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# Effect of Product, Price, Location and Tourism Promotion of Interest in Visiting Lake Toba Tourist Attraction

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## 1. Introduction

Many people hope that the tourism sector will be able to become a substitute for major foreign exchange suppliers after the declining role of oil and gas. The contribution of foreign exchange and employment in this sector is very significant for state foreign exchange earnings. In fact, it is estimated that in 2019 tourism has outgrown foreign exchange earnings from the palm oil industry in the form of Crude Palm Oil (CPO). The tourism sector is the easiest contributor to foreign exchange and gross domestic income (GDP) of a country. Because the derivative impact of investment in the tourism sector on GDP is indeed very large. This certainly has an impact on the Indonesian State as well.

Indonesia does have extraordinary abundant natural and cultural potential and truly deserves to be proud of as a "mining" tourism service industry that is not yet widely known. With this diversity of natural and cultural riches, tourism is expected to be able to do quality packaging. Utilization to the maximum must be engineered in such a way so as not to damage the buffer of natural and cultural wealth. Tourism should be able to optimally provide economic added value for each region that has the potential for tourism.

North Sumatra has tourism potential in terms of physical (natural beauty) and non-physical (historical, customs and regional uniqueness). To develop this tourism sector, things that should be of concern to the Government are not only how to attract tourist visits to the Province of North Sumatra, but also how to make the tourists intend to make a return visit to the Province of North Sumatra in the future and increase the tour time. This is important so that this industry becomes a sustainable industry.

Various steps have been taken by the Government of North Sumatra to improve the world of tourism in North Sumatra. It is expected that in 2010 - 2025, North Sumatra has 7 National Tourism Development Areas (KPPN), 1 (one) National Tourism Alliance (DPN) and 3 (three) National Tourism Strategic Areas (KSPN). The area that is a mainstay of tourism in





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North Sumatra Province is to establish Lake Toba as one of the National Tourism Destinations and Superior Tourism Destinations (DPU). The existence of Lake Toba with its natural beauty makes the surrounding area a priority object and tourist attraction (ODTW) in North Sumatra. Realizing this, the Government established the Lake Toba Region (KDT) as the National Strategic Area (KSN) in the tourism sector.

In the Lake Toba region there are several districts, such as: Karo, Dairi, Humbang Hasundutan, North Tapanuli, Toba Samosir, Samosir and Simalungun. As a tourist destination, the Lake Toba area is a very complete tourist attraction because it is not only rich with beautiful natural scenery, but also has a diversity of culture and history. The social life and exoticism of local traditions also attract tourists to visit.

One of the tourism promotion activities of the Lake Toba Region is to launch the Lake Toba Festival as a step to participate in domestic tourism competition. This activity aims to align North Sumatra as one of the tourist destinations of all provinces in Indonesia.

Based on data sourced from the Indonesian Central Statistics Agency, information is obtained that the level of Nusantara Tourist Visit Data in the Lake Toba region in 2014 to 2018 did not experience a significant increase, as well as it can be seen that in 2015 and 2016 decreased by 18.3%, things These can be seen in the following table.

Nusantara Tourist Visit in the Lake Toba Region in 2014 to 2018 did not experience a significant increase, at the same time it can be seen that in 2015 and 2016 decreased by 18.3%. In order to increase the number of tourists every year, the North Sumatra Tourism Industry requires marketing efforts. However, tourism marketing is very complex compared to the marketing of goods produced by other manufacturing companies commonly known to the public.

In terms of marketing, producers are usually faced with the problem of marketing mix. According to Tjiptono (2005), the marketing mix is a set of tools that marketers can use to shape the characteristics of services offered to customers, which include products, prices, places, and promotions.

Products according to Kotler (2008), are all things that can be offered to the market to get attention, be bought, used or consumed that can satisfy desires or needs. Products can be physical objects, services, people, places, ideas, organizations, or all forms earlier. Meanwhile, according to Yoeti (2005), tourism products are a number of facilities and services provided and intended for tourists consisting of three components, each of which are: resources and facilities contained in a tourist destination, and transportation that brings tourists from its place of origin to a particular tourist destination.

The product being marketed is closely related to the supplier that produces it, the agency, organization or tourism agency that manages it. Not only coordination is needed to market tourism industry products, but good cooperation between organizations responsible for tourism development with all parties involved and related to tourism activities is needed.

Price is an element of the marketing mix that is flexible, meaning it can be changed quickly (Tjiptono, 2005). Price is the amount of money needed to exchange various combinations of products and services, thus a price must be related to various goods and services, which will eventually be the same as something, namely products and services (Laksana, 2008). Coastal levies on Lake Toba is relatively expensive, ranging between 15,000-50,000, tourists can enjoy several beaches with different views because the distance between beaches is relatively close. Many residents of the surrounding areas use their homes to be used as food stalls, and not just visit the beach in one day, but several beaches are used by tourists to camp and establish tents.

according to Yoeti (2005), that "promotion is a key variable in marketing strategy planning and can be seen as an element to create market domination opportunities". Promotional elements used are arranged by the environment, especially by the conditions or conditions of tourist demand. Promotion carried out by the government of Samosir Regency in the coastal tourism sector is lacking and Simalungun Regency in the Parapat tourism sector, as evidenced by the absence of detailed information regarding the charm data of the coast or special architect that provides information about the beaches in Samosir. Billboards or advertising pamphlets in the capital of Karo Regency itself are felt to be lacking, even though Karo Regency is included in the path to Lake Toba tourist attractions.

This potential North Sumatra tourist attraction will be in vain if the product, price, location and promotion are not managed properly. Even if properly maintained, the tourism sector can become a large source of regional income in the long run. Interest is related to cognitive, affective and motoric aspects and is a source of motivation to do what is desired. Interest functions as a driving force to direct someone to do certain specific activities, furthermore the interest has the main characteristics of doing activities that are chosen by yourself and fun so that they can form a habit in a person.

## 2. Theory

## 2.1. Definition of Tourism and Tourists

Traveling has become a necessity for everyone to fill up their free time and be told of daily activities that are full of people. Traveling is a trip taken by someone outside of their place of residence. For more details, here is an understanding of tourism from several experts. According to the United Nations World Tourism Organization (UNWTO) quoted by M.Liga and Vanny (2015: 270) tourism is: "A person's travel and living activities outside his home and environment for no more than one year in a row for travel, business, or other destinations by not working at the place he visited. "

According to Krapf in Soekadijo, quoted by M.Liga and Vanny (2015) tourism is: "The whole network and symptoms related to the stay of foreigners in a place, with the condition that they do not live there to do an important work that benefits permanent or temporary".

From some of the definitions above it can be concluded that tourism is the activity of a person outside his residence for a tour, business or other destination and does not settle in that place.

### 2.2. Product

Philip Kotler, John T. Brown, James C. Makens explains in his book Marketing for Hospitality and Tourism (2009) the notion of a product is "A product is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need ". It includes physical objects, services, places, organizations, and ideas ". The definition in question is that a product or goods are created and offered to the market to be able to meet market needs and from these products the market or consumers get satisfaction. The relation between the understanding of the product and the component of the tourism product is that the component of the tourism product is a series of





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services that not only have economic aspects, but also social, psychological and natural aspects, even though the component of the tourism product itself largely influenced by economic behavior. Price

# 2.3.

According to Yoeti (2005: 145) price is one important element in the marketing mix, without product prices cannot be offered to consumers. What's the problem, at what price should a product be set? It is not easy to set the price of a product or goods, many factors need to be known before setting the price of a product.

Price is a measure of the size of the value of one's satisfaction with the product bought. (Gitosudarmo, 2014: 272). Someone will dare to pay for a product at a high price if he assesses the expected satisfaction with the product to be bought is high. Conversely, if a person evaluates that his satisfaction with a product is low, he will not be willing to pay or buy the product at a high price.

#### **Tourism Promotion** 2.4.

Promotion is part of the marketing mix. The function of promotion is to notify the product to be offered to potential tourists who will be the target market. Promotional activities should ideally be carried out on an ongoing basis through several media that are considered effective in reaching the target market both print and electronic media and preparing promotion materials (brochures, flyers, leaflets and the like) (Yoeti, 2002).

According to Morison (2002) promotion is a part of communication in marketing that provides information and knowledge to tourists in an informative and persuasive way.

#### 3. Method of collecting data

Data collection methods are used in this study in two ways, namely field research and library research. Primary data collection is done by:

- Field research. Field Research (fiels research) is research conducted by conducting direct observations on agencies 1. that are the object of research. To get primary data by:
  - a. The method of observation (observation) is a data collection technique by direct observation of the object being studied, observed or ongoing activities. In writing this report, the author made observations at the Office of Culture and Tourism of North Sumatra Province.
  - b. Interview (interview), namely the technique of collecting data obtained by way of question and answer directly with the parties directly related and competent with the problem that the author is careful.
  - Questionnaire, the questionnaire technique that the author uses is a closed questionnaire, a way of collecting data C. by giving or distributing a list of questions to respondents and the respondents in this study are Nusantara tourists, with the hope that they can provide responses to the list of questions.
- Library Studies (library research). Secondary data collection is done through literature studies or literature studies, by 2. studying, researching, studying, and studying literature in the form of books (text books), regulatory regulations, magazines, newspapers, articles, websites and previous studies which has a relationship with the problem under study.

#### 4 **Results And Discussion**

## 4.1. Effect of Prices on Interest in Visiting Lake Toba Tourist Attraction

Partial t value of the Price variable (X1) obtained results that is the value of tcount is 5.678 and ttable value is 1.660 so that tcount> ttable (5.678> 1.660) and sig value <0.05 (0.000 <0.05), it can be concluded that Price partially has a significant effect and is the dominant variable influencing the Interest in Returning to Lake Toba Tourist Attraction by 5,678.

The effect of the price of a product is also very important, if the price is low then the demand for the product offered is increasing and if the price of the product is higher then the demand for the product is lower. Determining the right price will get the most attention from consumers, if the price set by the company is right and in accordance with the purchasing power of consumers then the choice of products will be dropped on the product. The company sets the price because it is adjusted to the quality of existing products

Price is a way of life that is developed and shared by a group of people and is passed down from generation to generation. Culture is the most basic determinant of desire and behavior to get values, perceptions, preferences and consumer behavior.

The results of this study support the first hypothesis that price has a significant effect on purchasing decisions. The results of this study are consistent with research conducted by Hidayati (2011) research on "The Influence of Culture and Products on Consumer Purchasing Decisions in Modern Retail" shows that partially influences the purchase decision but the product influences. Whereas the simultaneous test shows that cultural and Product factors influence purchasing decisions in modern retail. Yohanes Suhari's research (2008) also proves this by showing that culture has a direct influence on purchasing decisions.

Thus it can be concluded that the hypothesis in this study, namely the price has a significant effect on the Interest in Returning to Lake Toba Tourist Attraction can be accepted and proven true.

#### Effect of Products on Interest in Visiting Lake Toba Tourist Attraction 4.2.

Partial t value of the product variable  $(X^2)$  obtained results, namely the value of tcount is equal to 4.064 and ttable value of 1.660 so that the value of tcount> ttable (4.064> 1,660) and sig value <0.05 (0.005 <0.05), so that it can it was concluded that the Product partially had a significant effect on the Interest in Returning to Lake Toba Tourist Attraction by 4.064.

In the case of a product a buyer will consider the quality of the product he bought, the buyer chooses a good quality product at an affordable price. Due to good quality products, of course, goods will be durable to use. The Product Class is a relatively homogeneous and permanent division of society that is hierarchically arranged and whose members share similar values, interests and behaviors





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The results of this study support the second hypothesis: Product has a significant effect on purchasing decisions. The results of this study are consistent with research conducted by Syah (2008) in "The Effect of Psychological Factors and Products on Computer Purchasing Decisions in Student Environments (case study on students of the Faculty of Economics, University of Brawijaya Malang)" shows that Products influence purchasing decisions.

Thus it can be concluded that the hypothesis in this study that the product has a significant effect on the Interest in Returning to Lake Toba Tourist Attraction can be accepted and proven true.

## 4.3. Effect of Location on Interest in Visiting Lake Toba Tourist Attraction

Partial t value of the Location variable (X3) obtained results, namely the t-count is 2.354 and the t-table value is 1.660 so that the t-count value> t-table (2.354> 1.660) and the sig value <0.05 (0.007 < 0.05), so that it can it was concluded that location partially had a significant effect on the Interest in Returning to Lake Toba Tourist Attraction by 2,354.

Location is defined as the characteristics of a person's promotion that is different from others which causes relatively consistent and long-lasting responses to the environment. Location system is a group of merchant agent companies that combine physical and name transfers of a product to create uses for the open market (Swastha and Irawan, 2002: 286).

Kotler and Armstrong (2008: 508) explain the location channel is a set of companies and individuals who take over rights or help transfer rights to the goods or services move from producers to consumers

This location variable will make the right target decision holders according to the company's vision and mission to realize the level of sales that are increasingly rising from period to period that can provide maximum benefits for the company. In addition, the location is used to facilitate the delivery of products to consumers and analyze potential areas for the long term in order to have a wider market share, which of course has a positive impact with an increase in the number of requests from customers so that sales volume will increase.

The results of this study support the third hypothesis: Location has a significant effect on purchasing decisions. The results of this study are consistent with research conducted by Wijaya (2007) in "The Effect of Location on Consumer Decisions in Buying a Suzuki Brand Motorcycle" shows that age, family life stages, and lifestyle have a positive effect on purchasing decisions. Personality can be a very useful variable in analyzing consumer brand choices (Kotler and Keller, 2009: 223).

The results of this study are the same as those of Salindeho, Hanny Aristanto (2014) who found that the Location channel has a positive and significant effect on sales volume at PT. Frastata Buana, Tbk. In addition, Damas Wahyu Nugroho's research (2015) also found that the Location channel had a positive and significant direct effect on sales volume in CV Book Printing. Bima Jaya in Surakarta

Thus it can be concluded that the hypothesis in this study that Location has a significant effect on the Interest in Returning to Lake Toba Tourist Attraction can be accepted and proven true.

## 4.4. Influence of Promotion of Interest in Visiting Lake Toba Tourist Attraction

The partial value of t from the Promotion variable (X4) is the result, that is the tcount is 2,172 and the ttable is 1,660 so that the tcount> ttable (2,172>1,660) and sig <0,05 (0,032<0,05), so it can it was concluded that the promotion partially had a significant effect on the Interest in Returning to Lake Toba Tourist Attraction by 2,172.

Promotion is a marketing activity other than selling by individuals, advertisements, and publicity, which encourages consumers to buy and encourages sales agent success, such as displays, shows, exhibitions, demonstrations and various sales businesses that are not continuous and are not routinely carried out.

Promotion as part of the influence of the environment in which he lives and lives in the present without ignoring the influence of the past or anticipation in the future. Promotion is one of the important factors, a buyer will be interested in buying a product if the offer or promotion is good and can attract the buyer's interest. Promotion of one of the marketing strategies that must be carried out so that the product being sold can reach information to consumers or the public. Thus the better the promotion to attract someone's interest, the purchasing decision will also increase.

The results of this study support the fourth hypothesis, namely promotion has a positive effect on purchasing decisions. The results of this study are consistent with research conducted by Frederecca and Chairi (2010) on "The Effects of Consumer Psychology on Blackberry Smartphone Buyback Decisions" showing that consumer psychological factors influence Blackberry smartphone repurchase decisions. Malaihollo (2007) in his research also found that cultural factors, products, location and psychology have an influence on purchasing decisions.

Thus it can be concluded that the hypothesis in this study that Promotion has a significant effect on the Interest in Returning to Lake Toba Tourist Attraction can be accepted and proven true.

## 4.5. Effect of Product, Price, Location and Promotion of Interest in Visiting Lake Toba Tourist Attraction

The Fcount value is 44.735 with a significant level of 0,000. Meanwhile, the value of F table at the 95% significance level ( $\alpha = 0.05$ ) is 2.464 where (Fcount> F table) so that 44.735> 2.464 and sig <0.05 (0.000 <0.05). Thus, simultaneously there is a significant influence between Product Factor, Price, Location and Promotion of Interest in Returning to Lake Toba.

Products such as reference groups, families and product role and status (Kotler and Keller, 2009: 217). A person's reference group consists of all groups that have a direct or indirect influence on the person's attitude or behavior. Groups that have direct influence on a person are called group memberships. Some membership groups are primary groups, such as family, friends, neighbors, coworkers, who interact with someone on an ongoing and informal basis. People also become members of secondary groups such as religious groups, professions and trade associations, which tend to be more formal and require less routine interaction

Price is the most important weapon of competition and even very important for companies because, price affects the total revenue for companies and managers of tourism services. Price decisions must be linked to product design, location and promotion decisions to form an effective marketing program.

Promotions that are increasingly interesting and often aired will increase sales volume. Promotion in the mass media, information from partners, and advertising by marketers will be able to encourage the creation of increasing the volume of Interest in Returning to Lake Toba. At the time of promotion carried out by the marketer after going through an evaluation of alternative purchases and getting the choice is in accordance with what is felt by consumers and in accordance with what is expressed in the promotion, then positive behavior for purchases will occur, and vice versa if after evaluation consumers





do not feel conformity with the contents of the promotion carried out, the behavior is not good for purchases will be given by consumers

The results of this study are supported by previous research conducted by Herdi Jayakusuma (131; 2011) with the research title "Analysis of Factors Affecting Consumers in the Decision to Purchase Sariwangi Teabags". From the results of the study note that there are eight factors that influence consumer behavior in purchasing decisions including product factors, price, location, promotion, individual factors and service factors have a significant influence

Thus it can be concluded that the hypothesis in this study, namely Product, Price, Location and Promotion has a significant effect on the Interest in Returning to Lake Toba Tourist Attraction can be accepted and proven true.

## 5. Conclusion

Based on the above research results, conclusions can be drawn including:

- 1) The product has a significant effect and is the dominant variable affecting the Interest in Returning to Lake Toba. This is indicated by tcount> ttable where 5.678> 1.660 and the significance value is smaller than the significance level value 0.05.
- 2) The price has a significant effect on the Interest of Returning to Lake Toba This is indicated by the significance value smaller than the significance level of 0.05 tcount> ttable where 4.064> 1.660 and the value of the significance value is smaller than the significance level of 0.05.
- 3) Location has a significant effect on the Interest of Visiting Back to Lake Toba This is indicated by the significance value smaller than the significance level of 0.05 tcount> ttable where 2.354> 1.660 and the value of the significance value is smaller than the significance level of 0.05.
- 4) Promotion has a significant effect on the Interest of Returning to Lake Toba This is indicated by the significance value is smaller than the significance level of 0.05 tcount> ttable where 2.172> 1.660 and the value of the significance value is smaller than the significance level of 0.05
- 5) Product, Price, Location and Promotion simultaneously have a significant effect on the Interest of Returning to Lake Toba, this is indicated by the value of Fcount> Ftable where 44.735> 2.464 and the significance is less than the significance level of 0.05.

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