

Marketing Mix Strategies to Increase Revenue at Aston Kuta Hotel & Residence

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Abstract: The purpose of this research is to determine the strengths, weaknesses, opportunities, and threats of marketing strategies in increasing revenue at Aston Kuta Hotel & Residence, to find out marketing strategies that hotels in increasing total revenue should use, and to be able to find out which strategies are most effective should be applying in increasing total revenue by hotel management. The method used is descriptive qualitative with seven respondents (Sales & Marketing team, Front Office Leaders, and Finance Leader). The results showed that internal and external factors influenced the marketing strategy carried out at Aston Kuta Hotel & Residence. Based on the IFAS matrix analysis, the main strength is having many product distribution channels, while the main weakness is the effectiveness of distribution channels to achieve sales targets. Based on the EFAS matrix analysis, it is known that the main opportunity is the optimal use of technological advances, while the main threat is consumer spending patterns. The results of IE Matrix show the company in the Growth V position. The SWOT analysis resulted in nine alternative marketing strategies. Based on calculation through QSPM Matrix, the priority is to improve the marketing routine by actively looking at the technology or application for digital marketing activities and optimizing the use of digital platforms such as rate shopping tools to set competitive prices.

Keywords: marketing strategy, marketing mix, total revenue

Informasi Artikel: Submission to Repository on October 2022

Introduction

Total revenue from 2015 – 2017 was below the target. We had to implement the right Marketing Mix Strategy to achieve the budget. We had adjusted the market segment Leisure into Business, i.e., airline crews and MICE. The following Table 1 below is the target and realization of the Total Revenue of Aston Kuta Hotel and Residence.

Table 1. Total revenue

Year	Target (Rp)	Realization (Rp)	Difference (Rp)	Difference (%)
2015	55,209,787,000	45,544,064,490	9,665,722,510	-17%
2016	50,827,216,000	41,761,226,911	9,065,989,089	-18%
2017	44,288,910,000	42,313,501,249	1,975,408,751	-4.4%
2018	46,253,758,482	48,641,194,440	2,357,435,958	+5.2%
2019	49,353,740,230	50,133,319,737	779,579,507	+1.5%

Source: Income Statement

Table 1 shows the fluctuation that occurred during 2015-2017. The total revenue was below the target. See the positive trend in 2017 when they started to implement a marketing mix correctly.

Referring to Horwath Hotel & Branded Residences Update in 2016, China was the 2nd fastest growth market by percentage and the largest by volume. Meanwhile, growth from India was 58% year-on-year and

listed in the Top 5 Foreign Markets and Growth Markets YTD (Year to Date) Sep 2016 (Horwath, 2017), as shown in the following Table 2 and Table 3.

Table 2. Top 5 foreign markets
YTD September 2016 (% total)

Country	Growth (%)
Australia	23%
China	20%
Japan	5%
UK	4,5%
India	4%

Source: BPS Statistics Indonesia

Table 3. Top 5 growth markets
YTD Sep 2016 (total increase)

Country	Market Volume
China	298.393
Australia	151.387
India	68.222
UK	53.622
USA	36.582

Source: BPS Statistics Indonesia

The hotel's biggest market segment in 2015 – 2016 was Group Series Inbound and Adhoc, which came from India and China. The hotel was getting volume from both nations but with average prices. There is no potential to increase hotel revenue because they commonly stay for three nights and have a full-day trip. A 2016 survey by the Bank of Indonesia highlights that the typical Chinese tourist spends around one-quarter of that spent by typical European or Australian tourists (Hotelier Indonesia, 2017). The hotel shifted the market segment by increasing the contract rates for Group Series Inbound and Adhoc and increasing the volume of MICE and Airlines with higher profits.

This hotel has been operating for eight years since 2017. As a result, hotel competitors emerged, offering their respective advantages, in particular, to gain the same market, i.e., airline crews and MICE. Therefore, the hotel management had to identify and arrange "Marketing Mix Strategies Increasing Revenue at Aston Kuta Hotel and Residence". Choosing the right strategies will help the hotel to reach customers effectively, makes sales, and grow businesses (Kotler, P. & Armstrong, G, 2016).

Method

In this research, the researcher discusses the marketing mix strategies in increasing revenue at Aston Kuta Hotel & Residence as the object to be identified. This research was conducted from March – July 2022. The informant in this research is all parties who know in detail the information related to this research. The person has to be reliable in giving information and advising the researcher on supporting data (Moleong, 2005). The researcher uses a sampling method by selecting a representative of the total population that could be studied for this topic so that researcher will be able to conclude the total population. The total number of informants in this research is seven positions. There are the Director of Sales, Assistant Financial Controller, Assistant Front Office Manager, Reservation Manager, Assistant Sales Manager, Sales Executive, and Graphic Designer. Direct observation has collected data in the Sales & Marketing Department and Reservation. An interview has been conducted with the Director of Sales because this position is the person who leads the Sales & Marketing team to implement Marketing Strategy. In addition, two questionnaires have been distributed to the seven respondents, as mentioned above, due to their understanding and involvement in doing and delivering the 4Ps; Green Product, Green Price, Green Place, and Green Promotion. The data collection method applied in this research is as follows: Observation which is a method of collecting data carried out by systematically monitoring and recording the symptoms that are being investigated (Utama and Mahadewi, 2012); The interview, which

involves two or more people exchanging information through a series of questions and answers (Yusuf, 2014), documentation in the form of text, images, or monumental works of a person (Sugiyono, 2015), and questionnaire. In addition, this research uses data analysis techniques as follows: Qualitative Descriptive Analysis (Erani, 2019), Internal Factors Analysis Summary (Rangkuti, 2015), External Factors Analysis Summary (Rangkuti, 2015), Internal External Matrix (Rangkuti, 2017), SWOT Matrix (Rangkuti, 2015) and Quantitative Strategic Planning Matrix (Purwanto, 2012).

Result and Discussion

Respondents must determine the weights and ratings through questionnaires to determine the strengths, weaknesses, opportunities, and threats. Strengths and weaknesses are determined by looking at intervals from the range of respondents' answers to internal indicators, which is 2.5. Indicators with an average rating of more than 2.5 are rated as strengths, while those with an average rating of less than 2.5 are assessed as weaknesses. The classification strengths and weaknesses of internal indicators are shown in Table 4.

Table 4. Rating of internal factor

No	Variable	Indicator	Rating	Description
1	Green Product	The quality of the product sold is worth the price	3.43	Strength (S1)
2		Presentation of products that fit certain market segments	2.14	Weakness (W1)
3		A variety of products offered	2.43	Weakness (W2)
4	Green Price	The price meets value expectations	3.57	Strength (S2)
5		Special price in every promotion	3.57	Strength (S3)
6		Various payment methods	3.29	Strength (S4)
7	Green Place	Many distribution channels	3.43	Strength (S5)
8		Distribution channels are effective in achieving sales target	2.43	Weakness (W3)
9		Promotion program carried out by the sales and marketing department	2.57	Strength(S6)
10	Green Promotion	Promotion activities carried out are already on target	2.29	Weaknesses (W4)
11		Digital marketing through social media	3.29	Strengths (S7)

Source: Appendix 4 (Data processed)

Table 4 shows the rating of internal factors in the marketing mix as a marketing strategy. It can be seen that from the 11 internal indicators, it is known that the strengths (strengths) are found in indicators: 1,4,5,6,7,9, and 11, while the weaknesses (weaknesses) are contained in indicators: 2,3,8, and 10. The weighting of internal factors results from distributing questionnaires to respondents with different scores. The respondent can determine it because of the assessment of the importance of each indicator to increase total revenue with the right marketing strategy. The average weight rating of each indicator can be seen in Table 5. It can be seen that each indicator of internal factors has a different weight value. Among these indicators, some have a high weight value, meaning they have the greatest influence on the strategic marketing for increasing revenue at Aston Kuta Hotel & Residence. From the results of the weight assessment given by respondents to each internal factor indicator, it can be said that having many distribution channels and promotion programs carried out by the sales and marketing department has the highest weight, which is 0.12, which means it is very influential on the marketing strategy to be implemented. Then followed by indicators of the price meet value expectations, distribution channels, variety of product offers, special price in every promotion, various payment methods, presentation of products that fit certain market segments, the quality of the product sold is worth the price, promotion activities carried out are already on target, and digital marketing through social media with weight ranges from 0.11 to 0.06.

Table 5. Weight of internal factor

No	Variable	Indicator	Weight
1		The quality of the product sold is worth the price	0.07
2	Green Product	Presentation of products that fit certain market segments	0.09
3		Variety of product offerings	0.09
4		The price meets value expectations	0.09
5	Green Price	Special price in every promotion	0.08
6		Various payment methods	0.08
7		Many distribution channels	0.12
8	Green Place	Distribution channels are effective in achieving sales target	0.11
9		Promotion program carried out by the sales and marketing department	0.12
10	Green Promotion	Promotion activities carried out are already on target	0.07
11		Digital marketing through social media	0.06
TOTAL			1.00

Source: Appendix 5 (Processed data)

Matrix analysis IFAS (Internal Factor Analysis Summary) is an analytical method used to determine how much the influence of internal factors. After determining the rating and weight of the internal factors, the next step is to determine each indicator's total value or score, as shown in Table 6.

Table 6. IFAS

Indicator	Weight	Rating	Score
Strengths			
The quality of the products sold is worth the price	0.07	3.43	0.24
The price meets value expectation	0.09	3.57	0.32
Special price in every promotion	0.08	3.57	0.28
Various payment method	0.08	3.29	0.26
Many product distribution channels	0.12	3.43	0.41
Promotion program carried out by the sales and marketing department	0.12	2.57	0.31
Digital marketing through social media	0.06	3.29	0.20
Weakness			
Presentation of products that fit certain market segments	0.09	2.14	0.19
Variety of products offering	0.09	2.43	0.22
Distribution channels are effective in achieving sales target	0.11	2.43	0.27
Promotion activities carried out are already right on target	0.07	2.29	0.16
TOTAL	1.00		2.86

The score of the IFAS matrix in table 6 above is obtained from the average weighting of each internal factor indicator multiplied by the average rating of each internal factor indicator, with the score for each indicator in internal factors. The total score is obtained by adding all the internal factor indicator scores. The score from the IFAS matrix in the table above is 2.86.

Seven (7 (seven) indicators used in this study become the strength of internal factors in the marketing mix as a marketing strategy at Aston Kuta Hotel & Residence, such as the quality of products sold by the price. The quality of the products sold at Aston Kuta Hotel & Residence based on the results of interviews with the Director of Sales, the quality of the room products and food and beverages provided is worth the price even though the hotel can improve the completeness of meeting room facilities that support MICE group activities. Prices meet value expectations. The prices for room products, meeting packages, food, and drinks are worth the purchase for the four-star hotel. Several advantages include bathtub and shower facilities in all room types, an Indian breakfast menu, seven meeting rooms, and other supporting facilities. According to the

results of interviews with the Director of Sales, special prices can be in the form of discounts, attractive promotional packages such as free 1 to 2 times meals, free laundry, free return airport transfer, and others which are very profitable if purchased. In addition, Aston Kuta Hotel & Residence is actively joined various group campaigns with the Archipelago International brand.

Various payment methods are applied by Aston Kuta Hotel & Residence to make it easier for guests to process payments for room products, meeting packages, or food and beverages such as cash, credit cards, bank transfers, or e-wallet. Many product distribution channels. Through digital applications, more cooperation is needed for product distribution channels, especially food & beverage. Partnership with Airlines and getting more Australian guests with greater buying power and longer stays than other target markets. Promotion program carried out by the sales and marketing department. Advertisements created by sales and marketing follow current technological developments. They have published on social media that everyone, such as Facebook and Instagram, and assisted every employee in promoting hotel products on every account owned by Aston Kuta Hotel & Residence employees and through online news media. They are working effectively with great influencers through digital marketing through social media. Publicity and promotion in the current era are digital marketing carried out by sales, and marketing greatly influences guests in promotional activities. One of the things done by sales and marketing is on all social media, namely Facebook, Instagram, and websites. Publicity is intended to inform guests about products available at Aston Kuta Hotel & Residence and ongoing promotions.

The 4 (four) weaknesses from internal factors are indicated as follows: Presentation of products sold according to market segments. Based on the results interview with the Director of Sales, the presentation on room products still needs to be improved in the future. In addition, as the hotel ages, some facilities require ongoing maintenance and renewal. Regarding promotional purposes, food & beverage presentation can be further improved. For example, to further encourage the desire of guests to order food & drinks from restaurants inside the hotel rather than buying from restaurants outside, which offer similar menus at lower prices and a variety of products offered; Provide additional facilities such as Crew Lounge, working with third parties to handle transport from and to the airport for airline layover crew or passengers; Improve rooms soundproofing, bed types for a certain market segment. The promotional activities carried out were right on target. However, the inbound target market was constrained by the relatively high price of air tickets.

On the other hand, the MICE group, dominated by the domestic market, whose buying power is not as strong as the international market, takes creativity to conduct cross-selling or interesting cross-selling. For example, making meeting packages whose prices include food products such as Balinese souvenirs for meeting participants; Distribution channels are effective in achieving sales targets. However, some distribution channels are not effective enough to achieve sales targets. The reasons are, among others, the relatively small number of potential buyers in the market and the target market not being concentrated in certain geographic areas.

Rating from external factors in this study shows how the conditions of variables outside the company's environment affect the company in determining marketing strategies to increase revenue at Aston Kuta Hotel & Residence, which consists of opportunities and threats. Indicators with an average rating of more than 2.5 are considered opportunities, while those with an average rating of less than 2.5 are considered threats. The classification of opportunities and threats of external indicators is in the form of Table 7 as follows. It shows the rating of the external factor, which explains how the conditions of external factors affect the marketing strategy to increase revenue at Aston Kuta Hotel & Residence. It can be seen that from 11 external indicators, it is known that opportunities (opportunities) are found in indicators: 1, 3, 4, 7, 8, 9, 10, and 11, while threats (threats) are found in indicators number 2, 5 and 6. From Table 8, it can be seen that each indicator of external factors has a different weight value. Among these indicators, some have the highest weight value, i.e., the greatest influence on the marketing strategy to increase revenue at Aston Kuta Hotel & Residence, which is carried out by sales and marketing. From the weight assessment respondents gave to each external factor indicator, it can be said that consumer spending patterns, profitable marketing technology or media, and optimal use of technological advances had a weight value of 0,11. Government policies on tourist travel activities, ministry or corporate budget regulations, global economic conditions, and the surrounding community's hospitality, the surrounding community, and the social and culture of the surrounding community had a weight value of 0,08. In contrast, similar products owned by competitors Aston Kuta Hotel & Residence in the Kuta area, similar prices offered by competitors Aston Kuta Hotel & Residence in the Kuta area, and national political

conditions get a weight value of 0.07.

Table 7. Rating of external factor

No	Variable	Indicator	Rating	Description
1	Competitor	Similar products owned by competitors Aston Kuta Hotel & Residence in the Kuta area	3.12	Opportunity (O1)
2		Similar prices offered by competitors Aston Kuta Hotel & Residence in the Kuta area	2.29	Threats (T1)
3	Politic and Legislation	Government policies on tourist travel activities	2.88	Opportunities (O2)
4		National political conditions	3.24	Opportunities (O3)
5	Economic	Ministry or corporate budget regulations	2.35	Threats (T2)
6		Consumer spending patterns	2.14	Threats (T3)
7	Technology	Global economic conditions	3.00	Opportunity (O4)
8		Profitable marketing technology or media	2.76	Opportunity (O5)
9	Social & Culture Environment	Optimal use of technological advances	3.29	Opportunity(O6)
10		The hospitality of the surrounding community	3.59	Opportunities (O7)
11	Social and culture of the surrounding community	3.41	Opportunity (O8)	

Source: Appendix 6 (Processed Data)

Table 8. Weight of external factor

No	Variable	Indicator	Weight
1	Competitor	Similar products owned by competitors Aston Kuta Hotel & Residence in the Kuta area	0.07
2		Similar prices offered by competitors Aston Kuta Hotel & Residence in the Kuta area	0.07
3	Politic and Legislation	Government policies on tourist travel activities	0.08
4		National political conditions	0.07
5	Economic	Ministry or corporate budget regulations	0.08
6		Consumer spending patterns	0.11
7	Technology	Global economic conditions	0.08
8		Profitable marketing technology or media	0.11
9	Social Culture Environment	Optimal use of technological advances	0.11
10		The hospitality of the surrounding community	0.08
11	Social and culture of the surrounding community	0.08	

Source: Data Processed

Conclusion

Strengths and weaknesses of Aston Kuta Hotel & Residence to increase revenue are seven indicators as strengths, and four as weaknesses of the total 11 internal factor indicators analyzed. The strength with the highest value is having many product distribution channels, while the weakness with the lowest value is promotion activities carried out right on target. Opportunities and threats owned by Aston Kuta Hotel & Residence to increase revenue, there are eight indicators as opportunities and three indicators as threats from the 11 external factor indicators analyzed. The opportunity with the highest value is the optimal use of technological advances. In contrast, the threat with the lowest value is similar prices offered by competitors of Aston Kuta Hotel & Residence in the same area. The marketing strategy that can be applied to the sales and marketing department is improving the marketing routine by actively looking at the technology or application for marketing activities, i.e., digital marketing, and optimizing digital platforms, such as rate shopping tools and setting competitive prices.

Acknowledgment

Thank you very much to those who always support in providing the data and help during the research, especially to the Sales & Marketing and Front Office team/leader of Aston Kuta Hotel & Residence.

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