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## INTRODUCTION

In the business world, especially those engaged in services, services are an essential and decisive element in maintaining or growing a company. Service quality is one of the main factors determining the guests, satisfied guests will continue to use services (brand loyalty). Service in the hospitality world is an activity that puts forward standards regarding hospitality attitudes that make guests who come to stay comfortable and happy and return when guests get a good and satisfying impression of the services provided by the hotel. Moreover, usually,

it is not easy to invite guests to come and enjoy the menu at the restaurant. Typically, guests prefer tasty and cheaper food.

The hospitality industry, both national and international, is experiencing intense competition between them. This situation encourages the company to always be observant and responsive in observing various changes, both internal and external, in order to maintain the company's survival. Hotel management must continue to carry out active marketing and promotion because the service industry sector is expected to increase the resilience of the national economy, expand employment and business opportunities, as well as encourage the development of economic activities in various other development sectors. Here every company is faced with challenges in facing competition from similar hotel business units in order to increase sales. With such market conditions, companies must be innovative in adjusting themselves in order to survive in the competition. One of the elements of activities that determine the success of a company is promotional activities. Promotional activities are not only used by companies to pursue profits but also to introduce more of the company's products and services to consumers.

In a company, profit achievement needed to support the survival of the company. Mesra Business and Resort Hotel located at Jalan Pahlawan Number 1 Samarinda-East Kalimantan, which is adjacent to Temindung Airport, a shopping center (Plaza Mulia), a sports center (Gor Segiri) and an office center (Samarinda City Hall) also close to a gas station located on a hill with beautiful, green natural scenery.

From year-to-year Mesra Hotel continues to improve its facilities and number of rooms, wherein 2008 there were 144 deluxe rooms and 12 suite rooms, bringing the total rooms to 307 offices located on the 2<sup>nd</sup> to 7<sup>th</sup> floor. Plus, an extensive size swimming pool facility, namely Sangkulirang swimming pool, Sangkulirang Restaurant, Miang Island Pavilion, seven meeting rooms located on the basement floor, VIP room, 2 VIP restaurants (Rinding Island and Senumpak Island), business center, mini market. Plus, a particular front office 2 for places and a magnificent facility is the Mesra Ballroom's pride, with a capacity of 500 to 1,200 people. In 2012 added a new facility, namely mini golf. Furthermore, in 2013 added new facilities, namely hot tubs, the progress of Mesra International Hotels has made it the only hotel in Samarinda, which has the most rooms with the complete facilities. Its characteristics, which located in a green and natural hilly area, are pride for Mesra International Hotel.

With a wide range of facilities and an extensive area, the Mesra Hotel International is now not just bearing as hotel accommodation. Still, the Mesra International Hotel is currently the only Hotel and Resort in Samarinda. In conducting the Mesra Hotel activities, it also carries out policies such as holding approaches to government and private institutions by providing information about the products and services they have. Mesra Hotel also takes a promotion policy by utilizing existing media, both print and electronic media. From the systems and strategies that have been carried out by Mesra Hotel, it turns out that the room occupancy rate has increased every year, as has been determined. The room occupancy rate can be seen with the room occupancy table every year to assess the development of room sales volume each year at the Mesra Hotel can be seen in the table below:

**Table 1. Room Occupancy Rate in the Mesra Hotel in 2016-2018**

NO	Month	YEAR		
		2016	2017	2018
1	Jan	3,324	4,116	4,216
2	Feb	2,707	3,080	4,080

NO	Month	YEAR		
		2016	2017	2018
3	Mar	2,962	3,362	4,362
4	Apr	3,463	7,175	8,175
5	Mei	3,082	7,089	8,089
6	Jun	2,277	6,332	7,332
7	Jul	1,893	6,175	7,175
8	Aug	1,773	5,977	6,977
9	Sep	2,825	3,671	4,671
10	Oct	2,548	3,394	3,894
11	Nov	2,215	3,924	4,924
12	Des	2,889	4,530	4,930

Source: Mesra Business and Resort Hotel, 2019

Based on the Room Occupancy Data at Mesra Hotel in 2016-2018, we can see that the sale of rooms at the Mesra Hotel has experienced a significant increase in the room occupancy rate each year. This escalation happened because the Mesra Hotel did a Promotional Mix to increase the number of rooms in the Mesra Hotel. Mesra Business and Resort Hotel provide excellence in terms of quality; that is, the hotel's atmosphere and the nuances of the house-maintained cleanliness and service. Affordable prices also stimulate promotional actions undertaken by Mesra Business and Resort Hotels.

Customers play an essential role in measuring satisfaction with products and services provided by the company. In determining the level of joy, a customer often sees the value of the product and the service performance received from a purchase process for the product/service compared to other companies. The significant value added by a service product to the customer is an answer to the question that arises about why a customer makes his choice. Customers look for the most excellent value a service product provides. Based on the background description above, the purpose of this study was to determine the effect of promotion on room occupancy rates at the Mesra Business and Resort Hotel in Samarinda.

## RESEARCH METHODS

This type of research in this research is quantitative descriptive research. That is research that aims to explain the state of a variable independently to provide a general picture. The research approach is through the survey; survey research is investigative research conducted to obtain facts from the symptoms that exist and look for information factually to get the truth. The population used in this study were visitors who stayed at the Mesra Business and Resort Hotels in Samarinda during the study period. Primary data obtained by conducting interviews with 70 respondents using a secondary questionnaire data collected by conducting field observation. Data were analyzed using a simple linear regression method with the help of SPSS statistical software.

The population in this study is the number of guests staying during the unknown study period. The sampling technique was taken based on convenience considerations, namely, accidental sampling, where one or more individuals were taken as samples because the respondents were in the study period. In this case, the study sample was guests who stayed at the Mesra Business and Resort Hotels during the study period. The measurement scale of the variable used in this study is a Likert scale (Umar, 2008:98), where respondents state answers to various statements on the proposed behaviour, matter, or knowledge.

## RESULT AND DISCUSSIONS

According to Sistaningrum (2002:98), promotion is an effort in influencing actual consumers so that they want to make a purchase of a product offered, now or in the future. Based on the results of the t-test showed that the promotional mix has a positive and significant effect on consumers' decisions to stay at the Mesra Hotel. This can be seen from the considerable value  $(0,000) < 0.05$  and count value of  $13.468 > t\text{-table } 1.994$ . The importance of the contents of the promotional mix in promotional activities to provide excellent performance and operations for the company. This is following the respondents' answers, which stated the promotion provided sufficient information and influenced the decision to stay at the Mesra Hotel. So, it can be said that the promotion variable has the power to win the market, especially the hotel business in Samarinda, namely advertising, personal selling, public relations, sales promotion, direct marketing, and word of mouth.

This happened because of the advertisements carried out by Mesra Business & Resort Hotels, where statements about promotions easily obtained and about promotions delivered by Mesra Hotel that were attractive to respondents, and the messages conveyed were easily understood. Personal Selling or Direct communication (face to face) there is an influence on the decision of the respondent's stay where in this case, regarding the services provided by hotel staff is relatively reasonable and hotel managers are friendly in providing information and willing to take the free time to provide information. Public Relations conducted by Mesra Business & Resort Hotels are reasonably good. This seen from his statements regarding hotel guests invited to specific events and related news about helping provide information. The site also includes sufficient information for hotel guests or potential visitors. Sales Promotion conducted by the Mesra Hotel shows that the level of promotion in terms of Sales Promotion, where his statement about the discount given by the Mesra Hotel affects the decision of the stay and his statement regarding the promos conducted by the Mesra Hotel change hotel guests to stay. Direct Marketing influences the respondents' decision to stay overnight so that the occupancy rate of the Mesra Hotel has increased.

This happens because the Direct Marketing conducted by Mesra Business and Resort Hotels regarding promotions via telemarketing affects the decision of hotel guests in choosing Mesra hotel and is active in offering the latest hotel promos. Word of Mouth or Word of mouth communication is very influential on the decision of the respondent's stay so that the occupancy rate of the Mesra Business & Resort Hotel has increased. This happens because Word of Mouth occurs where statements about recommendations from other consumers and explanations about other people's opinions about hotel amenities or promos are a reference for prospective hotel guests or make hotel guests interested or interested in staying at Mesra Hotel.

### 1. Advertising

Advertising is one of the four essential items used by Mesra Business and Resort Hotels to launch persuasive communication with targeted buyers and communities. The results showed that the promotion rate was 47%, where almost half of the room occupancy rates of the Mesra Business and Resort Hotels had increased. This happened because of the advertisements carried out by Mesra Business and Resort Hotels, where statements about promotions were easily obtained and about promotions delivered by Mesra Hotel that were attractive to respondents. The messages conveyed were easily understood.

Mesra Business and Resort Hotels in packaging the form of presentation of their advertisements as attractive as possible with the right price so that the purpose of advertising which primarily is to sell or increase sales carried out, this is related to advertising (advertising) with promotion theory which is a method of communicating information aimed at the target market about excellent goods or services available at the right place at the right price. This supported by a previous study by Rahadian and Pratomo (2013), where the results obtained prove the positive influence of the promotional mix on increasing sales of rooms at the Benua Hotel in Bandung.

## 2. Personal Selling

Direct communication (face-to-face) was conducted by Mesra Business and Resort Hotels to prospective customers to introduce a customer candidate product and form a customer understanding of the product to try to buy it. Based on the results of research conducted in this case, the promotion rate of 46% in which nearly half in this case regarding the services provided by hotel staff is relatively good, and hotel managers are friendly in providing information and willing to take the free time to provide information.

In personal selling of Mesra Business and Resort Hotel employees, direct interaction occurs, face to face with prospective customers, communication by both parties is individual and two-way, and so employees can immediately get a response as feedback about the wishes and preferences of potential customers. Submission of news or conversation that they do is very flexible because it can adjust to the situation. This relates to Hardy's studies (2010: 3), which states that promotion is a method of communicating information aimed at the target market about excellent goods or services available at the right place at the right price. This supported by a previous study by Dani Rahadian and Adithya Pratomo in 2013, where the results obtained prove the positive influence of the promotional mix on increasing sales of rooms at the Benua Hotel in Bandung.

## 3. Public Relations

Public Relations Publicity is part of a broader function, namely public relations, and includes efforts to create and maintain beneficial relationships between the organization and potential visitors. Based on the results of research shows that public relations conducted by Mesra Business and Resort Hotels are relatively good, this seen from his statement about hotel guests invited to specific events and regarding related news to help provide information, and the site also includes sufficient information for hotel guests or prospective visitors. The relationship between public relations and promotion theory is where public relations perform a method of communicating information aimed at the target market about excellent goods or services available at the right place at the right price. This supported by a previous study by Rahadian and Pratomo (2013), where the results obtained prove the positive influence of the promotional mix on increasing sales of rooms at the Benua Hotel in Bandung.

## 4. Sales Promotion

All activities intended to convey or communicate a promotion to the target market to take immediate action. Based on the results of the research conducted shows that the level of development in terms of Sales Promotion where his statement regarding price discounts given by the Mesra Hotel affects the decision to stay overnight and his statement regarding promos conducted by the Mesra Hotel change hotel guests to stay. This relates to promotion theory, which is a method of communicating information aimed at the target market about excellent goods or services available in the right place at the right price. Hardy (2010:3). This study not comparable with previous studies conducted by Zulkarnain (2015) regarding Room Prices on Occupancy Rates at the Hotel in Tenggara. Where the results obtained to state that the price of rooms with occupancy rates do not affect each other or do not indicate a relationship, While the results of the authors were careful that there is a link or connection between the price of a room with the decision to stay a prospective customer.

## 5. Direct Marketing

Mesra Business and Resort Hotel marketing system communicates directly with prospective hotel guests to generate responses or transactions. The reactions caused can be inquiries, purchases, or even support. The results showed that the promotion rate was 50%, where half the occupancy rate of the Mesra Business and Resort Hotel had increased. This happens because the Direct Marketing conducted by Mesra Business and Resort Hotels regarding promotions via telemarketing affects the decision of hotel guests in choosing Mesra hotel and is active in offering the latest hotel promos. This relates to Hardy's (2010:3) theory, which states that promotion is a method of communicating information aimed at target markets about excellent goods or services available in the right place at the right price. This supported

by a previous study by Rahadian and Pratomo (2013), where the results obtained prove the positive influence of the promotional mix on increasing sales of rooms at the Benua Hotel in Bandung.

#### 6. Word of Mouth

Word of mouth communication is a communication process that gives recommendations both individually and in groups to a product or service that aims to provide personal information. The results showed that the promotion rate was 46%, where almost half the occupancy rate of the Mesra Business and Resort Hotel has increased. This happens because Word of Mouth occurs where statements about recommendations from other consumers and explanations about other people's opinions about hotel amenities or promos are a reference for prospective hotel guests or make hotel guests interested or interested in staying at Mesra Hotel. According to Swasta and Irawan (2003:353), this relates to the theory of promotion objectives, including modification of behaviour in which people who communicate provide information, express ideas or opinions, inform, persuade, and remind. In this case, the promotional mix, Word of Mouth, can influence a prospective customer's overnight decision. This supported by a previous study by Rahadian and Pratomo (2013), where the results obtained prove the positive influence of the promotional mix on increasing sales of rooms at the Benua Hotel in Bandung.

#### **Satisfaction with Service**

The satisfaction of hotel guests in service that is felt very satisfied is evident from the results of research where the statement of hotel guests about Mesra Hotel fulfils the needs of the excellent stay and becomes a consideration for staying overnight when visiting the city of Samarinda. The service provided by Mesra Business & Resort Hotel employees is one that attracts customers to return to stay at the hotel, so this can be related to Yoeti's theory (2004: 1) that what is meant by service is a product. Intangible results from reciprocal activities between the service provider (producer) and the service recipient (customer) through one or more activities to meet customer needs. Besides, this is supported by previous research by Rahadian & Pratomo in 2013 entitled *The Effect of Promotion Mix on Increasing Room Sales at Hotel Benua Bandung*, where the results obtained prove that there is a positive effect of the promotional mix on increasing room sales at Hotel Benua Bandung. Recommend to others

The satisfaction felt by hotel guests so that they feel obliged to recommend to their family and friends, so that prospective hotel guests feel that the decision to stay at Mesra Hotel is the right one and where hotel guests also want to stay back at Mesra Hotel. This is related to the theory of promotional objectives according to Swastha & Irawan (2003:353), including behaviour modification where people who communicate provide information, present ideas or opinions, inform, persuade, and remind. In this case, the promotion mix, namely the Word of Mouth, can influence the decision to stay overnight. This is supported by previous research by Rahadian & Pratomo in 2013 entitled *The Effect of Promotion Mix on Increased Room Sales at Hotel Benua Bandung*, where the results obtained prove that the promotion mix has a positive effect on increasing room sales at Hotel Benua Bandung.

Based on the results of the research and the discussion started, the conclusions of this study are: Promotion mix variable has a positive and significant effect on room occupancy rate variables or consumer decisions in choosing a place to stay at Mesra Business & Resort Hotel. The importance of the content of the promotional mix in promotional activities to provide good performance and operations for the company. So it can be said that the promotion variable has the power to win the market, especially the hotel business in Samarinda, namely advertising, personal selling, public relations, sales promotion, direct marketing and word of mouth. Advertising or advertising affects the respondents' decision to stay so that the room occupancy rate of Mesra Business & Resort Hotel has increased. This happens because the advertising carried out by Mesra Business & Resort Hotel, where statements about promotions that are easy to get and about promotions delivered by Mesra Hotel is attractive to respondents and the messages conveyed are easy to understand.

Personal selling or direct communication (face-to-face) influences the respondent's decision to stay where in this case the service provided by hotel staff is reasonably good, and hotel managers are friendly in providing information and willing to take spare time to provide information. Public Relations or public relations carried out by Mesra Business & Resort Hotel is already reasonably good, this can be seen from his statement about hotel guests being invited to specific events and regarding related news helping provide information and the site also provides sufficient information for hotel guests or potential visitors. Sales Promotion carried out by Mesra Hotel shows that the level of promotion in terms of Sales Promotion where his statement regarding the price discount given by Mesra Hotel affects the decision to stay and his statement regarding the promos carried out by Mesra Hotel affects hotel guests to stay.

Direct Marketing affects respondents' decision to stay so that the occupancy rate of Mesra Hotel has increased. This happens because the Direct Marketing carried out by Mesra Business & Resort Hotel regarding promotions via telemarketing affects hotel guests' decisions in choosing Mesra Hotel and is active in offering the latest hotel promos. Word of Mouth or word of mouth communication greatly influences the respondent's decision to stay so that the occupancy rate of Mesra Business & Resort Hotel has increased. This happens because the Word of Mouth that occurs in which statements regarding recommendations from other consumers and statements regarding other people's opinions regarding hotel facilities or promos become a reference for potential hotel guests or make hotel guests interested or interested in staying at Mesra Hotel.

## **CONCLUSION**

Based on the results of the research and discussion presented, the study's conclusions are: The promotional mix variable has a positive and significant effect on the room occupancy rate variable or the consumer's decision to choose a place to stay at the Mesra Business & Resort Hotel. The importance of the contents of the promotional mix in promotional activities to provide excellent performance and operations for the company. So, it can be said that the promotion variable has the power to win the market, especially the hotel business in Samarinda, namely advertising, personal selling, public relations, sales promotion, direct marketing, and word of mouth. Advertising or advertising affects the decision of the respondent's stay so that the room occupancy rate of the Mesra Business & Resort Hotel has increased.

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