



Implementation of Digital Marketing in Increasing Room Occupancy Rate at Hilton Bali Resort Hotel

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Received on 25 January 2023	Revised on 7 February 2023	Accepted on 20 February 2023
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Abstract

Purpose: This study aims to analyze the application of digital marketing dimensions and the influence of digital marketing on room occupancy rates at the Hilton Bali Re-sort hotel in the Nusa Dua tourism area, Bali, Indonesia.

Research methods: The data are obtained from interviews, documentation, literature studies, and distributed questionnaires to 60 respondents. The questionnaires data is then processed using the Structural Equation Modeling-Partial Least Square technique (SEM-PLS) by using SmartPLS that presented in the table.

Findings: The implementation of each digital marketing dimension by the Hilton Bali Resort management, and the impact of digital marketing in increasing the room occupancy rate at the Hilton Bali Resort.

Implication: The hotel management needs to create better quality content and promotional methods through online media so that online media customers know and are interested in products from Hilton Bali Resort.

Keywords: marketing strategy, digital marketing, hotel, room occupancy rate.

INTRODUCTION

Hotels are public residence facilities for tourists that provide room service, food and beverage providers and accommodation with payment terms (Lawson, 2015). The hotel is a business with a very complex level of management (multicomplex). The higher the tourist visits to Bali, the higher the room occupancy rate at the hotel. The room occupancy rate is a ratio of the number of room nights used with the number of rooms available in the existing hotel within a certain period of time (Azhari, 2018).

The rapid growth of hotels will lead to increasingly fierce competition, so each hotel is required to have the best strategy for maximizing room occupancy, one of which is by maximizing marketing strategies. Recently, marketing strategies have been carried out by utilizing digital media or digital marketing. Digital marketing is one of the strategies in marketing activities (including branding) that uses a variety of web-based digital media such as blogs, websites, e-mail, Ad-

Words, and social media so that they can reach a wider market share with unlimited time (Yanti, 2019).

According to Ryan & Jones (2012), the application of digital marketing consists of several dimensions consisting of a website, search engine optimization (SEO), pay per click (PPC), online affiliation, online public relationships, social media, e-mail, and customer relation management. Most hotels have implemented marketing activities through digital marketing, one of which is the Hilton Bali Resort, one of the five-star hotels under Hilton Worldwide's management. Using digital marketing means can be do personalized marketing (PM) which can be interpreted as personal marketing so that the products offered are likely to be really needed by the target audience with an approach based on demographics (Wibawa et al., 2022).

Based on the carrying capacity of Hilton Bali Resort in implementing digital marketing in the marketing process, it should be able to make an appreciable contribution. So, Hilton Bali Resort Sales & Marketing needs to analyze the application of digital marketing as one of the marketing strategies used to increase the room occupancy rate. The analysis occurred to find out how the application and its impact on revenue.

RESEARCH METHODS

This research takes the object of digital marketing at the Hilton Bali Resort Hotel. The variables studied in this study are digital marketing used by Hilton Bali Resort which consists of eight (8) dimensions such as websites, search engine optimization/SEO, PPC advertising, online marketing, online PR, social networking, e-mail marketing, and Customer Relationship Management (Ryan, 2014).

In this research, the method of determining the sample used is non-probability sampling, which means the sampling technique does not provide equal opportunities for each member of the population to be selected by researchers as a sample. The non-probability sampling technique used in this study is accidental sampling. This technique is a sampling technique based on chance. So, anyone who coincidentally meets a researcher can utilize as a sample. The sample size of this research was determined to do 5 times the number of indicators in the variable (Malhotra, 2019). The indicators number in this study was 12, so the number of samples used was 12 x 5, namely 60 respondents. The determination of the sample number has met the minimum of the sample number required in the Structural Equation Modeling-Partial Least Square (SEM-PLS) analysis method.

FINDINGS

The implementation of the eight (8) digital marketing dimensions used by Hilton Bali Resort in carrying out promotional activities to increase sales or room occupancy rates is as follows.

1) Website

The website domain used by the Hilton Bali Resort hotel is baliresort.hilton.com. In managing the website, the Hilton Bali Resort management coordinates with the Hilton Worldwide head office so that the website settings have been regulated to the standards of the head office. The content on the website is prepared by marketing communication team. Meanwhile, the reservation team is responsible for reservation services.

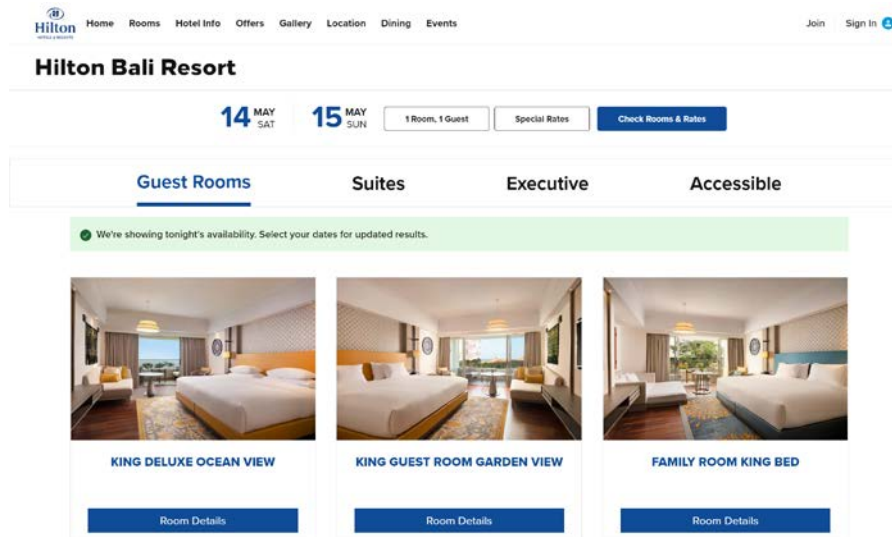


Figure 1. Official Website of Hilton Bali Resort
(Source: Hilton Bali Resort Website, 2022)

2) SEO (Search Engine Optimization)

Hilton Bali Resort coordinates with regional parties in operating search engine optimization optimally. The hotel management will coordinate and provide a budget according to the numbers set by each property. The regional office is in charge to manages the search engine optimization of each Hilton Worldwide-owned property in a region. The arrangement will be established based on the amount of budget set aside by a property.

3) PPC Advertising

Hilton Bali Resort also uses PPC advertising in marketing its products by researching the keyword that is often typed by potential customers in the Google search column. Hilton Bali Resort also coordinates with regional parties in operating the PPC advertising. The regional office will be in charge of managing the portion of the distribution of advertisements that are served from each Hilton Worldwide-owned property in a region.

4) Affiliate Marketing

The form of affiliate marketing cooperation between Hilton Bali Resort hotel management with online travel agents is the provision of wholesaler rates and commissions. The interaction with online travel agents (OTA) related to

price negotiations, commissions, and others is carried out by revenue analysts who are coordinated with the marketing communications team in preparing the required content.

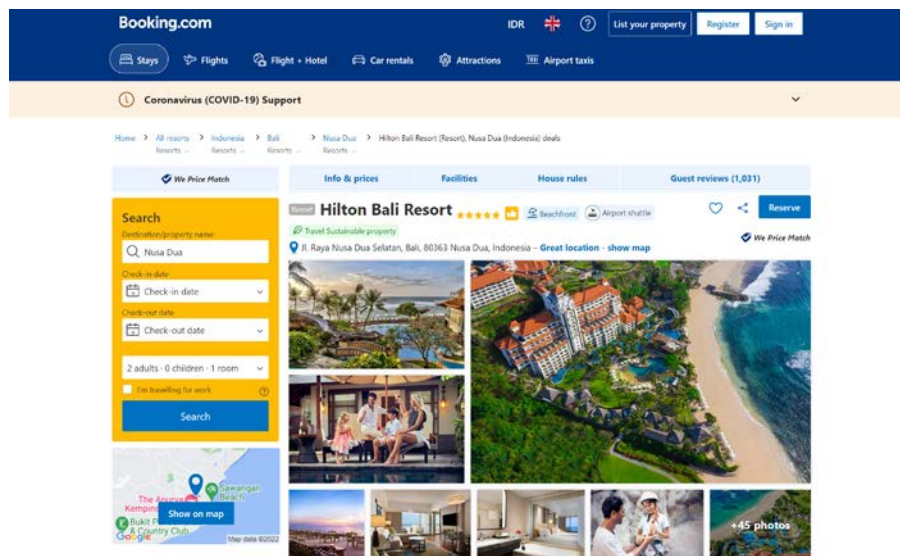


Figure 2. Profile Extra Net of Booking.com
(Source: Booking.com, 2022)

5) Online Public Relation

Materials and content that will be used as press releases as online PR activity are sent via digital media such as email, links, or other media. Through this collaboration, the hotel will get exposure and the online media will get content to be shared with the audience. On several occasions, online media will also benefit in the form of income through advertisements that are displayed.

6) Social Networks

The types of social media that are actively used in gaining market share to be precise include Facebook, Instagram, Twitter, LinkedIn, and Youtube. The hotel also utilizes the WhatsApp to process room and F&B reservations. Marketing Communication routinely uploads all products, facilities, and events held at the Hotel Bali Resort, as well as estimates the budgeted costs for social media ads per month which will be allocated according to the Google Analytics report which is managed by the Hilton Worldwide regional team.

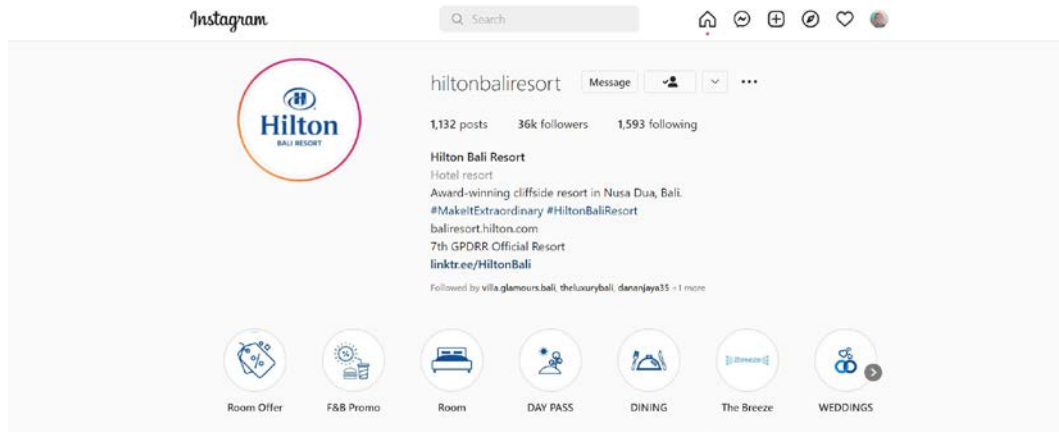


Figure 3. Hilton Bali Resort's Profil Instagram
(Source: Hilton Bali Resort Website, 2022)

7) E-mail Marketing

Digital marketing activities via e-mail can only be carried out by Hilton Worldwide headquarters based on the needs of the hotel concerned by submitting a request following the applicable regulations. Besides, Hilton Bali Resort also has an official e-mail in the reservation process, namely hiltonbali.reservations@hilton.com which is operated directly by the reservation team to serving guest reservations and answering their questions.

8) Customer Relation Management

Hilton Bali Resort uses reactive marketing through social networks for encourages customers to contact them with questions, comments, or complaints. Hilton Bali Resort also uses proactive marketing where the hotel always contacts customers with new product information through websites and social networks. Hilton Bali Resort also makes promotional strategies that adapt to consumer needs.

The digital marketing dimension above is a unit that will be researched for its impact on the room occupancy rate. Researchers analyzed the research model using the Structural Equation Modeling-Partial Least Square (SEM-PLS) method with the SmartPLS version 3.2.9 program. There are two basic evaluation models in this calibration, namely outer model and inner model.

1) Convergence Validity

Evaluating the outer model is by looking at the convergent validity (aims to determine the validity of the relationship and the magnitude of the loading factor for each construct with its latent variable). This study uses a minimum limit of 0.7 factor loading. The results of the loading factor before elimination can be seen in the path diagram below.

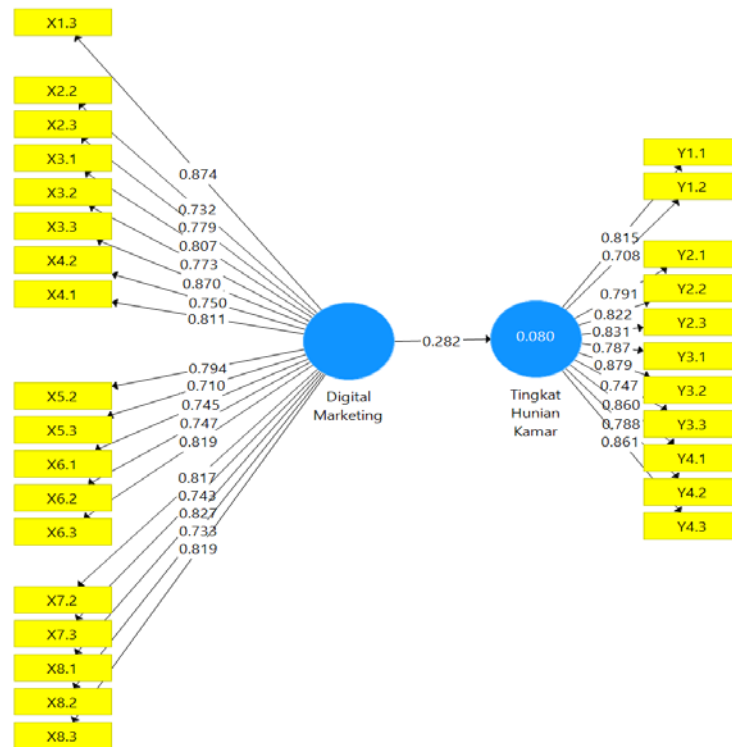


Figure 4. Structure of Outer Model

In addition to the diagram above, it can also be explained in the table below.

Table 1. Results of Loading Factor

	Digital Marketing	Room Occupancy Rate	Description
X1.3	0.874		Valid
X2.2	0.732		Valid
X2.3	0.779		Valid
X3.1	0.807		Valid
X3.2	0.773		Valid
X3.3	0.870		Valid
X4.2	0.811		Valid
X4.1	0.750		Valid
X5.2	0.794		Valid
X5.3	0.710		Valid
X6.1	0.745		Valid
X6.2	0.747		Valid
X6.3	0.819		Valid
X7.2	0.817		Valid
X7.3	0.743		Valid

X8.1	0.827	Valid
X8.2	0.733	Valid
X8.3	0.819	Valid
Y1.1	0.815	Valid
Y1.2	0.708	Valid
Y2.1	0.791	Valid
Y2.2	0.822	Valid
Y2.3	0.831	Valid
Y3.1	0.787	Valid
Y3.2	0.879	Valid
Y3.3	0.747	Valid
Y4.1	0.860	Valid
Y4.2	0.788	Valid
Y4.3	0.861	Valid

The results of processing Table 2. show that the outer loading value has met the criteria, and all indicators have a loading factor above 0.70, so it means that the construct has good convergent validity.

2) Test Reliability

Assessment to the reliability can be done by comparing the root value of the Average Variant Extracted (AVE) of each construct with the correlation between the constructs and other constructs.

Table 2. Average Variant Extracted (AVE)

Variabel	AVE	AVE Root
Digital Marketing (X)	0.620	0.788
Room Occupancy (Y)	0.655	0.810

The AVE roots in Table 2. will be compared with the correlation values between independent variables shown in Table 3. below.

Table 3. Correlation between Latent Variables

	Digital Marketing (X)	Room Occupancy (Y)
Digital Marketing (X)	1.000	0.282

Room Occupancy (Y)	0.282	1.000
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Table 2. shows that the AVE root with the lowest value is 0.788. The highest correlation value in Table 3. is 0.282, so all AVE root values are more substantial than the correlation value between constructs, which means that the data is reliable. The discriminant validity of the measurement model with reflective indicators is assessed based on cross-loading measurements with constructs. If the construct's correlation with the measurement item is more substantial than the size of the other constructs, then this indicates that the latent construct predicts the size of their block better than the size of the other blocks.

3) Statistical hypothesis testing

Testing the estimated parameters provides significant information about the relationship between research variables. Hypothesis testing uses the values contained in the results of the path coefficients as a basis. Table 8. is the estimated output for testing the structural model.

Table 4. Path Coefficient (Mean, STDEV, T-Values, P-Values)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Digital Marketing (X) -> THK (Y)	0,282	0,351	0,139	2,028	0,043

Testing the hypotheses in the PLS method is carried out by using a simulation of each hypothesized relationship, in this case, the bootstrap method on the sample, which serves to minimize the problem of abnormality in the research data used. The t-table value was determined with a significance level of 5 percent or 0.05. The path coefficient in Table 4.21 has a statistical value above 2.00 means it is declared to have a significant effect.

The estimation of the structural model presented in Table 4.21 shows that testing the Ha hypothesis indicates a significant relationship between digital marketing and the room occupancy rate which is indicated by a T-statistic value of 2.028 (> 2.00). The path coefficient value is 0.282 which means that the relationship between digital marketing and the room occupancy rate is positive,

so the H_a hypothesis in this study which states that digital marketing has a positive and significant effect on the room occupancy rate is accepted. This explains that the better the digital marketing strategy is shown by eight (8) indicators including websites, search engine optimization (SEO), PPC advertising, online travel agents, online PR, social networks, e-mail marketing, and customer relations management implemented by the hotel management, it further increases the room occupancy rate at the Hilton Bali Resort hotel. These results are in line with previous research conducted by Kurniawan Akbar & Suwitho (2022), Billah (2020), and Kartini (2019) which stated that digital marketing or its constituent dimensions were able to positively and significantly influence the Y variable, which in this study is room occupancy rate.

A study by Kurniawan Akbar & Suwitho (2022) has a higher T-statistic test value of 4.095 with customer engagement as a medium but only has 6 digital marketing indicators. While in research by Billah (2020), the most influential digital marketing dimension is PPC advertising because it has the highest loading factor value, while in this study, the most influential digital marketing dimension is the website. Based on the SWOT analysis by Kartini (2019), the biggest strength of marketing communication is in product indicators in the form of content (photos/videos) that are shared on varied social media, and the biggest weakness is in the image quality indicator on content shared on social media which is not good, response on social media it is not fast enough and the promotions are less attractive, in contrast to this research where the weak indicator according to respondents lies in the online dimension of PR.

CONCLUSION

The implementation of digital marketing at the Hilton Bali Resort is carried out independent-ly by the hotel management, especially by the marketing communication team, and even several parts of them cannot be separated by the contribution of the head office or the Hilton Worldwide region. Digital Marketing implemented by Hilton Bali Resort has a positive and significant effect on Room Occupancy Rate, which means that when the frequency of digital marketing application at Hilton Bali Resort increases and is carried out optimally, it will affect the increase in room occupancy rates at Hilton Bali Resort. The findings of this study indicate that as many as 81.6% respondents with an average value of 4.05 on the PPC advertising dimension stated that Hilton Bali Resort advertisements always appear on web pages or websites that consumers visit and advertising banners made by Hilton Bali Resort attract consumers' attention.

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