

The Influence of Direct Booking and Indirect Booking Distribution Channels on Room Revenue at Movenpick Resort & Spa Jimbaran Bali

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Abstract: To achieve the target of room revenue, marketing management at the hotel should encourage sales activities and cooperate with distribution channels. The impact of the Covid-19 pandemic and the tight competition that occurs in the hotel industry has caused the hotel management to be able to determine the right distribution channel to distribute the product to the customers. This study aims to find out and analyse the effect of room sales through direct booking distribution channels and indirect booking both partially and simultaneously to the room revenue. The research is at The Movenpick Resort and Spa Jimbaran Bali by using quantitative method with secondary data. The data analysis technique used are classical assumption test, t test, multiple linear regression test, F test, and coefficient of determination analysis. The result of simultaneously research indicate that the variable of distribution channel of direct booking and indirect booking have positive and significant effect to room revenue. The result of determination coefficient analysis shows that the value of R² equal to 0,756, indicating that 75,6% of room income variable can be explained by both independent variables. While the rest of 24,4 % is explained by other variables outside the two variables used in this study. The revenue and reservation department in Movenpick Jimbaran Bali is expected to maintain room sales through indirect booking channels and be able to increase room sales through direct booking distribution channels since the contribution provided by direct booking is still low compared to the indirect booking.

Keywords: Distribution Channels, Direct Booking, Indirect Booking and Room Revenue

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Introduction

Bali is one of the well-known tourist destinations in Indonesia. Tourism on the island of Bali is constantly developing, resulting in an increasing number of tourists supporting facilities such as accommodation facilities, travel agencies, restaurant and so on. One type of accommodation that is being built continuously in Bali today is hotel. However, in the Covid-19 pandemic situation that has occurred since early 2020 until now, the level of tourist visits to Bali has de-creased drastically, one of the reasons is the implementation of government regulations to limit the movement of people to minimize the spread of the corona virus. This has resulted in the occupancy rate and room income at hotels in Bali decreasing and some hotels even having to stop their operations. Movenpick Resort & Spa Jimbaran Bali is one of the five-star hotels with 297 rooms that is still operating during the pandemic. Established since 2017 and located in the Jimbaran area of Bali, which is an area that very well known for its seafood dishes and the beautiful Jimbaran beach sunset and is usually crowded with tourists on normal days. Moven-pick Resort & Spa Jimbaran Bali has also been affected by the Covid-19 pandemic. The following is the monthly room occupancy at Movenpick Resort & Spa Jimbaran Bali for the last three years.

Table 1. Room occupancy at the Movenpick Resort & Spa Jimbaran Bali 2019 – 2021

Month	Year								
	2019 (%)			2020 (%)			2021 (%)		
	Realization	Target	Difference	Realization	Target	Difference	Realization	Target	Difference
January	56.15	56.88	-0.73	69.10	67.88	1.22	7.08	11.08	-4.00
February	42.91	61.12	-18.21	32.35	52.83	-20.48	2.74	13.11	-10.37
March	38.53	55.74	-17.22	16.60	60.06	-43.47	13.31	10.05	3.26
April	54.20	68.91	-14.71	10.43	63.97	-53.54	18.50	9.32	9.18
May	48.17	61.17	-13.00	7.56	72.77	-65.21	37.54	30.41	7.13
June	74.10	83.94	-9.84	6.32	75.76	-69.44	57.63	17.96	39.67
July	69.36	80.91	-11.55	4.68	77.12	-72.44	16.66	40.19	-23.53
August	74.18	78.47	-4.29	8.82	76.03	-67.21	11.20	43.23	-32.03
September	78.72	80.27	-1.55	13.86	78.00	-64.14	20.98	45.12	-24.14
October	68.43	75.32	-6.90	17.46	74.18	-56.72	50.39	48.33	2.05
November	45.66	65.01	-19.35	20.05	65.66	-45.61	53.27	43.77	9.49
December	60.41	71.11	-10.70	44.42	72.77	-28.35	75.75	49.96	25.78
Average	59.28	69.90	-10.62	15.97	69.83	-53.86	30.49	30.36	0.13

Source: Reservation Department Movenpick Resort & Spa Jimbaran Bali (data processed, 2022)

Based on the table above, it is known that in 2020 the room occupancy at Movenpick Resort & Spa Jimbaran Bali decreased dramatically from previous years. This has a big impact on room revenue which also decreases. The room reservation system at Movenpick Resort & Spa Jimbaran Bali can be done directly (direct booking) and indirectly (indirect booking). The indirect booking system usually involves a third person in the room booking process, such as through travel agents, both offline and online. When guests book a room through a travel agent, the hotel is required to pay a commission to the travel agent of 15 – 20% of the room price, which causes room revenue to be less than optimal when room occupancy rates are low like the current pandemic. However, when guests book a room by direct booking, the hotel does not need to pay a commission to anyone because the direct booking process only involves guest and the hotel. Thus, the results of room sales can become hotel income, without any commission deductions, which means that room revenue can be maximized.

Direct bookings can be made by directly contacting the hotel either by phone, e-mail, WhatsApp, or coming directly to the hotel (walk-in guest). Information regarding contacts has been listed on Movenpick Resort & Spa Jimbaran Bali's social media accounts such as Instagram and Facebook, as well as on the hotel's website, making it easier for potential guests to make direct bookings. In the direct booking process, guests often compare room prices at online travel agents with room prices offered by the hotel. Basically, the room price set by the hotel is the same, both the price at online & offline travel agents, websites, and when direct booking. However, in some online travel agents the room prices displayed sometimes do not include tax & service so that they seem cheaper. The actual price will only be seen when the guest begins the process to book a room. However, in direct booking, the room price offered is commensurate with the attractive benefits or inclusions that guests get and cannot be obtained if guest make a room reservation through an online travel agent. When handling direct booking reservations, the hotel can also do upselling, such as offering special promos and discounts for corporate members so that it affects the level of occupancy and revenue, especially room revenue.

Based on the table above, there was a very drastic decline in both direct booking and indirect booking distribution channels in 2020 at the beginning of the pandemic as well as room revenue. The number of rooms sold, and room revenue began to increase in the second semester of 2021. Along with the development of technology, people currently prefer to make room reservations through online travel agents, so the number of indirect booking room sales dominates over direct bookings. Although travel agents contribute significantly as a source of revenue, in fact travel

agents provide small revenue for hotels because hotels need to pay commissions from every booking received. To avoid this, it is necessary to study more deeply to be able to see a trend to further optimize the direct booking distribution channel which has a higher probability of revenue, especially during this pandemic while still prioritizing the implementation of CHSE-based hotel programs (Cleanliness, Health, Safety and Environment). Sustainability) as a promotional event so that it can be a factor for tourists to stay.

According to Assauri (2002: 180), the marketing mix is a combination of variables or activities that are the core of the marketing system and variables that can be controlled by the company to influence the reactions of buyers or consumers. Kotler and Armstrong (2001:71), the marketing mix is a set of tactical marketing tools consisting of 4Ps, namely product, price, distribution, and promotion that are combined by the company to produce the desired response. According to Morisson (2002:339), marketing consists of two concepts, namely, direct marketing (direct distribution) and indirect marketing (indirect distribution). Direct marketing occurs when an organization or hotel takes overall responsibility for promoting, servicing, and providing services to customers or tourists. Indirect marketing is marketing handed over to other parties at a certain price in accordance with the hotel's agreement with other parties. Sugiyono (2010) "Research variables are anything in the form of anything determined by the researcher to be studied so that information is obtained about it, then conclusions are drawn". According to Riduwan (2011: 228) determination analysis is an analysis of data used to state the size of the contribution of the X variable to Y which is measured through the coefficient of determination. The classical assumption test according to Ghazali (2011: 105) is a statistical requirement that must be met in multiple linear regression analysis. There are at least four classical assumption tests, namely normality test, multicollinearity test, autocorrelation test and heteroscedasticity test. According to Riduwan (2011:252) "multiple regression analysis is an analysis tool for forecasting the value of the influence of two or more independent variables on one dependent variable to prove whether or not there is a functional relationship or causal relationship between two or more independent variables with one dependent variable. According to Riduwan (2011:238) "the significance test with the F test is used to determine the significance of the multiple correlation to Y. According to Silalahi (2006:305): Descriptive quantitative analysis uses statistics as a data analysis tool, this statistic is defined as a method of knowledge related to ways of interpreting and drawing conclusions based on data collections that have been obtained previously through the process of observation and analysis carried out through certain rules and procedures.

Methodology

This research was conducted through a descriptive quantitative approach, which used The Movenpick Resort & Spa Jimbaran Bali as a research case study. The object of research used is The Influence of Direct Booking and Indirect Booking Distribution Channels on Room Revenue. Source of data in this study include primary and secondary data, where the primary data used comes from interview with reservation supervisor. While the secondary data in this study data is total room revenue for the last three years for the 2019 – 2021 period. Research data were collected through documentation, observation, and interview techniques. The research data were analysed through SPSS version 24.

Results and discussions

The data used in this analysis are sales productivity data through direct booking distribution channels, indirect bookings, and room revenue for the 2019-2021 period which were obtained through a documentation study at Movenpick Resort & Spa Jimbaran Bali. The quantitative analysis technique used is the classical assumption test, significance testing using the t test (partial), the coefficient of determination, multiple regression analysis and significance testing using the F test (simultaneous).

The discussion will be carried out using a significance test using a t-test (partial) to determine whether the independent variable (X1), (X2) has a significant effect on the dependent variable (Y). Then, the coefficient of determination to determine the percentage of the influence of the independent variables (X1), (X2) on the dependent variable. Then multiple regression analysis is used to determine the direction of the relationship between the independent variables (X1), (X2) simultaneously with the dependent variable (Y) if the dependent variable (X1), (X2) has increased or decreased. The next step is to use the F-test to determine whether the multiple correlation value of the independent variables (X1), (X2) has a significant effect on the dependent variable (Y). Then the data will be processed with the SPSS (Statistics Product and Service Solution) application version 24.0.

Based on the results of data documentation, stating that room sales through the distribution channel used by Movenpick Resort & Spa Jimbaran Bali experienced a very drastic decline in 2020 at the beginning of the pandemic, the situation gradually improved with an increase in room sales in early 2021, but an increase The room sales are inversely proportional to the decline in room revenue that occurred at Movenpick Resort & Spa Jimbaran Bali. The variables studied in this data analysis are two independent variables which are the distribution channels used at Movenpick Resort & Spa Jimbaran Bali in 2019 - 2021, namely X1: direct booking distribution channels and X2: indirect booking distribution channels. The distribution channel used from the two variables is calculated in units of RN (Room Night Sold) or the

number of room sales. The dependent variable in this study is the realization of room revenue at Movenpick Resort & Spa Jimbaran Bali in 2019 to 2021 per month which is calculated in units of IDR (Rupiah).

Based on the calculation of the results of the SPSS analysis, the K-S (Kolmogorov-Smirnov) value shown by Test Statistics is 0.121 from direct bookings, 0.088 from indirect bookings and 0.107 from room revenue with a significance of 0.200. The significant value is greater than alpha 5% (0.05) which means that the residual data in this study is normally distributed, so it can be said that the data is normal. In addition, each independent variable has a tolerance value of 0.393 which is greater than 10% (0.10) and a VIF value of 2.546 which is smaller than 10. This indicates that the resulting regression model is free from multicollinearity symptoms.

The results of the analysis obtained that the calculated DW was 1,589 which was then compared with the table DW using a significance of 5%, the number of samples (n) 36 and the number of independent variables 2 (k=2). So, in the Durbin Watson table, the upper limit value of DW (du) is 1.587 and the lower limit value of DW (dl) is 1.353. The DW test value of 1.689 is greater than du (1.587) and smaller than the 4-du value (2.434) or (1.587 < 1.689 < 2.413). Thus, it can be concluded that there is no autocorrelation in the model used in this study.

Furthermore, the probability value (sig.) of each independent variable is greater than alpha 5% (0.05). In other words, there is no independent variable that has a statistically significant effect on the dependent variable of the regression equation, so it can be said that the resulting regression model is free from heteroscedasticity problems.

Significance Testing t-test The Effect of Direct Booking on Room Revenue at Movenpick Resort & Spa Jimbaran Bali

The t_{count} value of 8,324 is in the rejection area of H_0 , which means H_0 is rejected and H_a is accepted, it can be said that room sales through direct booking distribution channels have a significant effect on room revenue at the Movenpick Resort & Spa Jimbaran Bali hotel.

Coefficient Determination of The Effect of Direct Booking on Room Revenue at Movenpick Resort & Spa Jimbaran Bali

The value of the coefficient of determination is 0.336, which means the magnitude of the effect of X_1 on Y is 33.6%. It can be interpreted that 33.6% of room income can be explained by direct booking independent variables while the remaining 67.4% is explained by other reasons. Based on the guideline for interpretation of the coefficient of determination, it is known that the coefficient of determination of 33.6% is in the range of 20% - 39.9%, which means that room sales through direct booking distribution channels have a weak contribution to room revenue at Movenpick Resort & Spa Jimbaran Bali.

Significance Testing t-test The Effect of Indirect Booking on Room Revenue at Movenpick Resort & Spa Jimbaran Bali

The t_{table} value for the variable through indirect booking on room income for $\alpha = 0.05$ and $n = 34$ is 2.032. The t_{count} for the variable X_2 (indirect booking) is $8.393 > 2.032$ and the significant value is $0.000 < 0.05$, so it can be concluded that X_2 (indirect booking) partially affects Y (income).

Coefficient Determination of The Effect of Indirect Booking on Room Revenue at Movenpick Resort & Spa Jimbaran Bali

The value of the coefficient determination is 0.674, which means the effect of X_2 on Y is 67.4%. It can be interpreted that 67.4% of room revenue is influenced by indirect booking independent variables while the remaining 33.6% is influenced by other reasons. Based on the guideline for interpretation of the coefficient of determination, it is known that the coefficient of determination of 67.4% is in the range of 60% - 79.9%, which means that room sales through indirect booking distribution channels have a strong contribution to room revenue.

Discussions

Multiple linear regression analysis aims to determine the effect of distribution channels through direct booking (X_1) and indirect booking (X_2) on room revenue (Y) at the Movenpick Resort & Spa Jimbaran Bali. The results of this regression analysis can be used to predict the amount of room revenue at the Movenpick Resort & Spa Jimbaran Bali. The formula for the multiple linear regression equation is:

$$Y = a + b_1X_1 + b_2X_2 \tag{1}$$

Y is the total room revenue, a is the room revenue if the distribution channel (X) = 0, b is the regression direction coefficient which shows the increase or decrease in the number of room revenues based on sales through distribution channels. The calculation of multiple regression analysis using the SPSS version 24.0 application program obtained the following results:

Table 2. Multiple regression results x1 and x2 against y

Coefficients ^a						
Model	Unstandardized Coefficients			Standardized Coefficients		
	B	Std. Error		Beta	t	Sig.
1 (Constant)	8804380849.000	139380641.2			.632	.532
Direct Booking	6886994.575	207208.482		.456	3.324	.002
Indirect Booking	6565502.722	193229.388		.466	3.398	.002

a. Dependent Variable: Room revenue

Source: SPSS 24, 2022 (Data Proceed)

Based on Table 1.2 above, the following regression equation can be made:

$$Y = a + b_1X_1 + b_2X_2$$

$$Y = 8804380849,000 + 6886994.575X_1 + 6565502.722X_2$$

The interpretation of the above equation is as follows:

- Room Revenue (Y) = 8804380849,000
If the Movenpick Resort & Spa Jimbaran Bali does not apply the direct booking system (X1) and does not apply the indirect booking (X2), the room revenue (Y) at the Movenpick Resort & Spa Jimbaran Bali remains at 8804380849,000 = IDR 8,804,380,849.
- Direct Booking (X1) = 6886994.575
If there is an increase of one unit in the direct booking score (X1), while the indirect booking score remains (X2), the room revenue (Y) at Movenpick Resort & Spa Jimbaran Bali will increase by 6886994.575 = IDR 6,886,994.
- Indirect Booking (X2) = 6565502.722
If there is an increase of one unit in the indirect booking score (X2) while the direct booking score remains (X1), then the room revenue (Y) at Movenpick Resort & Spa Jimbaran Bali will change by 6565502,722 = IDR 6,565,502.
- So, if direct booking (X1) increases by one unit score, and indirect booking remains (X2), room revenue (Y) will increase by IDR 6,886,994. Then, if the indirect booking (X2) increases by one unit score while the direct booking score remains (X1), the room revenue (Y) will increase by IDR 6,565,502. If the Movenpick Resort & Spa Jimbaran Bali does not apply a direct booking system (X1) and does not apply an indirect booking (X2), then the room revenue (Y) at Movenpick Resort & Spa Jimbaran Bali is IDR 8,804,380,849.

Significance testing using the F test

Simultaneous testing using the F distribution is intended to determine the effect of the independent variables X1 and X2 simultaneously (simultaneously) on the dependent variable Y.

The value of F_{count} is 51,158. This value is greater than F_{table} of 3.29 or is in the area of rejection of H_0 . Thus, the test results show that the acceptance area of the null hypothesis (H_0) is rejected, and the alternative hypothesis (H_a) is accepted. This means that simultaneously there is a significant influence between distribution channel variables through direct booking (X1) and indirect booking (X2) on room revenue (Y) at the Movenpick Resort & Spa Jimbaran Bali.

Coefficient Determination of the Effect of Direct Booking and Indirect Booking on Room Revenue at Movenpick Resort & Spa Jimbaran Bali

Testing the coefficient of determination is intended to determine how big the contribution of the independent variables (X1, X2) to the dependent variable. The value of the coefficient of determination is 0.756, meaning the effect of room sales through direct booking and indirect booking on room revenue at the Movenpick Resort & Spa Jimbaran Bali is 75.6% and the remaining 24.4% is influenced by other variables outside the study. Based on the guideline for interpretation of the coefficient of determination, it is known that the coefficient of determination of 75.6% is in the range of 60% - 79.9% which means that room sales through direct booking and indirect booking distribution channels have a strong influence on room revenue at Movenpick Resort & Spa Jimbaran Bali.

Conclusions

The results of the calculation through the t-test on direct booking obtained $t_{count} > t_{table}$, which means that there is a positive and significant effect on room revenue. Then, from the coefficient of determination, the result is 0.336, which means that direct booking which includes reservations by telephone, email, WhatsApp, hotel websites and walk ins affects revenue by 33.6% and the rest is influenced by other factors.

The results of the calculation through the t-test on indirect bookings obtained $t_{count} > t_{table}$, which means that there is a positive and significant effect on room revenue. Then, from the coefficient of determination, the result is 0.674, which means that indirect booking which includes reservations through offline travel agents and online travel agents affects revenue by 67.4% and the rest is influenced by other factors.

The results of multiple regression calculations show that if direct booking (X1) increases by one unit score, and indirect booking remains (X2), room revenue (Y) will change by IDR 6,886,994. Then, if the indirect booking (X2) increases by one unit score while the direct booking score remains (X1), the room revenue (Y) will change by IDR 6,886,994. If the Movenpick Resort & Spa Jimbaran Bali does not implement a direct booking system (X1) and does not apply an indirect booking (X2), the room revenue (Y) will remain, which is IDR 8,804,380,849. The results of the F test show the value of $F_{count} > F_{table}$ which indicates the hypothesis H_0 is rejected and H_a is accepted. That is, simultaneously there is a positive and significant effect between direct booking (X1) and indirect booking (X2) variables on room revenue (Y). Furthermore, from the determination test, the result is 0.756, which means that direct booking and indirect booking affect revenue by 75.6% and the remaining 24.4% is influenced by other factors. Thus, the most influential distribution channel variable is indirect booking as the variable that provides the largest contribution to room revenue at Movenpick Resort & Spa Jimbaran Bali.

To keep the room revenue increased continuously, management at Movenpick Resort & Spa Jimbaran Bali must maintaining and maximizing distribution channels through indirect bookings, whether from travel agents, online travel agents, GDS, or from corporate hotels, because they have more influence on sales during the covid-19 pandemic, namely by making sales calls or visits specifically to several travel agents who contribute highly to the hotel on an ongoing basis. In increasing productivity through direct booking distribution channels, management should provide regular training, especially to the revenue and reservation department, such as correct telephone procedures and updating product knowledge information to provide accurate product information, facilities, and the latest packages to visitor.

The management of the Movenpick Resort & Spa Jimbaran Bali hotel is expected to be able to increase room revenue through all distribution channels owned in a balanced way. For example, by changing the appearance and inserting the latest information on the hotel website regularly so that it becomes more detailed, as well as posting interesting photos and videos on the hotel's Instagram regularly, so that guests will be interested and immediately call or even book a room to the hotel which can automatically improve booking rooms through direct booking so that has an impact on increasing room revenue.

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