



Marketing Mix Digitalization as a Business Strategy at Holiday Resort Lombok

I Ketut Murta Jaya Kusuma¹, Gede Ginaya², I Made Darma Oka³
^{1,2,3}Tourism Business Planning, Applied Master Program, Politeknik Negeri Bali, Indonesia
Email: ¹ketutjaya.hri@gmail.com, ²ginyaya@pnb.ac.id,
³madedarmaoka@pnb.ac.id

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Abstract

Purpose: Holiday Resort Lombok, West Nusa Tenggara, Indonesia, realizes the importance of development through digitalization to improve less than ideal business strategies. This research aims to analyze the implementation of marketing mix digitalization as a business strategy at the Holiday Resort Lombok and design an appropriate digitalization model.

Research methods: This research uses a qualitative approach with a focus on the analysis and interpretation of written material. Sustainable marketing and tourism theory is used as a basis for the discussion.

Findings: The digitalization of the 7P marketing mix at Holiday Resort Lombok has been applied to all elements of the marketing mix, but the implementation is still limited and not yet optimally integrated. The main obstacles in implementing this include limited funding, technology, human resources, and hotel management planning which does not fully support comprehensive digitalization.

Implications: This research produces seven marketing mix digitalization models which include digitalization of products, prices, places, promotions, people, processes and physical evidence. Each model includes specific goals, methods, action plans, and necessary follow-up.

Keywords: hotel, digitalization, marketing mix, business strategy

INTRODUCTION

Technological developments in the digital era are currently taking place very rapidly in various countries, including Indonesia. Technological advances in this digital era have triggered a significant increase in the telecommunications sector,



which was marked by the emergence of the internet. The internet plays an important role in driving the economy, especially with the rise of trade via the internet (Faruqi, 2019). The widespread use of the internet among the public supports the emergence of new online-based business ideas, as well as encouraging companies to continue to develop, contribute and innovate which is synonymous with the use of websites. This is supported by the view of e-commerce according to Kartiwi & MacGregor (2007), namely as economic and business activities carried out through websites, which enable activities from sales to purchasing products, as well as providing facilities for carrying out business transactions between individuals and organizations. Therefore, websites are considered one of the most important marketing media today (Parvez *et al.*, 2018).

Technological advances and increasingly fierce business competition have encouraged the development of online businesses, which has led to changes in the way sales promotions are carried out (Yang *et al.*, 2015). If previously promotion was carried out through television advertisements and placing billboards on the street, now it has spread to the internet (Ivoni *et al.*, 2015). Digital marketing using the internet is becoming a viable option for hotels to reach potential customers, build loyalty and acquire the right audience.

Digitalization of the marketing mix in the hospitality industry is becoming important as the reliance on digital technology increases and consumer behavior changes. Initially, the marketing mix only involved 4Ps, namely product, price, place and promotion. Dwinanda & Nur (2020) call the 4P concept a traditional marketing mix concept. However, as time progressed and needs increased, the 4P marketing mix developed into 7P (Harrington *et al.*, 2017) with the addition of people, processes and physical evidence. The use of digital technology in the 7Ps of the marketing mix, including product, price, place, promotion, people, process and physical evidence, has gained momentum in recent years. Following this development, Holiday Resort Lombok is trying to digitize their marketing mix to support customer service satisfaction. Ideally, digitalization of the marketing mix should cover all aspects of the 7Ps, but to date this has only included aspects of Price and Promotion (Kotler & Keller, 2009).

Based on the results of interviews with Stevie, as Marcom Manager, and direct observations at the location, it is known that Holiday Resort Lombok, as a

popular resort destination, faces challenges in meeting their marketing key performance indicators (KPI). Apart from that, this resort also experienced a low marketing penetration index and online room revenue production which was below target. This condition shows the need to explore the potential benefits of digitizing their marketing mix. This is confirmed by the room production report for 2022 and 2023, which shows that for two consecutive years, offline production is better than online.

Previous researches related to digital marketing show the importance of implementing digital technology in improving business performance. According to Kartiwi & MacGregor (2007), e-commerce is a form of innovation in the business world that utilizes the internet as the main means for selling and buying products. Ivoni *et al.* (2015) discussed changes in promotional patterns from conventional media such as television and billboards to digital media via the internet. Dwinanda & Nur (2020) added that the marketing mix is evolving from 4P to 7P, which includes new elements such as people, processes and physical evidence, which can be digitized to increase marketing efficiency and effectiveness. However, these studies have not specifically discussed the application of marketing mix digitalization in the hotel industry, especially in Indonesia. In addition, previous research tends to focus on certain aspects such as promotions and prices, without paying attention to the overall application of digitalization to other elements in the marketing mix. This is a research gap that has not been explored in depth.

This applied research focuses on the implementation of digitalization of the 7P marketing mix at the Lombok Holiday Resort. The type of research used is qualitative research with a direct observation approach and interviews as the main data collection methods, supported by secondary data from hotel reports, journals and related literature. The theories used in this research include marketing mix theory and business digitalization. Through this research, it is hoped that an appropriate marketing mix digitalization model can be developed to increase value for customers, improve guest experience, and achieve business goals (Lestari & Saifuddin, 2020).

This research aims to create a marketing mix digitalization model that is suitable as a business strategy at Holiday Resort Lombok, in order to increase value for guests, improve customer experience, and achieve business goals.

RESEARCH METHODS

This research was conducted using a qualitative approach which aims to analyze the digitalization of the marketing mix as a business strategy at Holiday Resort Lombok. A qualitative approach was chosen because it allows researchers to understand in depth the application of digitalization in the context of hotel marketing, as explained by Sugiyono (2013). This method provides a comprehensive picture of the impact of digitalization on marketing performance and how Holiday Resort Lombok adapts to technological trends in the hotel industry.

This research uses a single case study design with Holiday Resort Lombok as the main focus (Purwono et al., 2019). This design was chosen to explore in depth the digitalization strategy implemented in the marketing mix, including the 7P elements (product, price, place, promotion, people, process and physical evidence). This case study approach allows the researcher to analyze in detail how digitalization strategies are implemented and the challenges that arise in the context of the hospitality industry. This approach is in line with Creswell's (2012) theory, which emphasizes the importance of understanding the local context in qualitative research, especially in case studies.

This research was conducted at Holiday Resort Lombok, a resort located in Mangsit, West Lombok. This location was chosen because Holiday Resort Lombok faces challenges in optimizing digitalization strategies to improve marketing performance and customer service. The type of data used in this research is qualitative data obtained through interviews, observation and documentation studies. This data provides detailed information regarding the views and experiences of hotel stakeholders regarding the implementation of digitalization strategies in the marketing mix.

The data sources used in this research consist of primary data and secondary data. Primary data was obtained through in-depth interviews with key sources, including Marcom Manager, e-commerce staff, and the IT team at Holiday Resort Lombok. Interviews were conducted to obtain direct information regarding the implementation of marketing digitalization strategies and their impact on hotel marketing performance (Abdussamad & Sik, 2021). Secondary data was obtained from internal hotel documents, such as marketing reports,

hotel profiles, performance reports, and publications related to digitalization trends in marketing (Setiawan et al., 2019). This secondary data provides context and supports analysis of the digital strategy implemented by the hotel.

Data collection was carried out through several methods. First, in-depth interviews were conducted with key staff and marketing executives at Holiday Resort Lombok to gain information about the application of digital technology in marketing strategies and their evaluation of the effectiveness of digitalization. Second, direct observations were carried out for six months, from August 2023 to February 2024, to see how digital strategies were implemented in the hotel's daily operational activities, especially in the marketing and sales departments. Third, documentation studies are carried out by collecting and analyzing official hotel documents, such as marketing performance reports, organizational charts and financial reports, which provide additional data related to the implementation of digital marketing strategies in hotels (Kristanto & Padmi, 2020). The data obtained was analyzed using a qualitative descriptive analysis method based on the model from Miles et al. (2019). This analysis process includes three main stages. First, data reduction is carried out by selecting and simplifying data obtained from interviews, observations and documents. Data reduction aims to focus on relevant and significant information in the context of implementing marketing mix digitalization in hotels. Second, data presentation is carried out in the form of narrative descriptions, tables and schemes. Third, drawing conclusions and verifying is carried out by testing the initial conclusions produced through data triangulation. This triangulation is carried out by comparing the results of interviews, observations and documentation studies to ensure the validity and accuracy of research findings.

With the approach and methods used, this research is expected to provide an in-depth understanding of the influence of digitalization of the marketing mix on the performance of Holiday Resort Lombok as well as provide strategic recommendations for further improvements in the implementation of digitalization as part of the hotel's business strategy.

FINDINGS

The results of this research show that the implementation of digitalization of the marketing mix at Holiday Resort Lombok has had a positive impact on

customer experience and hotel operational efficiency. Digitalization of various elements of the marketing mix: product, price, place, promotion, people, process and physical evidence has helped hotels adapt to developments in digital technology in the hospitality sector. This is in line with Gobble (2018) which states that marketing digitalization increases customer engagement and allows businesses to expand market reach globally. One of the strategic steps taken by Holiday Resort Lombok in digitalization is the development of an official website that allows potential guests to obtain complete information regarding hotel rooms, facilities and services. The website is equipped with an online booking system, which allows guests to book rooms directly without intermediaries. The implementation of this technology has significantly increased online reservation rates, as seen in Table 1.

Table 1: Increase in online reservations at Holiday Resort Lombok

Year	Online reservation	Offline reservation
2022	4.892	11.601
2023	6.245	10.029

[Source: Sales and marketing report, Holiday Resort Lombok, 2024]

Based on Table 1, the trend of increasing the number of online reservations at Holiday Resort Lombok from 2022 to 2023, as well as decreasing the number of offline reservations. In 2022, the number of online reservations will be recorded at 4,892, while offline reservations will reach 11,601. However, in 2023 there will be a significant increase in online reservations which reached 6,245, with a decrease in the number of offline reservations to 10,029. This increase reflects the impact of the digitalization strategy implemented by Holiday Resort Lombok, such as website optimization, integration with online travel agents (OTA), as well as the use of social media and digital promotions. The use of digital technology has made it easy for potential guests to make orders online, either via the official website or OTA platform. The decline in offline reservations shows a shift in consumer behavior who increasingly rely on digital channels to make hotel reservations (Sunyoto & Saksono, 2022).

The digitization of Promotion elements is carried out through social media platforms such as Instagram, Facebook and YouTube, which allows hotels to

promote various special offers such as family holiday packages, wedding events and seasonal promotions. According to Stevie Yasinta, Marketing Communications Manager, social media plays an important role in expanding a hotel's reach and building closer relationships with customers.

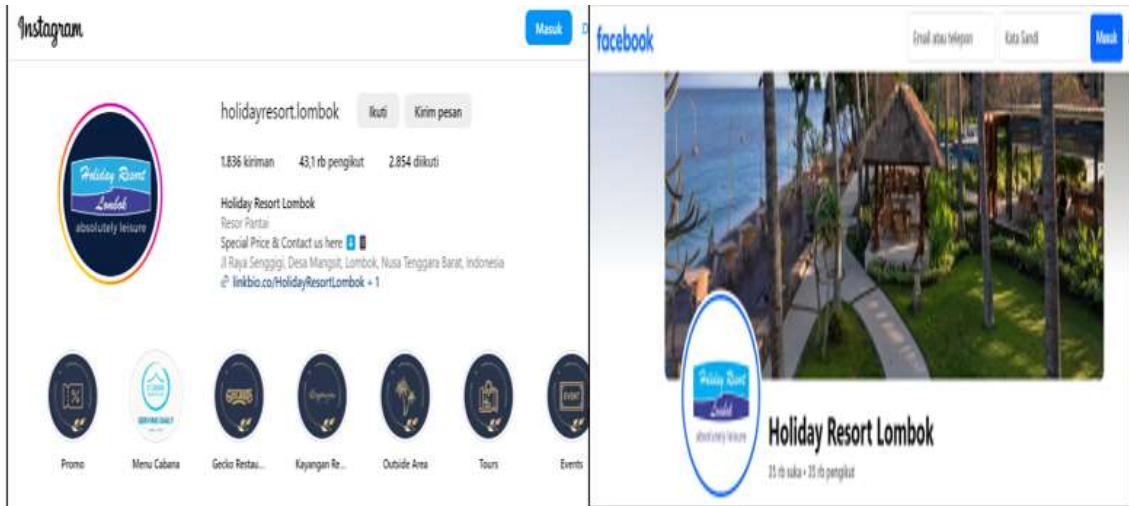


Figure 1: Holiday Resort Lombok social media promotion campaign [Source: Holiday Resort Lombok, 2024]

The implementation of process digitization is also carried out through a food and drink ordering system using QR codes. This system allows guests to order room service directly from their mobile phones, increasing guest comfort and reducing physical interactions, especially during the Covid-19 pandemic. In addition, this technology has increased the operational efficiency of hotels.



Figure 2: Barcode menu [Source: Holiday Resort Lombok, 2024]

Even though digitalization has been implemented in many areas at Holiday Resort Lombok, several aspects such as the check-in and check-out process are still done manually. Based on an interview with Syaifudin, the IT manager, one of the biggest challenges in full digitalization is maintaining the personal touch that guests often expect in hotels. Personalized service and direct interaction are often an integral part of the hotel stay experience (Wibawa *et al.*, 2022). Gede Arya, the e-commerce manager, also emphasized that many guests still value face-to-face interaction during this process, as part of the exclusive and personalized service the hotel offers. Apart from these factors, there are still several technical and operational obstacles that slow down the full implementation of digitalization in the check-in and check-out areas. Some parts of the hotel still face digital infrastructure limitations, and staff require further training to operate the new systems efficiently. The following (Table 2) is a table that summarizes the obstacles.

Table 2: Barriers to digitalizing check-in and check-out at Holiday Resort Lombok

Factor	Description
Personal touch	Guests expect personal interaction at check-in/check-out
Infrastructure limitations	Some parts of the hotel do not yet have adequate digital infrastructure
Staff training needs	Staff need additional training to manage new digital systems

[Source: IT manager and e-commerce manager interview, 2024]

Table 2 explains several main factors that are obstacles in the digitalization of check-in and check-out processes at Holiday Resort Lombok. One of the main obstacles is the personal touch, with many luxury hotel guests still wanting direct interaction with hotel staff, especially at check-in and check-out. This is considered part of a luxury service that adds value and quality to the stay experience.

In addition, there are limited infrastructure in several parts of the hotel which do not yet have adequate technological support to fully implement a digital check-

in and check-out system. These challenges include issues such as internet network quality, as well as the availability of appropriate hardware and software.

Another factor that is also an obstacle is the need for staff training. To implement new digital systems well, hotel staff require additional training to be able to operate the technology effectively, while keeping guest service running smoothly. These barriers illustrate the challenges in achieving a balance between technological efficiency and the personalized service experience that is the hallmark of hotel service.

To overcome the challenges in the digitalization process, this research developed a holistic model of marketing mix digitalization as a business strategy at Holiday Resort Lombok. This model integrates all the 7P elements with a comprehensive digital approach. This model is designed to increase operational efficiency, improve customer experience, and strengthen the hotel's competitive position in an increasingly digital market.

To ensure the implementation of this model runs effectively, each 7P element in the marketing mix is supported by relevant technology and comprehensive training for staff. For example, integrating a property management system (PMS) with cloud-based technology can simplify daily operations, while price automation through dynamic pricing will allow hotels to adjust rates in real-time according to market demand. In addition, strengthening interactions with customers through digital CRM and the use of data-based promotions in various digital channels will increase customer loyalty and expand market reach globally. This model also allows hotels to carry out continuous evaluation and optimization based on the data obtained, so that marketing strategies are always relevant to the latest needs and trends in the hotel industry.



Figure 3. Holistic model of marketing mix digitalization at Holiday Resort Lombok

[Source: Authors' data, 2024]

This designed holistic model of marketing mix digitalization includes digitalization of each 7P element, namely product, price, place, promotion, people, process and physical evidence. Each element was designed with a comprehensive and integrative approach to leverage digital technology to improve customer experience, operational efficiency and hotel competitiveness.

1. Product

This model emphasizes product digitalization with the development of mobile applications that allow guests to access complete information regarding hotel services and facilities, including 360-degree virtual tours. The app also supports booking additional services such as spa, dinner and other activities directly.

2. Price

Digitalization of prices through dynamic pricing which utilizes real-time data to adjust room rates based on market demand and competitive conditions. This model also recommends integration with competitors' automatic price monitoring systems to maintain competitiveness.

3. Place

This model adopts the use of AI chatbots as virtual concierges that can serve guests 24/7. This chatbot provides information about hotels, makes reservations, and answers guest questions automatically.

4. Promotion

In the promotional element, this model proposes the use of data analytics to personalize promotions based on customer preferences. Promotions can be distributed through various digital channels such as social media, Google Ads, and targeted email marketing.

5. People

Digital training for staff is an important part of this model, with training programs designed to improve their skills in using digital technologies such as customer management systems (CRM) and other digital tools that support hotel operations.

6. Process

This model also recommends implementing a fully integrated property management system, which would automate the check-in/check-out process, booking management, as well as customer service. With this system, manual processes can be minimized, and operational efficiency can increase.

7. Physical evidence

The digitalization of physical evidence is focused on the use of smart room technology which allows guests to control various room facilities (AC, lighting, TV) via their cellphone application. In addition, the use of digital signage in hotel public areas will help provide information to guests in a dynamic and interactive manner.

Each element of the 7Ps in the marketing mix has been prepared with a specific digitalization strategy, in accordance with the operational needs and challenges faced by Holiday Resort Lombok. This holistic model is designed to comprehensively integrate digital technology, to optimize various aspects of hotel operations. Starting from developing mobile applications that facilitate access to information for guests to implementing dynamic pricing to adjust rates in real-time, this model offers strategic solutions to increase hotel efficiency and competitiveness in an increasingly competitive market.

The implementation of AI chatbots as virtual concierges provides services that are more responsive and available around the clock (24/7), while the use of data analytics allows personalization of promotions more effectively and on target. In order to support the success of this transformation, hotel staff are also given training related to digital competency, so they can manage new technology optimally. In addition, the automation of various operational processes through the property management system (PMS), as well as the application of smart technology in guest rooms and the use of digital signage, enables the quality of the guest experience to be more modern and interactive. To find out more clearly about the implementation of digitalization in each element, complete details can be reviewed in Table 3.

Table 3: Components of the holistic marketing mix digitalization model

7P element	Digitalization strategy
Product	Mobile application with virtual tour and service booking features
Price	Dynamic pricing with integrated competitor price monitoring
Place	AI chatbot as virtual concierge
Promotion	Leveraging data analytics for personalized promotions
Person	Hotel staff digital training
Process	Property management system to automate operations
Physical evidence	Smart room technology and digital signage

[Source: Authors' data, 2024]

The findings indicate that the marketing mix digitalization model at Holiday Resort Lombok has had a significant positive impact in improving operational efficiency and customer service quality. The implementation of dynamic pricing, promotions via social media, and the use of a barcode system for ordering room service show substantial progress in the hotel's digital transformation. The proposed model also provides solutions to some of the challenges faced, such as the need to maintain a personal touch in customer service as well as the limitations of the existing digital infrastructure. This is consistent with the findings of Ha (2008), who emphasized that digital transformation in the hotel industry is

able to improve customer experience while strengthening hotel competitiveness in an increasingly competitive global market.

The designed model not only responds to internal needs, but can also be adapted in the context of external changes in the digital era. Through this holistic approach, hotels can maintain the relevance of their business strategy by integrating technology into every operational aspect. Thus, this research succeeded in achieving its goal of designing a holistic model of digitalization of the marketing mix that is relevant and can be implemented by Holiday Resort Lombok. This model provides a strategic and comprehensive framework for hotels to face challenges and opportunities in the digital era, while improving efficiency, service quality and overall customer satisfaction.

CONCLUSION

Digitalization at Holiday Resort Lombok, has been applied to all elements of the 7P marketing mix (product, price, place, promotion, people, process and physical evidence). However, this implementation is still limited. Even though digital technology helps improve business performance, digital integration in all elements is still not optimal. Some of the obstacles found include limitations in terms of financing, access to technology, and lack of support from management planning. This limitation results in digitalization that is not yet comprehensive, especially in aspects of the check-in/check-out process which are still carried out manually.

Digitalization has had a real impact on increasing online reservations and promotional effectiveness. In the last two years, Holiday Resort Lombok recorded a significant increase in online reservations, which was due to website optimization, integration with OTA platforms and the use of social media as a promotional medium. The use of social media such as Instagram and Facebook has succeeded in attracting the attention of potential guests and promoting various hotel offers. On the other hand, the number of offline reservations has decreased, reflecting a shift in consumer behavior that is increasingly dependent on digital channels. However, challenges such as maintaining personal interactions in guest service remain a focus that must be overcome in this digital transformation.

This research succeeded in designing a holistic model of marketing mix digitalization that includes all 7P elements. This model suggests the use of technologies such as mobile apps, dynamic pricing, AI chatbots, digital staff training, and integrated property management systems. The implementation of this model is expected to increase operational efficiency, competitiveness and service quality at Holiday Resort Lombok.

Digitalization of the marketing mix in the hospitality industry is becoming increasingly important as reliance on digital technology increases and customer behavior changes. Therefore, hotel management is advised to implement the models proposed in this research as part of a new business strategy. In addition, hotels need to adopt an integrated digitalization platform, from the reservation process to payment security, as well as provide a special budget for the adoption of digitalization technology.

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