

THE INFLUENCE OF HOTEL MARKETING MIX ON TOURISTS' REVISIT INTENTION Case Study at Kumala Pantai Hotel, Seminyak, Bali

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Abstract

Growth in the number of hotel rooms in Bali shows an increasing trend every year. Thus, hotel room number is far higher than the number of tourists visiting Bali. This triggered intense competition in the hotel industry especially in areas with the highest room number growth which are Sanur and Seminyak. Amidst fierce competition, the right marketing program becomes a superior strategy to ensure firm's viability. This study aims to examine the relationship between marketing strategy in this case marketing mix strategy and tourists' revisit intention, by conducting a case study in one of the hotels in Seminyak, Kumala Pantai Hotel. The study population was tourists who had stayed at the Kumala Pantai Hotel. The sample was 100 respondents. Data collection method was a survey method using a questionnaire. Multiple linear regression analysis technique was used to test the effect of independent variables on dependent variable. The results showed that marketing mix consisting of product quality, price, promotion, and location significantly drives tourists' intention to revisit Kumala Pantai Hotel. Aspects that need to be considered to improve product quality are unique hotel designs, providing necessary and superior quality facilities. In price aspect, hotel management needs to guarantee price affordability, price compatibility with service quality and target segment. In promotion aspect, hotel management needs to design attractive advertisements and be published in the mass media, provide price incentive, and send attractive promotional content to customers' email. In location aspect, accessibility and the surrounding area play an important role in encouraging tourists' interest to revisit the hotel.

Keywords: *product quality, price, promotion, place, marketing mix, repurchase intention, revisit intention.*

INTRODUCTION

Hotel room oversupply is considered to be the biggest threat to Bali tourism sector. Based on tourism scholars' analysis, the number of rooms in Bali is 146.000 rooms, while the need for hotel rooms is only 90.000 rooms (Mardika, 2019). It was further explained that hotel room supply in Bali continued to increase. Based on a survey by Bank of Indonesia, supply of hotel rooms in Bali in the second quarter of 2019 increased 6.54 percent year on year. This additional supply was contributed by the construction of hotels in Sanur and Seminyak areas.

This fact drives hotel competition increasingly fierce, especially in these two areas. In addition, consumers are now increasingly critical, before making choices on accommodation services, consumers will consider carefully by comparing various options available. In conditions of fierce competition, the right marketing program becomes a superior strategy to ensure firm's viability. Thus, marketing activities in the hospitality industry need to be managed professionally and aggressively.

Room sales are very dependent on marketing mix strategy implemented. The success of a company is determined by management ability to see opportunities and manage marketing mix to seize these opportunities. This raises interest to analyze the influence of marketing mix

element on consumer's revisit intention by conducting a case study in one of the hotels in Seminyak area, Kumala Pantai Hotel.

Revisit or repurchase intention is part of consumer behavior study, which study how individuals, groups, and organizations choose, buy, and consume goods, services, ideas or experiences to satisfy their needs and desires ([Kotler, P., & Armstrong, 2016](#)). Repurchase intention is influenced by product quality. Product quality is customer's perception of overall quality or superiority of the product or service relative to the relevant alternatives and relating to the intended purpose ([Kotler, P., & Keller, 2009](#)). The better the product quality, the higher consumer's interest in buying the product. In addition to product quality, another factor that determines purchasing intention is price. According to [Kotler, P., & Armstrong \(2014\)](#), price is the amount of money charged for a product or service. Marketers need to set the right and appropriate price for the product or service offered because setting the right price is key in creating customer value. The more affordable the price, the higher consumer's intention to buy the product.

Purchase intention is also influenced by promotion. [Rangkuti \(2009\)](#) stated that promotion is a sales and marketing activity in order to inform and encourage demand for products, services, and ideas from the company by influencing consumers to buy products and services produced by the company. If a company implements good promotion program, then consumers recognize their product or service to be bought, know the quality of the product, and then recommend it to those closest to participate in making a purchase. In addition to product, price, and promotion, location is also very influential on purchasing decision. [Kotler \(2011\)](#) stated that location is one of the keys to success. Site selection is very dependent on economic growth potential, stability, and competition. Location selection decision relates to long-term commitment to aspects that are capital intensive, therefore service provider must consider, select, and choose location that is responsive to possible economic, demographic, cultural, competitive and regulatory changes in the future. In service industry, place mainly refers to location and distribution that can ease customers to obtain the company's services. Location is measured through how strategic the place is, facilities that can be obtained by consumers, as well as ease of accessing the location. Strategic location will attract more consumers because of its accessibility. A number of studies found that marketing mix elements (product, price, promotion, and place) significantly encourages purchase intention ([Awinasi, N.W., & Rastini, 2018](#); [Karnelis, 2017](#); [Karini, 2016](#); [Supriyanto, M., & Taali, \(2018\)](#); [Kavanillah, D., & Ridlwan \(2018\)](#)).

Marketing mix strategy becomes interesting to analyze since every hotel certainly has different marketing mix strategy formulation. The proper implementation of the marketing mix is an important factor influencing consumers' revisiting intention. Based on this background the authors were interested in analyzing how marketing mix influences consumer's revisit intention.

LITERATURE REVIEW

Repurchase Intention

To improve marketing performance, marketers need to develop an understanding of how consumers make purchasing decision. Consumer decisions are closely related to information owned by consumers and various factors that are influenced by consumer knowledge about the product to be bought. Purchasing decisions are part of consumer behavior study, which study how individuals, groups, and organizations choose, buy, and consume goods, services, ideas or experiences to satisfy their needs and desires ([Kotler, P., & Armstrong, 2016](#)). There are several indicators of purchasing intention ([Widiani, et al, 2019](#)):

1. Transactional intention: consumer's tendency to buy a product.

2. Referential intention: consumer's willingness to recommend product that they have consumed to others.
3. Preferential intention: consumer's tendency to consider a product as their main choice in future purchase.
4. Explorative intention: consumer's tendency to look for information about the product they are interested in and to support the positive qualities of the product.

Marketing Mix

Product

A product is anything that can be offered to the market to satisfy a desire or need, including physical goods, services, experiences, events, people, places, property, organizations, information and ideas ([Kotler, P., & Keller, 2010](#)). Products are anything that can be offered in the market to get attention, demand, usage, or consumption that can fulfill wants or needs ([Sumarni, M., & Soeprihanto, 2010](#)). Products are not only goods but can also be services or a combination of both. All is intended to satisfy consumers' needs and desires. Consumers not only buy products to simply satisfy needs, but also aim at satisfying desires. Quality product indicators are as follows ([Christian, A., & Dharmayanti, 2013](#)):

1. The product is attractive
2. Product meets consumers' needs and desires
3. Product has superior quality

Price

Price is the amount of money spent on a product or service, or the amount of value exchanged by consumers to obtain benefits or ownership or use of a product or service ([Kotler, P., & Armstrong, 2016](#)). Marketers need to set the right and appropriate price for product or service offered because setting the right price is key to creating customer value. Price indicators are as follows ([Stanton, 2010](#)):

1. Price is in accordance with benefits obtained
2. Affordable
3. Price compatibility with target segment's purchasing power
4. Price incentive program

Promotion

Promotion is an activity of communicating the benefits of a product and persuading target consumers to buy the product ([Kotler, P., & Armstrong, 2016](#)). Promotion measures are as follows ([Ali, 2013](#)):

1. Advertising: a form of promotion using print and electronic media.
2. Sales promotion: incentives for consumers to buy products offered, forms of incentives include: discounts, direct prizes, as well as involving buyers in a lottery.
3. Publicity: the dissemination of messages that are planned and carried out to achieve goals through certain media for the particular interests of organizations and individuals.
4. Direct marketing: company representatives communicate directly with consumers to make a sale.

Location

Location is one of the keys to success ([Kotler, 2011](#)). Site selection is very dependent on economic growth potential, stability, and competition. Location selection decision relates to long-term commitment to aspects that are capital intensive, therefore service provider must consider, select, and choose location that is responsive to possible economic, demographic,

cultural, competitive and regulatory changes in the future. In the service industry, place mainly refers to location and distribution that can ease customers to obtain the company's services. Location is measured through how strategic the place is, facilities that can be obtained by consumers, as well as the ease of accessing the location. Strategic location will attract more consumers because of its accessibility. Location indicators are as follows [Awinasi, N.W., & Rastini \(2018\)](#):

1. Ease of reach
2. Near shopping center
3. Near entertainment center
4. Smooth access

Research by [Awinasi, N.W., & Rastini \(2018\)](#) found that all marketing mix factors consisting of product, price, promotion, place, people, physical facilities, and process influence tourists' decision to stay at Inna Grand Bali Beach Hotel. [Yamawati, S., & Indiani \(2019\)](#) found that product quality perception influences consumers' decision to purchase. [Karini, 2016](#) found that marketing mix consisting of product, price, promotion, place, people, process and physical evidence has a positive and significant influence on tourists' decisions to stay at Garden Permata Hotel Bandung. [Supriyanto, M., & Taali \(2018\)](#) found that marketing mix strategy consisting of product, price, promotion, place, people, physical evidence and process significantly encourage tourists' intention to stay at The Sun Hotel Madiun. [Karnelis \(2017\)](#) found that marketing mix implemented by Kartika Langsa Hotel consisting of product, price and customer service significantly influence tourists' intention to stay; while promotion, location and process do not significantly influence the stay decision. [Kavanillah, D., & Ridlwan \(2018\)](#) found the opposite that that marketing mix variable consisting of product, price, promotion, and people has no significant effect on tourists' intention to stay; while location and physical evidence have significant effect. The empirical studies underlie the following hypotheses formulation:

- H1: Product quality has positive and significant influence on tourist's revisit intention at Kumala Pantai Hotel.
- H2: Price has positive and significant influence on tourist's revisit intention at Kumala Pantai Hotel.
- H3: Promotion has positive and significant influence on tourist's revisit intention at Kumala Pantai Hotel.
- H4: Location has positive and significant influence on tourist's revisit intention at Kumala Pantai Hotel.

Research conceptual framework is shown in Figure 1.

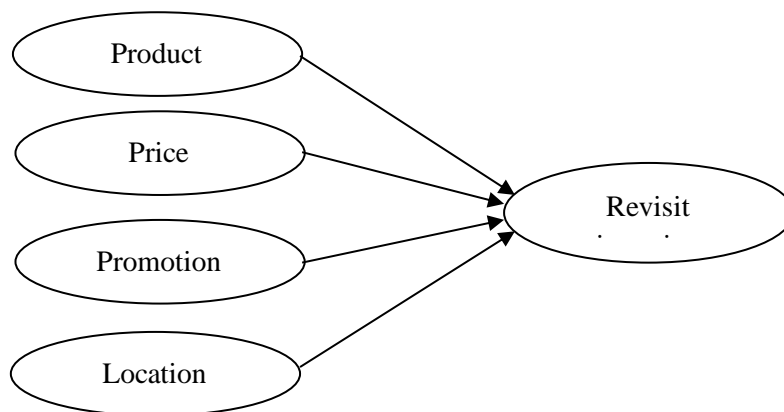


Figure 1. Research Conceptual Framework

RESEARCH METHOD

The location of this research is Kumala Hotel Pantai in Seminyak, Bali. This location was chosen because Seminyak has the highest growth of hotel rooms during last year. The study population was customers who had stayed at Kumala Pantai Hotel which were 48.618 guests. Using Slovin formula, the recommended number of sample was 100 respondents. Data collection method was a survey method using a questionnaire. Statement items were measured on a Likert scale using five points from 1 (strongly disagree) to 5 (strongly agree). Data analysis technique used was multiple linear regression analysis to measure the effect of independent variables on dependent variable ([Sugiyono, 2012](#)).

RESULT

Validity and Reliability Test

It can be concluded from Table 1 that all research instruments have met the validity requirements where Pearson Correlation score of each instrument is above 0.30 and significant at 0.05 ρ value. All instruments are feasible to measure their constructs.

Table 1. Validity Test

Construct	Instrument	<i>Pearson Correlation</i>	Remark
Product quality	Unique design	0,575	Valid
	Provide necessary facilities	0,931	Valid
	Superior quality facilities	0,932	Valid
Price	Price in accordance to quality	0,873	Valid
	Affordable rates	0,861	Valid
	Prices match target segment's purchasing power	0,862	Valid
	Price incentive	0,701	Valid
Promotion	Appealing ad	0,913	Valid
	Attractive discount	0,923	Valid
	Advertise in mass media	0,729	Valid
	Send promotional content to customers	0,314	Valid
Location	Reachibility	0,906	Valid
	Close to shopping centers	0,902	Valid
	Easy access	0,410	Valid
Revisit Intention	Interested in revisiting the hotel	0,951	Valid
	Recommend to a friend	0,935	Valid
	Interested in finding more information	0,941	Valid
	Hotel is customer's main choice	0,943	Valid

Table 2 shows reliability test result. Each construct has Cronbach's Alpha value above 0.60, therefore all instruments fulfill the reliability requirements.

Table 2 Reliability Test

Construct	<i>Cronbach's Alpha</i>	Remark
Product quality	0,761	Reliable
Price	0,845	Reliable

Promotion	0,729	Reliable
Location	0,657	Reliable
Revisit intention	0,958	Reliable

Hypothesis Testing

The results of multiple linear regression analysis are shown in Table 3. H1 is accepted with a significance level of 0.021 <0.05, which means that product quality has positive and significant influence on revisit intention. H2 is accepted with a significance level of 0,000 <0.05, indicating that price has positive and significant impact on revisit intention. H3 is accepted with a significance level of 0,000 <0.05, which indicates that Ppromotion has positive and significant influence on revisit intention. H4 is accepted with a significance level of 0,000 <0.05, implying that location has positive and significant impact on revisit intention. R² value of 0.593 indicates that 59.3 percent of the variation in tourists' revisit intention at Hotel Kumala Pantai is influenced by product quality, price, promotion, and location; while the remaining 40.7 percent is influenced by other variables which were not examined in this study.

Table 3 Multiple Linear Regression Analysis Result

Construct	Regression Coefficient		t	Sig
	β	Std. Error		
Product quality	0.265	0.113	2,351	0.021
Price	0.368	0.092	3,995	0.000
Promotion	0.595	0.092	6,449	0.000
Location	0.544	0.112	4,867	0.000
<i>(Constant)</i> : -6,371				
R ² : 0.593				

DISCUSSION

The Influence of Product Quality on Revisit Intention

Improvement in product quality increases consumers' intention to revisit Hotel Kumala Pantai. If the products offered are attractive, meet consumers' needs and desires, as well as in superior quality, then consumers' intention to revisit the hotel becomes higher. The results of this study support previous research by [Awinasi, N.W., & Rastini \(2018\)](#), [Yamawati, S., & Indiani \(2019\)](#), [Karini, \(2016\)](#), [Karnelis \(2017\)](#), [Supriyanto, M., & Taali \(2018\)](#) who found that product has a positive and significant impact on purchase or staying intention. Aspects that need to be considered to improve product quality are maintain the uniqueness of hotel design and appearance, provide facilities that meet consumers' needs, and offer superior quality facilities.

The Influence of Price on Revisit Intention

Prices that provide value for consumers increase consumers' intention to revisit Hotel Kumala Pantai. Price that in accordance with the benefits obtained and consumers' purchasing power, also affordable encourages consumers to revisit the hotel. The results of this study support the research by [Karnelis \(2017\)](#), [Awinasi, N.W., & Rastini \(2018\)](#), [Karini \(2016\)](#), [Supriyanto, M., & Taali \(2018\)](#) who found that price has a positive and significant impact on purchase or staying intention. Aspects that need to be considered to improve price perceptions

are to maintain price compatibility with service quality and target segment purchasing power, affordable room rates, and provide frequent discounts.

The Influence of Promotion on Revisit Intention

Intensive promotion increase consumers' intention to revisit Hotel Kumala Pantai. Intensive promotion such as price discounts, publicity and direct marketing encourages consumers to revisit the hotel. The results of this study support previous research by [Supriyanto, M., & Taali \(2018\)](#), [Awinasi, N.W., & Rastini \(2018\)](#), and [Karini \(2016\)](#) who found that promotion has a positive and significant impact on purchase or staying intention. Aspects that need to be considered to improve promotion program are creating attractive advertisements in media that are relevant to the target segment, giving frequent discounts, and sending various promotional content to customers.

The Influence of Promotion on Revisit Intention

Strategic location strengthens consumers' intention to revisit Hotel Kumala Pantai, because of the reachability and accessibility. The results of this study are in line with previous studies by [Awinasi, N.W., & Rastini \(2018\)](#), [Karnelis \(2017\)](#), [Karini \(2016\)](#), [Supriyanto, M., & Taali \(2018\)](#), [Kavanillah, D., & Ridlwan \(2018\)](#) which found that location has a positive and significant effect on purchase or staying intention. Aspects that need to be considered to improve location are ensuring that the location is easily accessible, close to public facilities, and easy access to hotel location.

CONCLUSION

The current level of competition in hotel industry is marked by the increasing number of hotels offering similar services. Some literature states that the success of a company is determined by the ability to see opportunities and manage the marketing mix to seize these opportunities. This is the basis of this research to analyze the influence of marketing mix element on the consumer's revisit intention at Kumala Pantai Hotel. The results showed that product quality, price, promotion and location have positive and significant influence on consumer's intention to revisit Kumala Pantai Hotel.

In an effort to increase consumer's revisit intention, it is recommended for Kumala Pantai Hotel to maintain the uniqueness of the hotel design and highlight the nuances of Bali ornament, to set the price in accordance with the purchasing power of the target segment, to provide discounts frequently, sending email with promotional content so customers know the promotions being held by the hotel, and need to put direction signage to reach the hotel to help visiting consumers.

This research limitation is the limited generalization of research results in other industries, because the unique characteristics of other industries can change a series of factors that influence purchasing decision. Future research is expected to develop model by adding variables that can influence purchasing decision, which are brand image, physical evidence, people, and process, as well as expand the scope of research that is not only focused on one research location. Thus providing a more comprehensive insight on the topic of consumer purchase decision.

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