Green Hotel Promotion Strategy in Bali: A Study Using SWOT Analysis

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Abstract— Bali is a small island of extraordinary natural beauty and cultural appeal. This island's stunning qualities make it one of the world's most popular tourist destinations. According to TripAdvisor, Bali was chosen as the world's best tourist destination in 2021. Therefore, this study aims to identify several strategies for the development of green hotels in the hospitality industry in Bali. A theoretical base and relevant concepts of promotion mix were used, and the process of data collection was conducted by observation, interviews, and questionnaires from six green-certified 5-star hotels. They include Melia Bali, St. Regis Bali, Intercontinental Hotel, Conrad Bali, Mandapa Bali, and The Royal Pita Maha Resort. Furthermore, a purpose sampling was used to define the number of informants about 30 employees working at the managerial level. The evaluation of strategic factors used in this study integrated the SWOT approach with the Internal (IFEM) and External Factor Evaluation Matrix (EFEM). The results showed that the green hotel industry in Bali can be developed through 9 strategies. CHSE certificate as a promotion of hotel readiness to receive guests during a pandemic and using various media to reach guests directly are given the highest priority. Implementing a green business hotel in Bali and to increase its promotion, can be useful during and after the pandemic. The findings will assist policymakers and other stakeholders to examine current tourism issues and discover the most realistic and timely actions for the sustainable development of the tourism industry in Bali.

Keywords— green hotel; promotion strategy; SWOT; Bali

I. INTRODUCTION

Future development is most times extremely difficult to foresee and assure. Owing to this, various types of changes arising from the external and internal environment cannot be isolated from the company as some modifications having a negative impact can be inconvenient to the company, while others with a positive impact can help the organization. There are two factors that make environmental analysis important in strategic management which should always be conducted by top managers, namely: 1) the company does not stand alone but interacts with parts of the environment that change over time and 2) environmental influences are very complicated and complex can affect the performance of different parts of a company [1].

One of the external factors that affect the performance of the hospitality business is competition. Additionally, when there is more competition between the destination and the businesses involved, promotional efforts become more vital for the sustenance of the hotel industry. Therefore, establishing a planned promotional mix for green hotels, including the creation of awareness, public relations, trade system, sales incentives, and direct marketing, is very critical. The strategy's backdrop is connected to the search for breakthroughs in promotions, to target the expanding green market while also avoiding pandemic-related barriers. The following are the most important aims of promotional efforts for green hotels in improving its competitiveness: enlightening the target market,
training and educating consumers, and stressing the fulfillment of their social obligations [2]. Other objectives of hotel promotional activities include; increasing demand for hotel services, developing positive relationships with intermediaries such as offline and online travel agencies and tour operators, the readiness to implement new services and advancements to the market, improving and maintaining the hotel's market prestige, and growing revenue.

Promotion, along with product conception, development, pricing, and distribution, is considered one of the most important marketing activities [3]. It makes a product, company, person, or idea popular and accepted among the general public, especially within the target market. Furthermore, promotion has begun to pave way as one of the most prioritized aspects in the current highly competitive business economy as a result of; expanding geographic and cultural gap between producers and consumers, a rise in the number of consumers following population expansion, growth of markets due to high rates of revenue, improved competition as a result of alternative products, middlemen growing number, consumer needs and wants to evolve due to increased per capita income, customers' need for unique, high-quality, and distinguished products, seasonal variations in need, and building brand loyalty among consumers [4].

Promotional activities should therefore be granted by disbursing appropriate budgets as well as monitoring market changes, new projects, and adequately relaying the information to the entire staff. This will assist hotels in obtaining more anticipated advantages from promotional activities effectively and suitably, hence should be treated importantly. Hotels should follow effective and efficient promotional strategies to survive and provide high-quality services in the very competitive international business environment [4].

Bali is a favorite destination for both domestic and foreign tourists to take a vacation and also do business. However, tourism faces obstacles and challenges due to the pandemic in 2021. The Covid-19 pandemic has caused a very sharp decline for the world of tourism and the economy around the world, including this province. In addition to the current economic situation, the number of tourist visits has drastically reduced. Although the pandemic that occurred in 2020 to mid-2021 made it extremely difficult for tourism to grow, Bali was still chosen as the world's best tourist destination in 2021 and the most preferred tourist spot for the last 12 months according to TripAdvisor, which is the largest travel site located in the United States [5].

Bali has many well-known tourist attractions such as Kuta, Jimbaran, Nusa Dua, Sanur, Ubud, and many others. The natural beauty of this province such as Kelingking Beach, Lake, and Mount Batur, Sekumpul Waterfalls, and the vast expanse of rice fields in Jatiluwih make it a tourist spot that always provides new experiences in traveling. Additionally, Balinese culture and customs are still strong and tightly held by its people, who primarily adhere to Hinduism, allowing visitors to experience a new religious atmosphere each time they visit Bali. The presence of a hotel that is responsible to its employees, the local community, local culture, and the environment completes this province’s image as an environmentally friendly cultural tourism destination.

Therefore, this study aims to identify several promotion strategies for the development of green hotels in the hospitality industry in Bali.

II. LITERATURE REVIEW

2.1 Green hotel

A green hotel is defined as a resort with policies and practices that promote sustainable living [6]. These include ecologically friendly hotel management practices, land conservation, adequate use of building material, controlled energy consumption, water efficiency, air quality, and waste management. Green hotels, for the most part, decrease environmental effects and energy utilization while delivering goods and services to consumers. It is characterized by a program that promotes employees and consumers to save water and energy, as well as decrease waste and its environmental effect.

These hotels place a high value on security, wellness, and environmental friendliness. In this aspect, security refers to a focus on public and food safety, while wellness refers to the supply of products and services that benefit customers physically and mentally. In terms of environmental friendliness, green hotels seek to decrease pollution, save energy, and limit the number of resources used during its operations. There is yet to be a clear agreement on the standard or exact definition of a green hotel. However, with the involvement of management practices, the terms; eco-efficient, green, and environmentally friendly hotels are interchangeable internationally. According to the previous study, green hotels strive to provide services that are environmentally friendly by effectively utilizing energy, water, and raw materials [7].

Green hotels actively explore possibilities for business growth in the market and take the necessary steps. To leverage on market opportunities and prevent market threats, a study was conducted to provide recommendations and identify growth strategies for green hotels [8].

Market opportunities and strengths of green hotels are listed as follows:
1. Lower procurement prices for resources and energy usage
2. Lower waste processing prices
3. Opportunities to attract new green customer groups
4. Provision of a safe and convenient work environment
5. Reduction of employee risks concerning health or security problems
6. Improvement of employee morale, which reinforces the provision of high-quality service
7. Improvement in relationships between the hotel and neighboring communities
8. Improvement of market image

Hotels that do not implement appropriate environmental protection measures may maintain the following market losses:
1. Loss of market shares attributable to a damaged market image
2. Loss of attractiveness
3. Risk of legal consequences caused by regulation violations amid the passing of stricter environmental protection regulations
4. Reduced employee loyalty leading to a higher turnover rate
5. Lack of preparedness leading to an inability to respond to increased operational costs

Manaktola and Jauhari recognized low pollution generation, energy conservation, and the application of regenerated and recycled materials as the main principles for green hotels operation [8]. In general, the hotel industry's expansion and operations impede sustainable development since they involve high consumption of natural resources, as well as generate a significant amount of waste and substantial water contamination. Hotels all over the world have paid increasing attention to environmental preservation in recent years and have taken appropriate steps to reverse the present pollution trend. Green hotels have become an international trend as some companies fulfill their corporate social responsibility by using such measures [8]. The hotel adopts environmentally responsible practices (ERPs) to reduce their adverse environmental impacts, which may include compliance to sustainable environmental standards and policies, improvement of environmental protection practices, use of protection seals and management systems, and consideration of environmental factors [9]. Cost savings, resource conservation, enhanced customer retention rates, and customer loyalty are some of the advantages that ERPs may provide to businesses. Another advantage is that staff morale improves, which strengthens the company's image. Various ERPs in the hotel industry have been explored in studies [10].

2.2 Promotion mix

Promotion mix is a particular activity including advertising, sales promotion, public relations, personal selling, and direct marketing that is used by a company to introduce and persuasively communicate with customers. This combination of promotion is designed to make the customers satisfied and achieve the company goals [11]. Marketing mix is a strategy of combining activities to produce satisfactory results [12].

There are 5 components of promotion mix, such as:
1. Advertising. Advertising is a form of delivery that is conducted through a designated sponsor [11]. It excels at raising awareness, convincing, informing, and reminding people [13]. The goal of hotel advertising is to bring the services of the hotel to the attention of new and existing clients. Furthermore, exterior signage, in-room signage and materials, pamphlets, radio or television commercials, internet banners, direct mailing, e-mail messages, yellow pages, franchisor-supplied advertising vehicles, billboards, and personal contact are some of the methods used in the advertisement [14].

2. Sales promotion. Similarly, sales promotion is a short-term incentive to support the product purchase or sales [15]. The main characteristic of sales promotion is to offer lower prices, provide quick responses, to get faster sales [16]. This promotional tool is used by a company to make the customer buy more and faster [17]. Furthermore, some alternative sales promotions that can be conducted are by giving discounts, gifts, extra free products, and games [18]. Sales promotion can be in many models such as discounted prices when the low seasons, bonus coupons for an ala carte restaurant, complimentary familiarity tours, giving additional services and facilities for free.

3. Public relation and publicity. Public relations functions to foster good relations between all components in an institution to provide understanding, foster motivation, and goodwill of the public. Furthermore, public relations include various activities that are designed to promote and build a positive public image of the company [19]. Publicity serves as a specific objective, such as launching a new product or lowering the public perception of a negative issue. It may also be utilized for a variety of reasons to improve a range of disciplines of the company's operations [20].

Public relation is a non-personal form of communication aimed at influencing the behaviors, feelings, and perspectives of customers, non-customers, stockholders, suppliers, employees, and political bodies toward a company [21]. The goals of public relations for hotels as marketing mix instruments are to (a) save business activities, (b)
generate financial support, (c) increase both public and market respect, (d) increase public support and trust, (e) improve positive attitudes toward themselves, (f) increase demand, (g) establish good interactions with the employee, (h) create employment offers, and (i) to improve relations with the society. The operations of public relations in tourism are applied to enhance the effectiveness of advertising and sales promotion efforts or to establish a favorable destinations image, tourist companies, hotels, and other tourism merchandise.

4. Personal selling. Personal selling is a direct conversation with one or more potential customers to create a sale. It is the right promotional media for companies to build good relationships with their customers. Furthermore, it is regarded as a sales force, and it involves private communication with the target market, intending to inform and convince consumers to acquire a product. Personal selling objectives differ considerably based on their positions in the long-term process of unifying communication. These include: (a) finding, informing, and convincing potential customers to purchase, and (b) keeping satisfied (ultimately loyal) customers through follow-up service after the sale.

5. Direct marketing. Direct marketing aims to get immediate responses and foster lasting customer relationships. It is conducted through social media because people spend a lot of time playing social media. There are some examples of direct marketing which include; catalogs, the internet, channels television, and other written as well as verbal media. Direct marketing allows businesses to communicate a wide range of information about their products to their customers. They entice people to buy with unique offers to get an advantage in selling straight to customers. Hotels are not restricted from utilizing direct marketing as a promotional strategy in today's highly competitive business world. For instance, hotels employ holiday channels, websites, and other customized web pages to carry out direct marketing as a promotional tool.

2.3 Strategy

Strategy is the concept of how a company regulates itself with all activities to run a business successfully by competing and providing returns to its stakeholders. Furthermore, it is a company plan and reflects a company's awareness of how, when, and where it should compete in the face of opponents and with what goals and objectives. It is also seen as a process of making decisions and taking actions, beginning from the top management and implemented by all levels to achieve the goals.

III. RESEARCH METHODOLOGY

This study aims to identify several promotional strategies for the growth of green hotels in Bali hospitality sector. These strategies were studied using a theoretical foundation and related ideas. The process of data collection was conducted by observation, interviews, and questionnaires from six green-certified 5-star hotels, which include; Melia Bali, St. Regis Bali, Intercontinental Hotel, Conrad Bali, Mandapa Bali, and The Royal Pita Maha Resort. The number of informants of about 30 employees working at the managerial level was determined by purposive sampling.

To evaluate strategic considerations for the decision, this study integrated the SWOT technique with the Internal (IFEM) and External Factor Evaluation Matrix (EFEM). Two primary categories were used in the SWOT analysis: (1) Analyzing internal factors: which involves assessing the internal environment's relevant strengths (S) and weaknesses (W). Strengths and weaknesses were aspects in the system which enabled or hindered the organization's objective achievement, respectively. (2) Examining external factors: Involving the examination of the external environment for relevant opportunities (O) and threats (T). Additionally, opportunities and threats were viewed as exogenous factors that enhanced or hindered the system's ability to achieve its objectives. A panel discussion weighed and scored these factors, and the final score was calculated. The scoring procedure for S and W is elaborated in the next section:

1. The factors were given a coefficient between 0 and 1, standing for “not important” and “most important”, respectively. This coefficient represents the relative significance of the factor in success rate and is represented by the term “weight in the IFEM”. Even though each factor is considered as an internal strength or weakness, the more effective the factor in green hotel development is, the higher the allotted weight will be.
2. Every factor was scored between 1 and 4 where 1, 2, 3, and 4 stand for fundamental, minor, strength, and great strength respectively. These scores were based on the activities held in the hotel sampled.
3. To find out each factor's final score, the weight was multiplied by the score.
4. Once every factor's total score was calculated, they were summed to find out the total final score of IFEM.
5. The interpretation suggests that when this score was less than 2.5, it indicated that strengths were outweighed by weaknesses, and when it was greater than 2.5, strengths exceeded weaknesses.
These scoring procedures were also performed for EFEM and the interpretation of the value was that when the score was less than 2.5, it indicated the opportunities were less than threats, and when it was more than 2.5, opportunities exceeded the threats [27].

IV. RESULTS AND DISCUSSION

A. Analysis of Internal and External Factors

Based on the questionnaire survey results, a SWOT analysis was conducted through an internal and external factor evaluation matrix to determine priorities.

1. Internal Factors Evaluation Matrix (IFEM).
   Regarding strengths and weaknesses, a total of 13 factors selected and surveyed were weighted for the IFEM. The weights given to the 11 strengths ranged between 0.0712 and 0.0873. Meanwhile, CHSE certificate as a promotion of hotel readiness to receive guests during a pandemic and using various media to reach guests directly are given the highest priority. In contrast, the 2 weaknesses were given a weight range between 0.0511 and 0.0622. Collaboration with green Instagram celebrities to attract green market and reduce personal selling activities due to pandemic regulations are given maximum weight, and the total IFEM weighted level was 3.1909. The IFEM results are summarized as an internal factor evaluation matrix in Table 1.

Table 1. Internal Factors Evaluation Matrix (IFEM)

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weight</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Using various advertising media</td>
<td>0.0850</td>
<td>3</td>
</tr>
<tr>
<td>2. Conduct regular online advertisements through social media</td>
<td>0.0839</td>
<td>4</td>
</tr>
<tr>
<td>3. Offer gift discounts</td>
<td>0.0834</td>
<td>3</td>
</tr>
<tr>
<td>4. Provide discounts of up to 60% to attract guests to make reservations</td>
<td>0.0712</td>
<td>3</td>
</tr>
<tr>
<td>5. Create various product packages to attract guests</td>
<td>0.0756</td>
<td>3</td>
</tr>
<tr>
<td>6. Create special government package rates</td>
<td>0.0856</td>
<td>4</td>
</tr>
<tr>
<td>7. Using various media to reach guests directly</td>
<td>0.0862</td>
<td>3</td>
</tr>
<tr>
<td>8. Respond quickly for direct sales</td>
<td>0.0712</td>
<td>3</td>
</tr>
<tr>
<td>9. Provide various discounts through direct sales</td>
<td>0.0712</td>
<td>3</td>
</tr>
<tr>
<td>10. Publicize green hotel practices</td>
<td>0.0839</td>
<td>4</td>
</tr>
<tr>
<td>11. CHSE certificate as a promotion of hotel readiness to receive guests during a pandemic</td>
<td>0.0873</td>
<td>4</td>
</tr>
</tbody>
</table>

Weaknesses
1. Collaborate with green Instagram celebrities to attract green market | 0.0622 | 2 |
2. Reduce personal selling activities due to pandemic regulations | 0.0511 | 1 |

Total 3.1909

Source: Compile from the survey

2. External Factors Evaluation Matrix (EFEM).
   Comparable to IFEM, 9 external opportunities and threats were weighted, of which 4 were opportunities and the remaining 5 were threats. Events organized by the government and opportunities to do promotions because many people want to go on vacation get maximum weight as opportunities. In contrast, there is decreased economy since the pandemic and many competitors offer the same special package that receives the highest weight as threats. The total number of all EFEM is 2.4423, and the analysis is presented as an external factor evaluation matrix in Table 2.

Table 2: External Factors Evaluation Matrix (EFEM)

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Weight</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Opportunity to do promotions because many people want to go on vacation</td>
<td>0.1136</td>
<td>4</td>
</tr>
<tr>
<td>2. Events organized by the government</td>
<td>0.1255</td>
<td>4</td>
</tr>
<tr>
<td>3. Bali is part of the travel bubble</td>
<td>0.1039</td>
<td>3</td>
</tr>
<tr>
<td>4. Technological updates facilitate promotional activities to any platform</td>
<td>0.1017</td>
<td>3</td>
</tr>
</tbody>
</table>

Threats
1. The economy was decreased because of the pandemic | 0.1169 | 2 |
2. Domestic tourist visit rate to Bali has decreased due to the pandemic policy | 0.1071 | 2 |
3. Foreign tourist visit rate to Bali has decreased due to the pandemic policy | 0.1082 | 1 |
4. Many reservations have been canceled due to government regulations regarding the pandemic | 0.1093 | 1 |
5. Many competitors offer the same special package | 0.1136 | 2 |

Total 2.4423

Source: Compile from the survey

B. SWOT Matrix and Strategy Formulation

The SWOT matrix is supplemented by external and internal elements [28], which after selection, evaluation, and identification of their relationships, using the SWOT analysis, lead to the rise of four kinds of techniques, showing the need for its successful utilization in the construction of green hotels. Strong relationships between strengths and opportunities (S-O), for example, can indicate the good health of the Bali hotel industry and allow aggressive methods to be used. Strong interactions between weaknesses and threats (W-T) are, on the other hand, possibly seen as a possible warning and recommendation to employ defensive tactics and decrease internal weaknesses to prevent external dangers [29]. Subsequently, significant relationships between strengths and threats (S-T) can allow for the use of a variety of tactics. Strong interactions between weaknesses and opportunities (W-O) are examined to ascertain if review or overview methods are applicable. Table 3 shows the outcomes of this stage.

The weighted rating of IFEM was 3.1909 and EFEM was 2.4423, which means that strengths were more than weaknesses. This is the power and opportunity that dominates the green hotel in Bali and the industry is still growing well. From this discussion, it can be generalized that a well-developed and sustainable green hotel industry will benefit society and the environment.

From the total weighted value of IFEM and EFEM, S-O strategies will be suitable to improve the
green hotel industry in Bali. The suggestive S-O strategies are as follows:

1. Optimizing special government packages in the event field
2. Develop a family package for a vacation at a green hotel
3. Develop work packages from green hotels
4. Create discount packages for specific target markets
5. Strengthen hotel green practices to increase green brand awareness
6. Utilize the CHSE certificate as a promotion of the hotel’s readiness to receive guests
7. Create a 60% discount promo for local and domestic markets with the green hotel package
8. Create a representative agent in Jakarta to maximize direct selling to the government market
9. Cooperate with the Ministry of Tourism and Creative Economy and Ministry of Environment & Forestry by holding an event about green globe awareness

It should be emphasized that the S-O approaches listed above were proposed based on the outcomes (in 2021), and they are temporary solutions. However, due to the environment (internal and external) being a dynamic factor, changes must be investigated [28], and approaches in varying periods should be accessed via thorough study relating to changes in the internal and external environment.

Table 3. SWOT Strategies

<table>
<thead>
<tr>
<th>External Factors</th>
<th>Internal Factors</th>
<th>Weaknesses (W)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Using various advertising media</td>
<td>1. Collaborate with green hotel practices to receive guests during a pandemic</td>
<td></td>
</tr>
<tr>
<td>2. Conduct regular online advertisements through social media</td>
<td>2. Reduce personal selling activities due to pandemic regulations</td>
<td></td>
</tr>
<tr>
<td>3. Offer free gifts to attract guests to make reservations</td>
<td>3. Create special government packages for special events</td>
<td></td>
</tr>
<tr>
<td>5. Create various product packages to attract guests</td>
<td>4. Create a special product package as a competitive advantage for hotel, facilities, benefits</td>
<td></td>
</tr>
<tr>
<td>6. Create special government package rates</td>
<td>5. Many reservations have been canceled due to government regulations regarding for pandemic</td>
<td></td>
</tr>
<tr>
<td>7. Using various media to reach guests directly</td>
<td>6. Many reservations have been canceled due to government regulations regarding for pandemic</td>
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<td>8. Respond quickly to direct sales</td>
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<tr>
<td>9. Provide various discounts through direct sales</td>
<td>8. Reduce personal selling activities due to pandemic regulations</td>
<td></td>
</tr>
<tr>
<td>10. Publicize green hotel practices</td>
<td>9. Create a special product package as a competitive advantage for hotel, facilities, benefits</td>
<td></td>
</tr>
<tr>
<td>11. CHSE certificate as a promotion of hotel readiness to receive guests during a pandemic</td>
<td>10. Many reservations have been canceled due to government regulations regarding for pandemic</td>
<td></td>
</tr>
</tbody>
</table>

V. CONCLUSION

This study reflects the first initiative of using the SWOT analysis in evaluating green hotels in Bali. It considers qualitative and quantitative analyses of green hospitality business practices as well as its strengths, opportunities, limitations, and threats to build a viable approach for future development. The current strengths as using various advertising media to conduct regular online advertisements through social media, often give discounts of up to 60% to attract guests to make reservations, create various product packages to attract guests. Also, they involve special government package rates, using various media to reach guests directly, respond quickly for direct sales, provide various discounts through direct sales, publicize green hotel practices, CHSE certificate as a promotion of hotel readiness to receive guests during a pandemic. Implementing a green business hotel in Bali and to increase its promotion, can be useful during and after the pandemic. This study findings will assist legislators and other tourism stakeholders in analyzing existing challenges and determining the most feasible and timely measures for the industry’s continuous development in Bali.

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