



Price Perceptions of Consumer Decisions to Stay (Study at 3 Star Hotels in Kupang City)

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Abstract – Classifying hotels, in this case, into star and non-star hotels, is necessary to provide information to guests who will stay at the hotel regarding the standard of facilities the hotel has. In Kupang City, the most frequent classification of star hotels is 3-star hotels, with a total of 7 hotel businesses, so the aim of this research is focused on the price variable offered and how much influence it has on consumers' decisions to stay at seven 3-star hotel businesses. The research method used is quantitative. Of the seven 3-star hotels in Kupang City, 20 people will be taken from each to be used as samples, so a total of 140 respondents will be used as samples, namely those who decided to stay at the hotel.

From the results of the questionnaire answers, it is known that the majority of guests who come to stay at 3-star hotels in Kupang City are 54% men and 46% women. 100% of respondents used standard hotel rooms. Most of the respondents work as entrepreneurs, as much as 43.57%, and as civil servants, as much as 42.86%. Most of them came to stay because they carried out tasks related to the government. Meanwhile, the results of data processing and analysis show that price has a significant effect with a coefficient of determination of 36.4%; the rest is outside the price variables examined in this research.

Keywords: perception, price, decision to stay

I. Introduction

A. Background

Based on the Regulation of the Minister of Tourism and Creative Economy of the Republic of Indonesia No. 53 of 2013 the classification of hotels is divided into star hotels which have a class classification consisting of (1 star, 2 stars, 3 stars, 4 stars, and 5 stars) and non-star hotels do not have a class classification and can be called as a jasmine hotel. This classification is needed to provide information to guests who will be staying at the hotel about what standard facilities are owned by the hotel.

[1] According to data from the Central Bureau of Statistics, the largest number of star hotel classification centers in Indonesia is the 3-star hotel classification with 1,443 business actors. A hotel is classified as a 3-star hotel if it fulfills the criteria [2] a minimum number of rooms is 30 standard rooms with a room area of 24 m², a minimum number of suites is 2 rooms with a minimum room area of 48 m², private bathrooms, air conditioning and windows.

[3] Research results in Xixi Ye *et al*, 2023 it was said, that in the past two decades, the revenue generated by the development of tourism has made the pricing model a hot topic for hotel industry economists. From a marketing perspective [4] Fandy Tjiptono, 2020, says that price is the only element of the marketing mix that provides income for the company compared to other elements of the marketing mix, besides that it is flexible so it can be changed quickly. [5] Some of the things that form the basis for determining the selling price in the hotel services business are the necessary costs, monitoring consumer tastes, and also the form of competition that occurs, when linked to competition [6] where hotel rates require serious solutions and require support for tourism actors to avoid unhealthy tariff wars where standardization of tariffs, in this case, minimum price standard limits and maximum price standards limits, needs to exist, so as not to make consumers confused or disadvantaged.

The increasingly advanced role of technology and information can make consumers quickly find out the various offers offered by the hotel. This is in line with the results of the study [7] Xinrui Wang *et al*, 2019 said that with the rapid development of social media and online booking technology platforms, it is commonly used in the hospitality sector. While Gatvilan *et al*, 2018 in [7] Xinrui Wang *et al*, 2019 stated that tourists are increasingly relying on online ratings to make accommodation purchasing decisions and the role of online reputation is becoming increasingly important in determining hotel prices.

Based on data from the Central Bureau of Statistics East Nusa Tenggara Province for Kupang City [8] The most classification of star hotels are also 3-star hotels with 7 hotel businesses (Neo Eltari, On The Rock, Sahid T-More, Ima, Kristal, Silvia, and Naka). These hotels are spread across the administrative area of Kupang City. Because the location of the seven 3-star hotels is in the city, these hotels can be classified as "city hotels" [2] city hotels are also referred to as "transit hotels" because it is usually occupied by business people who take advantage of the business facilities and services provided by the hotel. Seen from the location Hotel Sahid T-More and Hotel Neo Eltari Kupang are located close to Eltari Kupang International Airport, while Hotel Ima, Hotel On The Rock, and Hotel Kristal are located around Kelapa Lima Beach, Kupang City, Hotel Silvia, and Hotel Naka are located close to places shopping and offices.

The seven three-star hotels in Kupang City also promote their services via the Internet along with prices and the facilities offered to consumers. The average price of a 3-star hotel room for a standard room type ranges from around IDR 350,000 to IDR. 450,000 with the facilities provided by these 3-star hotels in Kupan City, although the prices offered will tend to go up if there are certain celebrations (seasonality).

B. Research problem formulation

Does the price have a significant effect on the guest's decision to stay and how much influence does it have on the guest's decision to stay at a 3-star hotel in the city of Kupang?

C. Research purposes

To find out the significance and how much influence the price has on the guest's decision to stay at a 3-star hotel in Kupang City.

II. Literature Review

A. Literature Review

[9] Perception is the process by which individuals select, organize, and interpret input and information to create a meaningful picture of the world. Perception does not only depend on physical stimuli but also stimuli related to the surrounding environment and the circumstances of the individual concerned.

[10] According to Alma Buchari, 2016 price is the value of an item expressed in money that has been agreed upon by the prospective buyer and seller to be exchanged for goods or services in normal business transactions. It continues that price can redistribute scarce resources. The scarcity of resources results in high resource prices, so that only customers who buy show willingness and ability. [11] Meanwhile, according to Kotler and Armstrong, 2018 price is one of the elements in the marketing mix that has an important role and even determines the success of a marketing activity with price indicators as follows:

- a) Prices are affordable by the purchasing power of consumers.
- b) Conformity between price and quality.
- c) Prices are competitive with other similar products.

Meanwhile [12] According to Dharmamesta & Irawan (2015) the factors that affect prices include the following: a) The state of the economy where The state of the economy greatly influences the price level prevailing during a recession. For example, during a period when there is a government decision regarding the exchange rate of the rupiah against foreign currencies, there will be reactions from the community, especially the business community, a spontaneous reaction to this decision is an increase in prices;

b) Supply and demand, in general, a lower price level will result in a greater quantity demanded, while a high price will encourage a greater quantity supplied;

c) Business competition and d) Costs incurred [13] By Jhon Mowen a purchase is the result where consumers feel they have a problem and then go through a rational process of solving the problem. Continued by [11] Philip Kotler and Armstrong purchasing decisions are actions of consumers to want to buy or not to the product.

- a) Willingness to buy after knowing product information.
- b) Decided to buy because of the most preferred brand.
- c) Buy because according to the wishes and needs.
- d) Buy because get recommendations from other people

B. Previous Research

[14] Rudi Hartono, 2022, "The Influence of Price and Location on Consumer Decisions to Stay During the Covid-19 Pandemic". The results of this study indicate that price (X1) has a dominant influence on consumer decisions (Y). Location and price have a significant effect on the decision to stay (Y) at the Kalianda Hotel, South Lampung.

[15] Gunawan Bata Ilyas, Heriyanti Mustafa, 2022, "Price, Promotion, and Supporting Facilities on Customer Satisfaction" The results of his research show that prices, promotions, and supporting facilities have a positive effect both simultaneously and partially at the Arita Hotel in Makassar. [16] Simpong, *et al.* 2022 "The Effect of Facility Aesthetics on Guest Satisfaction: The Case of Three Star Hotels in Kelantan" This study focuses on customer satisfaction, Facility aesthetics Servicescape involving 384 guests as respondents who have stayed at three-star hotels in Kota Bharu, the research instrument is a questionnaire with the multivariate analysis process. The results of the study provide evidence that there is a link between the aesthetics of the facility and guest satisfaction. Through these findings, it can be concluded that the servicescape through the aesthetic dimension of the facility affects guest satisfaction and has a significant effect on buying decisions.

B.Similarities and Differences Between Previous Research and This Research

The similarity in research [14], [15] with this research is that they both examine the independent variable, namely price, and the dependent variable, namely the purchasing decision variable, and also use quantitative methods, while research in [16] both examines guests who stay at a 3-star hotel. The difference is that in research [14], it has 2 independent variables besides price (X1), location (X2), and one dependent variable Y (consumer decision) or uses a multiple linear regression model. In research [15], besides the variable price (X1), there is also a promotion variable (X2), a supporting facilities variable (X3), and one dependent variable Y (consumer satisfaction). This research also uses a multiple linear regression model. In research [16], they examined the variables of

aesthetic facilities on guest satisfaction (X) and consumer satisfaction (Y). Meanwhile, the difference with this research is that it uses a simple linear regression model, namely one independent variable, price (X), and one dependent variable, the decision to stay (Y).

Based on the definitions of the experts and some previous studies related to this research, the following framework and research hypotheses were made

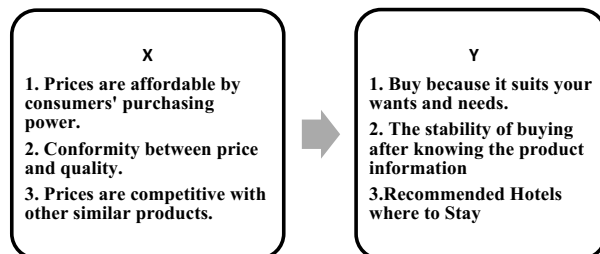


Figure 1 Variable Design and Research Indicators

Research Hypothesis: Price affects the decision to stay

III. METHOD

This research will use a quantitative research method where the characteristics of the quantitative method by [17] Sugiyono, 2018 say that quantitative methods have the goal of showing relationships between variables, testing theories, and looking for generalizations that have predictive value. The location of this research is 7 3-star hotels in the administrative area of Kupang City. The population in this study are guests who come to stay at 7 3-star hotels. Because the population (guests who come to stay) from each hotel will vary in number, the researcher determines the sample in a way that each hotel takes 20 guests who want to stay for use as a sample so that 7 hotels obtained 140 respondents by accidental sampling. The questionnaire distributed must meet valid criteria if $r \text{ count} > 0.30$, and reliability $r \text{ count} > 0.60$. To see the results of whether there is an effect of price on the decision to stay using the ssps program version 20 if $\text{sig} < 0.05$ then the research hypothesis is accepted, namely price influences the guest's decision to stay whereas if the sig value is > 0.05 then the research hypothesis will be rejected. Meanwhile, the magnitude of the influence of price on the decision to stay will be seen in the results of the coefficient of determination.

The attitude scale used in this research is the Likert model attitude scale (1 to 5).

Table 1 Score Interpretation Criteria Average Value

No	Interval Class	Category
1	1,00 – 1,79	very bad / strongly disagree
2	1,80 – 2,59	not good/ disagree
3	2,60 – 3,39	fairly good/ fairly agree
4	3,40 – 4,19	good / agree
5	4,20 – 5,00	very good / strongly agree

IV. RESEARCH RESULT

The research instrument used in this study was a questionnaire and based on the results of the validity test using the ssps Windows 20 program which the author processed, the following results were obtained:

Table 2 Validity Test Result

Variable	Indicator	r count
Price (X1)	1	0.468
	2	0.517
	3	0.536
The decision to stay (Y)	1	0.556
	2	0.546
	3	0.597

Source: Windows 20 SPSS Result (processed by the author, 2023)

Based on the results of the instrument test, in this study the research instrument used was a known questionnaire for 3 price variable statements (X) consisting of 3 indicators, namely 1) affordable prices by consumer purchasing power with $r \text{ count}$ 0.468; 2) suitability of price and quality with $r \text{ count}$ 0.517; 3) competitive prices with similar products with $r \text{ count}$ 0.536, the three statement items are categorized as valid because their $r \text{ count}$ exceeds the critical r value which is greater than 0.30.

Whereas for the 3 variable items Statement of Decision to stay (Y) which consists of 1) buying according to needs and desires with $r \text{ count}$ 0.556; 2) The stability of purchases after knowing product information with $r \text{ count}$ 0.546; 3) Recommending hotels to other parties with $r \text{ count}$ 0.597, the three statement items are categorized as valid because their $r \text{ count}$ exceeds the critical r value which is greater than 0.30.

Table 3 Reliability Test Results for Variable X (Price)

Cronbach's Alpha	N of Items
.777	3

Source: Windows 20 SPSS Result (processed by the author, 2023)

From Table 3, it is known that the 3 questionnaire statement items for the Price Variable (X) have a Cronbach Alpha value of 0.777 which is greater than 0.60, so the questionnaire instrument used is reliable.

Table 4 Reliability Test Results for Variable Y (Decision to Stay)

Cronbach's Alpha	N of Items
.687	3

Sumber: Windows 20 SPSS Result (processed by the author, 2023)

From Table 4 above, it is known that the 3 questionnaire statement items for the Variable Y (Decision to Stay) have a Cronbach Alpha value of 0.777 which is greater than 0.60, so the questionnaire instrument used is reliable.

Respondent profile

Based on the calculation results of the questionnaire, it is known that the profile of the respondents is as follows

Table 5 Profile of Respondents based on gender

No	Gender	Amount	Percentage
1	Man	76	54%
2	Woman	64	46 %
Total		140	100

Source: result from questionnaire, 2023

Based on the results of calculating the questionnaire in Table 5 above, it is known that the respondents who visited 3-star hotels were 54% men and 46% women. From these results, it can be said that men travel more and stay at hotels compared to women.

Table 6 Profile of Respondents by Age

No	Age Range	Amount	Percentage (%)
1	17-26	18	12,86
2	27-36	53	37,86
3	37-46	55	39,29
4	47-56	14	10
Total		140	100

Source: Result from questionnaire, 2023

Based on the results of calculating the questionnaire in Table 6 above, it is known that the most traveling and staying at hotels is in the age range of 37-46 by 39,29 %

Table 7 Profile of Respondents by Occupation

No	Occupation	Amount	Percentage (%)
1	Government Employees	60	42,86
2	Entrepreneur	61	44,29
3	College Student	10	7,14
4	Housewife	9	5,71
Total		140	100

Source: Result from questionnaire, 2023

Based on Table 7 above, it is known that the profession of the most respondents is entrepreneurs by 44.29%.

Table 8 Purpose Of Stay

No	Purpose of Stay	Amount	Percentage (%)
1	There are tasks given by government agencies	54	38,57
2	There is a need to trade	52	37,14
3	To fill the holidays with family	34	24,28
Total		140	100

Source: Result from questionnaire, 2023

From Table 8 it is known that the needs that encourage respondents to stay at hotels more are tasks given by the government.

Discussion of research results

From the results of calculating questionnaires distributed to 140 respondents (hotel guests staying) in seven 3- star hotel businesses in the city of Kupang, apart from knowing the profiles of the previous respondents, we will then discuss the variables studied in this research.

For variable X (Price) with its three indicators, the highest average score is in indicator 1) affordable by purchasing power, has an average score of 4.00 in the "good" or "agree" category, meaning that respondents agree that the room prices offered are affordable by their financial capabilities. This indicator has the highest average value which can be caused by looking at the profile of

respondents from the results of this research questionnaire, in terms of work the majority of respondents are civil servants and entrepreneurs.

For indicator 2) Conformity between price and quality has an average value of 3.87, which is in the "good" or "agree" category, which means that the room price set is in accordance with the facilities contained therein. For indicator 3) Competitive prices with other similar products, the average value is 3.86, which is in the "good" or "agree" category, which means that the room prices offered by 3-star hotels in Kupang City are able to meet the respondents' standard needs and desires for staying.

For variable Y (Guest's decision to stay overnight) with its three indicators, the highest average value on indicator 1) Buys because it suits consumers' desires and needs, has an average value of 4.22, which is in the "very good" or "strongly agree" category, meaning that the respondent decided to stay in a 3 star hotel room in Kupang City because there is a need in terms of the need being carried out. For indicator 2) purchasing stability after knowing the information with an average value of 3.78, it is in the "good" or "agree" category, meaning that respondents, after knowing the information about the products and services offered by 3 star hotels in Kupang City, are sure to buy them. Meanwhile, indicator 3) recommended the hotel where he or she was staying, has an average value of 3.73, which is in the "good" or "agree" category, meaning that respondents can recommend 3 star hotels in Kupang City to other parties.

To answer the formulation of the research problem, namely whether price has a significant effect on consumer decisions to stay at three-star hotels in Kupang City, it can be seen in Table 9. The results of data processing using SPSS Windows 20

Table 9 Coefficient Test Results

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.545	.233		6.646	.000
X	.564	.063	.604	8.896	.000

a. Dependent Variable: Y

From the output of SPSS Windows 20, it can be seen that the significant value of 0.000 for the price variable is smaller than the alpha value of 0.05, so it can be concluded that accepting the research hypothesis that price influences the decision to stay at a 3-star hotel in Kupang City.

From the results of the coefficient table in Table 9, the regression equation can also be obtained, namely:

$$Y = a + bX$$

$$Y = 1.545 + 0.564X$$

It can be explained that Variable Y = Stay Decision variable whose value will be predicted from the Price Variable (X).

Constant (a) of 1.545 numbers or this constant can be explained that if the independent variable in this case Price (X) is considered fixed or the change is zero then the Decision to Stay (Y) will be 1.545. If these independent variables are not considered or increased and monitored, the decision to stay will be constant or even decrease.

Whereas (b) in this case the price variable coefficient of 0.546 is positive, which means that if there are efforts to increase the price variable in terms of increasing additional facilities for rooms, the decision to stay will increase by 0.564

Meanwhile, to find out how much influence the price variable has on the decision to stay variable, it can be seen in Table 10 of the following determination coefficient results

Table 10 Result Value Coefficient of Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.604 ^a	.364	.360	.39449

a. Predictors: (Constant), X

From Table 10 the value of the determination coefficient results can be seen that the influence of the price variable on purchasing decisions is 36.4%. The remaining 63.6% is outside of this study.

V. CONCLUSION

The perception of hotel guests who stay at 3-star hotels in Kupang City for the price variable has the highest average value on the indicator according to ability or purchasing power in the agree category, while the guest's perception of the overnight decision variable has the highest average value on the purchase indicator according to needs and falls into the strongly agree category.

From the results of this research, the price variable has a significant influence on consumers' decisions to stay at seven 3-star hotel businesses in Kupang City with a large influence of 36.4%, the remaining 63.6% is outside the variables of this research. The weakness of this research is that it only focuses on one independent variable, namely price, and also does not look at the type of room chosen by consumers, because 100% of respondents in this research used standard hotel room types. Some research variables that other researchers might want to examine include the variable role of hotel marketing personnel, promotion via online media and stay decisions for guests who choose superior or deluxe room types.

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