

Determinant of Applying Online Travel Agent as Marketing Media in Star Hotels at Sanur

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Abstract—Sanur as one of the tourist destinations in Denpasar has hotel tourist facilities, both star and non-star hotels. The number of star hotels in Denpasar City is 34 and 73.5% are located in Sanur. Hotel managers in this region need to carry out promotional activities to win the competition, one of which is through collaboration with the Online Travel Agent (OTA). Through OTA, tourists who want to travel can book rooms online on the OTA website, without having to contact the hotel manager to ask for room availability. Similarly, the ease of payment of rooms through this medium has made this reservation mode become more popular. The purpose of this study is to examine the factors which influence star hotel managers in Sanur to use OTA as a marketing medium and other determining dominant factors. The sample of this study was 72 people from 12 star hotels recruited using a purposive sampling method based on their positions from two departments (Front Office Department and Sales and Marketing Department) in each hotel, namely managerial level, supervisor and staff. The results showed that most of the sales of star hotel rooms in Sanur made use of OTA (32.05%) in addition to the Travel Agent and Direct Booking. The OTA which was used was predominantly Booking.Com, because it reaches the entire world, supported by the many languages used, namely 43 languages. The development of the OTA model needs to be done considering that there is a forum for General Managers who routinely hold meetings where they alternately become the Host. Through this model, contributions will be made to the Corporate Social Responsibility in the Sanur area, both in the use of human and financial resources for traditional activities and activities related to Hinduism.

Keywords—online travel agent, star hotels, marketing media

I. INTRODUCTION

Denpasar as the capital of Bali Province has participated in promoting the tourism sector. The launching of various programs in tourism development has been carried out in the city of Denpasar. The city has four sub-districts, namely South Denpasar, North Denpasar, East Denpasar, and West Denpasar. Sanur as one of the areas in South Denpasar Subdistrict has experienced rapid development marked by the increasing development of tourism supporting facilities, such as hotels, villas, cafes, spas, etc. Hotel is a property that provides a large amount of accommodation of various types. The rapid growth of hotels in such tourism area requires hotel managers to carry out promotional activities if they want to become winners in the ever-increasing tight competition. One of their efforts has been to collaborate with the Online Travel Agent (OTA). OTA is one of the promotional media currently used by many hotels, including star hotels in Sanur. The number of star hotels in Sanur area is 25 hotels accounting for 73.5% of the number of star hotels in Denpasar. Increasingly tight hotel competition can determine

which OTA will be invited to work together, considering that the most source of booking is done through OTA in reaping hotel revenues from the number of rooms sold. Hotel managers do not receive full sales results, where the net sales obtained will decrease [1]. However, hotel managers certainly have a number of reasons being important factors to continue using OTA as a promotional medium that has an impact on the sale of rooms at their hotel. OTA opens digital-based services, information search transactions, bookings, and payments made in the virtual universe. Technological advancement has affected various sectors, including the tourism sector with the emergence of the Online Travel Agent (OTA) which aims to facilitate tourists in booking rooms in star hotels in Sanur. Freedom in providing a review of services at the hotel can be done on the OTA website. Traveler reviews in the form of positive and negative comments can be seen and read online t.

II. LITERATURE REVIEW

The difference between digital and traditional marketing is that in digital marketing the data is used properly. [2] This is more useful than before. Website design, perceived risks and convenience, amongst others, can promote online purchases [3].the effects of CEOs' IT knowledge, subjective norms (professional peers, employees) and organization size on perceived usefulness were found insignificant. CEOs' beliefs towards the usefulness of social commerce in some travel agencies, their innovativeness and attitude towards IT as individual factors, and organizational resources as institutional factor were also significant [4]. Website serviceability positively affected customer satisfaction, which, in turn, positively affected brand attachment and loyalty were effective and efficient marketing strategies. [5]. Managing a digital campaign for sustainable tourism destination includes five steps : designing the digital campaign, selecting the digital platforms, measuring the performance of digital platforms, evaluating the effectiveness of digital campaign, and making decisions [6].Perceived risks and social media constitute determining factors impacting upon online purchases [7].

An online presence does not guarantee consumer use or satisfaction. If the factors that influence website credibility can be identified, and if we understand how credibility perceptions influence online consumer behaviours, it will become easier to promote the development of websites that encourage online purchases [8]. E-service quality was found to be a two dimensional construct consisting of web site related attributes and service fulfillment related attributes. The service fulfillment related dimension was most significant antecedent of customer value and repurchase intentions. E-service quality dimensions had direct and

indirect effect on behavioral intentions. Web site related factors were significant antecedents of customer satisfaction and positive recommendation intentions. Value was not found to have significant effect on satisfaction. The study provided empirical support for the two factor e-service quality model wherein the effect of service fulfillment was to critical in influencing customers value perceptions and repurchase intentions [9]

Some research on OTA, including that conducted by Luh Sri Astuti (2015), showed that the benefits of using OTA include increased villa occupancy, price adjustment, direct payments, villas becoming more popular, and guests' satisfaction with the villa services having implications for guest repeaters. Another study by Isti Khomah [10] produced empirical evidence showing that collaborating with OTA has more advantages over the losses: (1) being able to help hotel managers to increase hotel occupancy leading to increased revenue, (2) prices being able to be adjusted in season, (3) managers get payments directly, and (4) as promotional and sales media reach the whole world, if guests are satisfied they will potentially become a guest repeater and have implications for positive word of mouth (WOM). The present research conducted at star hotels in Sanur used a purposive sampling method to determine the samples from a number of star hotel: Inna Grand Bali Beach (5-star), Prama Sanur Beach Hotel (5-star), Fairmont Sanur Beach Bali (5-star), Mercure Resort Sanur Hotels (4-star), Prime Plaza Hotels (4-star), Segara Village (4-star), Inna Sindhu Beach Hotel (3-star), Tandjung Sari Hotel (3-star), Griya Santrian Hotel (2-star), Puri Dalem Hotel (2-star), Abian Srama Hotel & Spa (1-star), and La Taverna Hotel (1-star). Purposive sampling was determined based on job position of the two departments (Front Office Department and Sales and Marketing Department) in the hotel, namely the level of manager, supervisor and staff with a total of 72 people. The quantitative portion of the research was supported by a qualitative approach. The quantitative approach was used to investigate the factors that influence hotel managers in using OTA as a marketing medium and the most dominant factor which influences hotel managers to use OTA as a marketing medium in star hotels in Sanur. Roscoe in Sekaran claimed that a good sample size is 5-10 times the number of variables or indicators in the study. This study used 14 indicators so that referring to the criterion of 5-10 times the number of indicators, the sample size ranges from 70-140 respondents to fill out the questionnaire[11].

III. RESEARCH METHODS

The design of the present research was quantitative supplemented with qualitative explanations. 7P marketing mix variable is broken down into 14 indicators in the questionnaire, namely: Product: variations in room type (PRO1), reservation features (PRO2), Price: commission (PRI1), room price flexibility (PRI2), Place: effectiveness of distribution channels (PLA1), market segmentation (PLA2), Promotion: effectiveness of room promotions (PROM1), branding (PROM2), People: cooperation within hotels (PEO1), skills of OTA customer service officers (PEO2), Process: booking rooms (PROS1), occupancy rates (PROS2), Physical evidence: OTA site design (PSY1), as well as hotel facilities and information (PSY2). The Likert scale used was the following: Score 1 Strongly Disagree, Score 2 Disagree, Score 3 Neutral, Score 4 Agree and Score 5 that states

Strongly Agree. Using the validity and reliability test the minimum requirement to be considered fulfilling the requirements is if $r = 0.3$. So, if the correlation between items with a total score of less than 0.3, the items in the instrument were considered invalid. With the reliability, the instrument coefficient should be at least 0.6 [12]. Then a factor analysis was conducted, Hair et al. states that factor analysis can be obtained if the value of the Measure of Sampling Adequacy (MSA) for each item is greater than 0.50. If there is one or more items having an MSA value of ≤ 0.50 , then the item is not feasible to be included in the factor analysis and items with the smallest MSA are eliminated and factor analysis was repeated.[13]

IV. RESULT AND DISCUSSION

It was found that 32% (32.05%) sales of star hotel rooms was derived from OTA, 26.89% from Travel Agents and 20.69% from Direct booking, and the rest was from hotel and other websites. Meanwhile, the use of OTA types in star hotels in the Sanur tourist area of Denpasar City using Booking.com [14] and Agoda occupy the top two ranks. OTA is one form of digital marketing communication which is widely used in star hotels in Sanur. The popularity of OTA can be seen from the many hotels [14] using OTA, evident from the fact that 32.05% of 12 star hotels in the Sanur tourist area where room sales were derived through OTA. 12 of these hotels were chosen by hotel managers, with the most widely used percentage being Booking.com (72), Expedia (72), Agoda (69), Traveloka (47), Tiket.Com (44) and others Hotels Beds, GTA, C-Trip and Pegi-Pegi. Reliability levels of 14 indicators can be seen in the value of Cronbach's Alpha if Item Deleted. PRO1 indicator = $0.803 > 0.6$, thus the indicator is considered reliable. The average value of Cronbach's Alpha for reliability levels of all indicators is $0.822 > 0.6$. All indicators tested have a value of > 0.6 , so the indicator is reliable. It can be concluded that the 13 indicators used in the study are valid and reliable, so the analysis can be continued, namely by using factor analysis. There are three factors that have an Eigenvalue value that is greater than 1, while other factors have a value of less than 1. Next, factor rotation was carried out to facilitate the interpretation of factors. The varimax method is used for factor rotation because it can minimize the indicators having a higher value of loading factor for each factor. Since there was a correlation between each indicator and the subsuming factor, the next step can be done by rotating factors to see the contribution of each indicator to the resulting factors. The factor name selected was the highest loading factor value for each factor. Promotion factors are determined based on the highest loading factor values, namely hotel facilities and information with a percentage of variance of 23.668%.

The Use factor of OTA was determined based on the benefits obtained, such as increasing cooperation within hotels, where the percentage of variance for this factor was 21.169%. The Hotel Operational Ease Factor was determined by the ease of determining room prices or flexibility, i.e. with a percentage of variance of 18.960%. Explanation of each of the names of these factors are as follows: a) Promotion Factor: Promotion was one of the most important factors for star hotel managers in the Sanur area when using OTA. OTA as a form of digital marketing communication makes hotels reach consumers without time and space through cyberspace.

Hotel facilities and information have the highest loading factor value with a percentage of variance of 23,687%. Promotion is an event to introduce products and advantages and benefits obtained by consumers, in addition to being an effort to develop markets.

The availability of photos of room facilities, hotel facilities and other information related to hotel products listed on the OTA website is easier for consumers to see, so that the completeness can make it easier for consumers to choose accommodation as desired. The highest contribution to occupancy rates in star hotels in Sanur also comes from OTA. This shows that OTA can be an effective form of promotion. b) OTA Benefit Factors: market segmentation was one of the benefits felt by star hotel managers in Sanur when using OTA, by having the highest loading factor value with a percentage of variance for that factor amounting to 21.169%. The success of the company is of course very dependent on its customers, starting from who the customer is, what the characteristics of the customers which will influence the buying process, to how the customer's purchasing power is determined by service market segmentation. Consumers who book rooms through OTA certainly come from various parts of the world, both young and old. OTA can provide benefits for hotels in segmenting the market. Segmentation can help hotel managers to gain a competitive advantage against competitors. Managers can see the characteristics of tourists who book rooms through OTA, such as geographical, demographic, psychographic and volume segmentation. These benefits can facilitate managers in providing services and considerations in making decisions that have the goal that tourists are satisfied to stay at the hotel. And lastly c) Convenience Factor:

Flexibility in determining room prices had the highest value of loading factor, which was the percentage variance of the factor of 18.960%. The price of a product or service that is determined for a certain time, can be adapted from time to time, market conditions, opportunities, and various other desires (Hasan, 2015: 183). OTA makes it easy for managers to manage prices, both during low season, high season and peak season.

OTA also provides a feature to set special prices for consumers who book rooms by last minute and early bird. The convenience provided can help managers to maximize room sales through OTA.

V. CONCLUSION

The choice of OTA is determined by three factors, namely the first factor is the promotion factor: OTA as a form of digital marketing communication makes hotels able to reach consumers without any space and time through cyberspace. Hotel facilities and information had the highest loading factor value with a percentage of variance of 23,687%. Promotion is an event to introduce products and advantages and benefits obtained by consumers, in addition to being an effort to develop the market. The second factor is the benefit factor of OTA: market segmentation was one of the benefits felt by star hotel managers in Sanur in using OTA, by having the highest loading factor value with a percentage of variance for that factor of 21.169 %. Meanwhile, the third factor is convenience: Flexibility in

determining room prices had the highest value of loading factor, namely the percentage variance of the factor of 18.960%. The price of a product or service which is determined for a certain time, can be adapted from time to time, market conditions, opportunities, and various other desires. Managers can set prices, both during low season, high season and peak season. OTA also provides a feature to set special prices for consumers who book rooms by last minute and early bird. The convenience provided can help managers to maximize room sales through OTA.

ACKNOWLEDGMENT

This research was fully funded by the Indonesian Ministry of Research, Technology and Higher Education through the Bali State Polytechnic DIPA Budget through the 2019 flagship research scheme.

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