

## Analysis of the effect of the promotion mix on room revenue at the Malang Tidar Tourism Hotel

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### ABSTRACT

The purpose of this research is to determine the effect of the promotion mix on room revenue and to find out which promotion mix has the most dominant effect on room revenue. This research is expected to be useful for the authors, the Hotel Wisata Tidar, and other competent parties. The results showed that only the personal selling variable had a very significant effect on room income, while the advertising variable had a less significant effect on room income, so this variable was omitted (due to multicollinearity symptoms). The development of Indonesia's tourism world continues to increase from time to time which can be seen from indications of an increasing number of tourists visiting tourist destinations in Indonesia, which are famous for their natural beauty, friendliness of the people, and cultural diversity. Along with these developments, many hotel businesses that provide lodging services and other supporting services have sprung up. Hotel Wisata Tidar as one of the hotels in the city of Malang, also takes part in the development of the hospitality business in Indonesia. In carrying out its operations, Hotel Wisata Tidar also tries to compete as optimally as possible, even though it is still a newcomer. In an effort to promote itself, Hotel Wisata Tidar uses 2 (two) promotional mix media, namely: advertising and personal selling. Based on the above, to find out how far the effectiveness of promotional activities carried out in relation to room revenue earned, this research was conducted. The variables used in this study consisted of 2 (two) variables, namely: the independent variable (advertising and personal selling) and the dependent variable (room income).

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## 1. INTRODUCTION

In an increasingly globalized economy, where the world is welcoming the era of free trade, every company is required to be able to have high competitiveness and be able to maximize the utilization of its resources. In addition, to be able to survive in an increasingly competitive environment, companies need to plan and implement programs set by the company precisely and carefully, so that the company's short-term and long-term goals can be realized. marketing is a process that involves analysis, planning, implementation and control that includes goods and services, and ideas that depend on exchange and with the aim of producing satisfaction for the parties involved where the marketing task in the customer market is formally carried out by sales managers, salespeople ,

advertising and promotion managers, product and brand managers, market and industry managers where each section has clear duties and responsibilities so that each section can carry out its duties properly.

The marketing concept is an organized activity carried out by a company or organization that is oriented towards creating a satisfaction for consumers to achieve predetermined goals. Marketing is a system of business activities aimed at planning products, setting prices, promoting and distributing goods and services that can satisfy consumer needs.

Marketing is a very important activity for the company especially given the increasingly competitive and dynamic conditions. So the company must be able to seize and penetrate the existing target market. For this reason, companies must have an effective marketing strategy so that the products and services offered can be accepted by consumers, so that consumers feel satisfied and ultimately loyal to these products or services.

Service companies try to show the quality of their services through physical evidence and the presentation of these services. The tourism industry, which consists of a combination of several companies such as travel agencies, hotels, the handicraft industry, is an industry that sells services to consumers, so the marketing efforts for the tourism industry use a service marketing approach. The marketing mix includes product, price, promotion and distribution.

The variables in the marketing mix are interrelated, support and complement each other. The success of marketing activities carried out by service companies does not only depend on the quality of products and services, the right price policy, effective distribution and promotion but also is influenced by process, people and customer service. With increasingly fierce competition, marketing is the key to a successful business. must be held by every business person in the business world. For this reason, companies are required to pay more attention to their marketing activities, especially promotional activities to win the existing competition.

Companies must immediately take action and get around this situation, in this aim promotional activities become increasingly dominant in seizing the market. Where the promotional activities themselves include: advertising, personal selling, sales promotion, publicity, and direct marketing which are commonly called promotional mix elements. Marketing in a company is one of the important factors that must be considered and implemented by companies because with marketing the company can measure success. whether or not in running its business and can measure the competition in the market so that it can determine the steps that must be taken for the success of the company.

Marketing is also one of the main activities carried out by entrepreneurs in their efforts to maintain the viability of their company to develop and make a profit. No company can survive if the company is unable to market or sell the products it produces. Therefore, if a company is likened to a human body, then marketing can be likened to an activity from the human heart. In practice, companies must be able to adapt to the surrounding environment which consists of micro and macro environments such as competitors, society, politics, economy, technology, and social or cultural factors.

Marketing mix or marketing mix is the core of the company's marketing system which consists of variables used by the company as a means to meet or serve the needs and desires of consumers, one of which is Promotion, which are various activities carried out by companies to highlight the features of their products and persuade target consumers to buy it. The activities included in the promotion are advertising, personal selling, sales promotion, publicity, public relations, and direct marketing.

In essence, promotion is a form of marketing communication, namely marketing activities that seek to disseminate information, influence or persuade, and/or remind the target market of the company and its products so that they are willing to accept, buy and be loyal to the products offered by the company concerned. The goal to be achieved from promotion is to inform, influence and persuade and remind target customers about the company and the company's products and marketing mix. Promotion can be done on goods or services offered such as in hospitality services.

## 2. METHOD

Research is a process and steps in solving problems that arise in the object being studied. This research will provide a way or way of finding and describing problem solving by collecting and

analyzing data that is supported by the theories concerned with the problem. Research is a process and steps in solving problems that arise in the object being studied.

This research will provide a way or way of finding and describing problem solving by collecting and analyzing data that is supported by the theories concerned with the problem. The scope of this research is only limited to matters that are considered relevant to the issues raised, namely marketing issues, especially regarding promotional mix activities carried out by Hotel Wisata Tidar, Malang, which is located at Jalan Puncak Tidar No. 1, Malang, which is also the location of this research, was carried out by obtaining secondary and primary data. In this study, two types of variables are used, namely independent variables, which are independent variables that explain or influence other variables.

In this study the independent variables include the cost of promotional activities carried out, namely: advertising costs and personal selling costs. This is because, the Tidar Tourism Hotel only carries out these two promotional activities and the dependent variable is the dependent variable which is explained or influenced by the independent variable. In this study the dependent variable is room income. The data analysis used is qualitative and quantitative with a multiple linear equation which is a mathematical equation that states the relationship between the dependent variable and the independent variable.

Multiple regression is used to see the most influential variable between the independent variables and the dependent variable. Research is a process and steps in solving problems that arise in the object being studied. This research will provide a way or way of finding and describing problem solving by collecting and analyzing data that is supported by the theories concerned with the problem. Research is a process and steps in solving problems that arise in the object being studied.

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### 3. RESULTS AND DISCUSSION

#### 3.1 Data Analysis and Interpretation

To carry out promotional activities that support the success of the Tidar Tourism Hotel, of course, costs for the implementation of the promotion mix are needed, such as costs for making brochures, placing billboards, personal selling costs, and costs for travel agent commissions. Promotion mix costs incurred by Hotel Wisata Tidar from 2001 to 2005 always experienced an increase.

**Table 1.** Promotional Mixed Costs for Hotel Wisata Tidar Malang, 2001 – 2005

Year	Semester	Promotion Mix Cost (in rupiah)	
		Advertising costs	Personal selling costs
2001	I	1.495.000,-	687,000
	II	1.785.000,-	800.000,-
2002	I	1.950.000,-	850.000,-
	II	2.070.000,-	950.000,-
2003	I	2.070.000,-	1,000,000,-
	II	2.110.000,-	2.25.000,-
2004	I	2.350.000,-	1.275.000,-
	II	2.500.000,-	1.500.000,-

2005	I	2.750.000,-	1.800.000,-
	II	3.150.000,-	2.100.000,-
AMOUNT	20		100 %

From the table above it is known that Hotel Wisata Tidar in each period uses promotional mix costs to support its operational activities, namely  $\pm 65\%$  for advertising activities and  $\pm 35\%$  for personal selling activities. As for sales promotion activities, the funds are taken from funds used for the advertising process and are not budgeted for during the process of planning promotional activities. the average increase in promotion costs, which include advertising costs and personal selling costs. This can be seen by adding up the difference in costs incurred for each promotional activity for each period divided by the number of periods used as the research measure.

### 3.2 Data Analysis

#### 3.2.1 Correlation Coefficient Analysis and Determination

To find out whether the assumption is true or not that there is an influence between the promotion mix and room income, data analysis was performed on the independent variables, namely the cost of the promotion mix which includes advertising costs and personal selling costs, and the dependent variable, namely room income. However, due to multicollinearity symptoms, the method used is Backward Eliminations, where the independent variables that have no significant effect on the dependent variable will be automatically eliminated.

**Table 2.** Results of Regression Analysis Data Processing

R	R Square
0.962	0.925

From the table of the results of the regression analysis above, it is known that the R number is 0.962 indicating that there is a correlation or relationship between the dependent variable, namely room income and the independent variable, namely personal selling costs, because the independent variables used are not more than two (equal to two), then for the magnitude of the coefficient of determination using the value of R Square.

#### 3.2.2 Regression Equation Analysis

multiple regression analysis obtained the regression equation to estimate the dependent variable. Because there are symptoms of multicollinearity from the data presented, the Backward Eliminations method is used to analyze it, in which one of the variables that has a less significant effect is omitted.

**Table 3.** Results of Regression Coefficient Data Processing

Variable	Unstandardized Coefficients (B)	standardized Coefficients (Beta)	t- Count	Sig
(Constant)	160638583		14,993	0.000
Personal Expenses Selling	82,832	0.962	9,939	0.000

From the simple regression equation, it shows a constant of 160638583, stating that if there are no promotional activities or promotional costs equal to zero, then the estimated room income earned is IDR 160,638,583 per semester. The regression coefficient of 82.832 states that each addition (because of the + sign) 1 rupiah unit of personal selling costs will increase room income by 82. 832 rupiah units.

## 4. CONCLUSION

Based on the results of the research and discussion presented in the previous chapters, several conclusions can be drawn that Hotel Wisata Tidar is a hotel located in the city of Malang which has its own beauty, uniqueness and style when compared to other hotels. In combining its services for the general public, Hotel Wisata Tidar carries out promotional mix activities which include advertising and personal selling and there is a strong relationship between the promotion mix, namely personal selling and room revenue earned by Hotel Wisata Tidar Malang.

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*Analysis of the effect of the promotion mix on room revenue at the Malang Tidar Tourism Hotel (L. Seno Bayu Putro)*

From the several conclusions that have been drawn, the suggestions that the author can give in this research are that the Wisata Tidar hotel should pay more attention and even increase the personal selling that is carried out, for example by increasing the proportion of the budget for personal selling costs, as well as adding, training, and optimizing the performance of staff or existing marketing staff in carrying out personal selling activities, as well as doing things deemed necessary by Tidar Tourism Hotels and Tidar Tourism hotels in compiling a promotion budget should be more proportional by considering the magnitude of the influence of promotional mix activities on room revenue.

In addition, it is also very necessary for the Tidar Tourism Hotel to make a separate sales promotion budget and not include it in the advertising budget, because this will make it easier for the Tidar Tourism Hotel to detect more effective costs for increasing room revenue and for Tourism hotels. Tidar in its efforts to increase room revenue should also continue to consider and pay attention to other important factors that influence other than the promotion mix, such as product development, pricing policies, appropriate distribution channels, consumer tastes, internal security conditions, and tight competition as well as other external factors. , such as the condition of the country's economy, socio-political conditions and state security.

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