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# The Implementation of Marketing Mix to Increase Room Sales

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# ABSTRAK

Penelitian ini bertujuan untuk mengetahui pengaruh penerapan bauran pemasaran yang terdiri dari strategi produk yaitu, strategi promosi strategi harga, strategi tempat, strategi proses, strategi orang, dan strategi bukti fisik untuk meningkatkan penjualan kamar di hotel bintang 4 di Indonesia. Kuta, Badung. Untuk menjawab masalah yang ada diperlukan statistik pendukung yang diperoleh melalui observasi, wawancara, dan dokumentasi. Berdasarkan hasil penerapan strategi bauran pemasaran, diperoleh peningkatan penjualan kamar secara signifikan. Faktor bauran pemasaran adalah; strategi produk, dengan strategi produk manajemen hotel mampu meningkatkan penjualan kamar sesuai dengan yang dibutuhkan tamu; Strategi harga, ini tentang strategi untuk menetapkan harga yang tepat dalam segmentasi pasar; Strategi promosi, strategi ini menggabungkan teknik pemasaran melalui promosi oleh media sosial, promosi elektronik, dan publikasi publik; Place Strategy terdiri dari mengklasifikasikan saluran distribusi. Strategi masyarakat, strategi ini menyarankan beberapa strategi untuk mengembangkan pelatihan yang dapat meningkatkan kinerja kerja; strategi bukti fisik, menyarankan strategi pembenahan fasilitas hotel dan infrastruktur hotel.

Kata kunci : strategi, bauran pemasaran 7 P; s, penjualan kamar.

# ABSTRACT

This research aims to determine the effect of the implementation of the marketing mix consisting of product strategy are, price strategy promotion strategy, place strategy, process strategy, person strategy, and physical evidence strategy for increasing the room sales at a 4-star hotel in Kuta, Badung. To answer the existing problems needed supporting statistics obtained through observation, interviews, and documentation. Based on the result of the implementation of marketing mix strategies, it was obtained significantly an increase in the room sales. The marketing mix factors are; product strategy, by the product strategy hotel management able to increase the room sales in accordance with occurring the guest needed; Price strategy, it's about strategy is consolidating the technical of marketing through promotion by social media, electronics promotions, and any publics publishing; Place strategy advise some strategies for developing training that can improve work performance; physical evidence strategy, advise the strategy of revamping the hotel facilities and infrastructure of the hotel.

Keywords: strategy, marketing mix of 7 P;s, room sales.

#### INTRODUCTION

So many hotels were built in Bali in which one of them is a 4-star hotel the writers researched. The hotel is a resort with a traditional Balinese ambiance concept combined with eastern philosophy. The hotel has two types of rooms, are deluxe rooms and suite rooms. This hotel has facilities such as multipurpose meeting rooms and wedding facilities, spa, yoga studio, fitness center, children's club, two restaurants, and a swimming pool. This hotel has been operating for 3 years, the unique value creates visitors to stay overnight. But into two years, the management of the hotel saw problems are the sales are unstable, between room occupancy rates and room revenue.

There is a concern of implementing the sales strategy by the Sales & Marketing Department at the hotel, which causes guest visits (occupancy rates) to be unstable every month, so it gives a negative effect of company earnings; the discrepancy between income (hotel income) and the level of occupancy (room occupancy) at some point of sales revenue. to increase the level of room occupancy, the Sales & Marketing Department must be through the right price strategy without reducing the price value in the high season or peak season. By the existing issue, the hotel management hotel improves a marketing mix strategy. This marketing mix variable (Marketing Mix) consists of Product, Price, Place, Promotion, Process, Person, and Physical Evidence (7P). This variable influences the visitor's decision to choose the hotel to stay which is haring the volume of hotel room sales in the company (Asauri, 2013: 119). The Implementation of a marketing mix strategy at the hotel to increase the occupancy and income levels. Regarding the strategy to increase revenue and room occupancy according to Utama (2017: 22), the primary point of marketing attention is customer satisfaction. Consumer behavior is the study of how individuals, groups, and organizations, select, buy, use and dispose of goods, services, ideas, or experiences to satisfy their needs and wants (Kotler and Keller, 2012: 173).

To measure guest satisfaction the factors that must be considered are as follows: First the selling price factor, the selling price factors are very important objects to affecting the selling point of goods or services. The Second product is one of the factors are influencing the level of sales volume as an item or service offered by the company. The company product created whether it is in by following the level of consumer needs. Third Promotion is a company designed activities to provide information for leading other parties about the company concerned with the goods and services. Fourth, Distribution channel is the company activities to distribute the company product to the market quarries. The quality and quality of products is one of the factors to increase the sales volume. If the company can guarantee the quality of the product or service, customer loyalty will increase, and if the quality of the product offered is not good, consumers will turn to other products from other companies as well (Simanjuntak, 2013: 45).

## **RESEARCH METHODS**

Based on this case about the implementation of the marketing mix to increase the room sales at the hotel, this research has used for product, price, place, promotion, process, person, and physical evidence impact. It is comparable with the research done by Kadek Martika Puspita Sari and Ni Made Wulandari Kusumadewi (2016). This research creates seven factors of the marketing mix consist of X\_1 Product Strategy, X\_2 Price Strategy, X\_3 Promotion Strategy, X\_4 Place Strategy, X\_5 Process Strategy, X\_6 People Strategy, and X\_7 Physical Evidence Strategy. This research combined the seven factors of the marketing mix with data-based statistics by the months in 2017 until 2018.

#### **RESULT AND DISCUSSION**

The progression of room sales at the hotel around two years is unstable. The hotel management needs the right marketing mix strategy. The marketing mix strategy takes the seven factors are X\_1 Product Strategy, X\_2 Price Strategy, X\_3 Promotion Strategy, X\_4 Place Strategy, X\_5 Process Strategy, X\_6 People Strategy, X\_7 and Physical Evidence Strategy. These seven factors will analyze the correlation of the marketing mix factors and the room revenue. This result is expanding about equalize the marketing mix strategy into several variables and will be analyzed with quantitative descriptive statistics by SPSS program analysis (Siregar, 2013).

These analyze assembled the results of this research are; first multiple regression analysis. Based on regression analyzed obtained Y =  $4970197698.670 + 18,539 \times 1 + 0,204 \times 2 + 7,950 \times 3 + 8,148 \times 4 + 3,382 \times 5 + 15,530 \times 6 + 20,995 \times 7$  and the Multiple correlation analyzed is obtained with score value r^2 = 0,707. These results given the answer to this research are the room sales positive to correlate with the marketing mix variables. The regression analysis conveying the room sales increase the value of marketing mix, every unit of hotel expenses simultaneously affects to increase the room sales factors. F-test test obtained a score value of 0.841, which means that the marketing mix variable influences simultaneously the sale of rooms. The result of the hypothesis obtained through a score value is 0,002<0,05, it's

namely Ho is not delivered and Ha is accepted. By F-test analyze, "Ho is not delivered and Ha is accepted" was answered there is a simultaneously significant relationship between the variables of the marketing mix and room sales. The results of Multiple Linear Regression Analysis, answer the analysis of the dominant variable, which shows the highest marketing mix variable and the dominant variable is the product strategy variable of 60.3%; place strategy variable is 43.5%; the people strategy variable is 32,%; the physical evidence strategy variable is 32.1%, the promotion strategy variable is 22.8%, followed by the process strategy variable of 11.6%; and the lowest in the price strategy variable is 0.8%. The following is a marketing mix strategy that the hotel would like to develop to achieve its objectives of increasing hotel room sales.

The strategy of the marketing mix variable conducted by the hotel for increasing the selling or room or the room revenue take several parts such as:

## **Product Strategy**

Based on the analysis, product strategy has a positive influence on room selling progress. The product strategy is increasing the room sales strategy. The product strategy consist of product strategy as according to the guest need are, meeting packages, wedding packages, and packages stay at the hotel at regular events.

## **Meeting Package**

The hotel has to provide some package stay combine with a meeting package consists of two packages, are: residential full board meeting twin share occupancy and residential full board meeting single occupancy. The unique selling point of this meeting package product is there is a Taylor made product for guests who want to get facilities aside from the meeting package.

## Wedding Package

The hotel has to provide a wedding package to get the guests who want to have their wedding in Bali. By this strategy, the hotel can increase the room sales. The classification of wedding packages consists of, Silver Wedding, Golden Wedding, Platinum Wedding, and Diamond Wedding. In general, all wedding package has the same subject, is a stay package. The differences of wedding packages are; first Silver Wedding consists of facilities to stay in the pool access suite for two nights stay. Include special honeymoon room decoration, and the hotel also provided a dressing room for 3 hours of use; Second Gold Wedding facilities consist of bride and groom will get priority a two-night stay at the pool access suite with a honeymoon room decoration. The VIP room arranges in two deluxe rooms; Third Platinum Wedding facilities consist of the priority two nights stay in a pool access suite for brides with a honeymoon room decoration. Stay two nights in a deluxe room for every bride's parents. The VIP room arranges in two deluxe rooms.

#### **Regular Event**

To attract the general public with a category that travels during regular events, The hotel provides regular event packages along with attractive hotel stay packages. These packages are new year eve package, Chinese new year package, and Silent day package.

Based on the classification to maintain the hotel products the hotel management should have the right strategy to improve the product in the right/position. The Strategy conducted of the perfect timing strategy. Perfect timing strategies are consists of Product Launching, Product Growth & Product Decreasing. Product launching consist of printing promotional materials that have been designed, sales collateral, printing the entire design of promotional flyers, and making a soft copy. Second, conducting press releases on social media. The press release is a selling activity for all clients. By press release, all clients or guests will get the newest information about the hotel. Second Growth & Product Decreasing That is the strategy of maturing potential products to sells up, such as thrive a strategy for selling meeting packages and removing products that are not tradding for sale such as stopping the sale of a birthday package.

### **Price Strategy**

Price strategy is related to profit loss strategy. Profit loss strategy is a hotel management policy to drop out 0.5% profit to the Korean market. This strategy creates a direct contribution to increasing the room sales and other outlets on food outlet and improve some promotions by offering CULDIN packages (Cultural Dinner) at the same time by the profit loss strategy. Most recently the hotel has some price strategy to improve the room sales process are a discount, campaign, and stay pay system. The campaign price is a policy strategy. the stay pay system is only given to travel agents, corporate, and government that can contribute significantly to the sale of hotel rooms. These price strategies give effectively of hotel management to gives a policy of validity. the discount policy is given during the low season (01 January-30 May 2019), during high season (31 May-31 August). The price pattern for the campaign rate is given by

following the validity depending on the policies of the General Manager, while the stay pay system is valid for the same year as the sales agreement contracting, starting from April 1 of the current year - March 31 the following year. The pricing of competitors is extremely complex and intense as it is a result of several of calculations, research work, risk-taking ability and understanding of the market and the consumers. The hotel has a strategy to compare prices with competitors. The price comparison strategy aims to find out the lowest rates for other hotels as competitors.

#### **Promotion Strategy**

Based on the results of multiple regression analysis and variable multiple correlations analyzed, promotion strategy given a positive direction to increase the room sales. The hotel management improved a promotion strategy. The promotion strategy combined in a several strategy are, promotion of public relation media consisting of social media, embargoes media, and electronic kits. The second promotion by personal selling strategy to improved some selling point and affect in increasing the room sales. Hotel management take several personal selling techniques, are telemarketing, sales calls, site inspection, and sales trips. The third promotion consists of a press release, the Japan Matsuri Exhibition, table top (exhibition), and Rock and Run media and take promotional through the Sunday Market such as, "Renon Car Free Day". Fourth, promotion by business entertainment strategy consists of the complimentary stay, and vouchers stay. The promotion strategy determination system conducted by the hotel management of the hotel that has been able to contribute and increase the room revenue and room occupancy. The promotions have been carried out by the hotel are also able to increase a brand awareness and airing brands, so it's will presents the good impact for the hotel is in the fourth position of the best four-star hotel in the Sunset Advisor by Trip Advisor.

#### Place strategy

Based on the results of multiple regression test analysis and multiple correlation analyze, the place strategy variable has a positive direction for increase the room sales factors. the hotel expenses incurred to increasing the room sales through the place strategy of distribution channel expenses. Now the hotel has developed a strategy to get a good distribution channel. Through the distribution channel can get high room sales figures. Management determines the policy of sorting through and selecting distribution channels are the superior strategy in a sales strategy. To get a superior distribution channel there are several ways that management takes such as; First guarantee a commission to travel agents who have successfully promoted the hotel rooms. The superior travel agent will get commissions ranging from 15% -30%. Second, presenting corporate incentives programs. The corporate incentive program is valid for corporate that have contributed the highest value of room selling. This incentive program is a yearly commission for the corporate that able to provides the biggest contribution. The terms and conditions of corporate incentive program should be followed by corporate. This incentive program depends of revenue generated and will be deducted by government tax and service by 21%. For any effectivity cases, the hotel management will register the corporate and travel agent that have the highest prospects for any room selling, so the hotel can effectively and efficiently discharge the distribution channel expense and will create the stable room sales and if Noncontravenous travel agents, corporate and government agencies will be removed from the distribution channel of the hotel.

#### **Process strategy**

The results of multiple regression analysis and multiple correlation analyzed present the process strategy has a positive direction to increase the room sales factors. The result of statistic means that is expenses incurred for increasing the room sales are developments. The hotel already has an SOP (Standard Procedure Operational) accordance with their respective departments, starting with House Keeping department, Front Office department, FB Service department, FB Product department, Sales and Marketing department, Reservation department, Garden department, Finance department, Receiving, Purchasing department, Security department and HRD department. Attempt to increase the room sales, the hotel has developed an SOP (Standard Procedure Operational) for the hotel operations that are not effective, are in Sales and Marketing department and in the Front Office Department. SOP (Standard Procedure Operational) improved by the several parts of the strategy are, a strategy that is considered to be lacking in implementation by hotel management. The improvement of an SOP (Standard Operational Procedure) has a reference so if there is no more ineffectiveness in the implementation of operational procedures. The new procedure has been developed to be achieved by employees in accordance with the standard of operational procedures. The standard of work procedures at the hotel will continue to make some improvements. The aim is to obtain a more effective and efficient procedure for hotel operational.

## **People Strategy**

Based on the results of multiple regression analyze by multiple correlation analyze, people strategy has a positive direction for increasing the room sales. The result of statistic present the expenses incurred for increasing the room sales. The employees quality strategy is improved at the the hotel were through training programs and rewards. These programs were enhanced by the hotel. These master plans will create an employee in well performance and can be guaranteed by the quality of service that will affect the operational runs optimally. The quality strategy for employees is implemented through training programs. First, the training program aimed at the employees whose is not running well. Training is carried out with the demands of being professional, competent, and certified. Second Rewarding is an employee motivator to improve their performance. The reward is only improved to the employees if they have a good attendance graphics and have a good performance. The quality of strategy improved for employees is through training programs aimed at all departments at the hotel. The program is more focused on sales and marketing. For any intensive implementation the classifications of employee quality consist of the scheduling training program are twice every month and reward programs are held every three months.

#### **Physical Evidence Strategy**

Based on the results of multiple regression test analysis and multiple correlation test variable physical evidence strategy has a positive direction in increasing room sales. The result of statistic means that is expenses incurred for increasing the room sales consist of improving facilities and infrastructure. Physical evidence strategy is a revamping strategy for the overall facilities and infrastructure of the hotel during the low season. The expenses through the physical strategy during high season and peak season such as, avoided the damage of hotel facilities. The revamping strategy runs to reduce quest complaints against of hotel facility and avoid out of order rooms, so that room sales can be maximized in the high season and peak season periods. Settlement is in the form of checking the functions of hotel facilities on a regular basis, repairing swimming pools, especially on the ground floor of the swimming pool, changing sheet or duve that is not feasible to use, repairing air conditioners due to guest complaints in generate came from non-functioning air conditioners, as well as repairs to other facilities so that the high season and peak season periods are ready for use. Physical evidence strategy is a strategy to develop the hotel facilities and infrastructure of the hotel. This strategy is carried out by all employees in terms of hotel cleanliness.

Ingenerate the process of renovating and improvements conducted by the House Keeping Department, Engineering, and Garden which always maintain and supervise the hotel facilities and infrastructure to be neatly and beautifully arranged.

The marketing mix variable that has a positive effect is the highest marketing mix variable and the dominant variable is the most effective product strategy influencing the sale of rooms at the hotel due to the presence of Taylor made products. From tailor made product the guests can request other facilities excluded from the packages. This is what causes many business groups or leisure groups are interested in wondering to stay at the hotel.

# CONCLUSION

Based on multiple regression analysis and multiple correlation, the room sales are positively correlated with the marketing mix carried out by the hotel. The regression equation states that the addition of costs for marketing mix activities, each unit of cost simultaneously affects the increase in room sales. The strategy of each marketing mix variable carried out by the hotel will affect the increase in hotel room sales. The strategy implemented by the hotel. The results of this study answer the dominant variables that affect room sales, is product strategy. The product strategy that is carried out is through product development accordance with current business trends, namely meeting packages, wedding trends, namely wedding packages and Taylor made products. Tailor made a product that is a packaging product package where guests can request the type of room and or other needs outside the packages offered.

Based on the determination test, it was found that the marketing mix affected 70.7% of the increase in sales of the hotel rooms, this provided an opportunity for further researchers to conduct research at the hotel because the remaining 29.3% were there is no effect on the increase of the hotel room sales. It is estimated that the figure of 29.3% is influenced by other factors from external companies that are not examined, such as competitor analysis, travel warning, etc., because the marketing mix includes the company's internal strategy

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