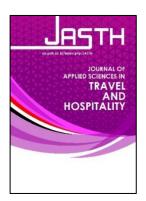# Analysis of Marketing Mix Strategies in Increasing Room Revenue on Grand Inna Kuta Bali

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Abstract

This study discusses strategies in increasing revenue at Grand Inna Kuta with marketing mix. The purpose of this study was to analyze the strengths and weaknesses of the marketing strategies adopted by Grand Inna Kuta. The number of respondents used was 16 respondents, with a purposive sampling data collection technique. The method of primary data collection with a focus group discussion (FGD) method by involving several people from sales and marketing at Grand Inna Kuta. The analysis technique used is the SWOT analysis technique (Strengths, Weaknesses, Opportunities, and Threats). The results showed that 7 internal indicators that become strengths, and 4 internal indicators that become weaknesses. On the other hand, there are 3 external indicators that are opportunities, and there are 3 external indicators that threats. In the SWOT matrix analysis technique, there are 2 strategies were obtained to maximize strength and opportunity there are intensify the promotion to government market, and intensify the room packages based on the current season. Two strategies to maximize strengths to minimize threats which are adjust the room price to make it lower, and focus on the current target market. Two strategies to maximize opportunities by minimizing weaknesses which are rejuvenate or repair the room ambiance, and technology for paying method. Four strategies to minimize challenges and weaknesses contains of increase evaluating of the staff to work by giving rewards, train more about the skill quality for the staff, create support package, and make a promotion on airline.

Keywords: *marketing mix, sales and marketing, SWOT analysis, room revenue*

INTRODUCTION

Grand Inna Kuta is one of the four-star resorts located in Kuta, Badung, Bali. Grand Inna Kuta has a variety of facilities that support the resort's operations, including: roof top, side bar pool, ground swimming pool, business center, spa and massage, and meeting rooms. With the concept of a city hotel and supporting facilities, Grand Inna Kuta is expected to attract potential customers to stay overnight. The highest room occupancy happened in October 2018 which increase 2.76% from the last year in the same month and the lowest room occupancy happened in March 2017 that only have 70.74% room occupancy, this was decreasing from March 2016 that have 75.52% Room Occupancy. In 2018, the room

occupancy is increasing very well, most of the months have their room occupancy increasing. In general, Grand Inna Kuta has a good performance to maintain or increase their room occupancy. Grand Inna Kuta has potential and attractive assets for prospective customers where there are 322 Rooms consisting of 3 categories, namely: Superior Room, Deluxe Room and, Suite Room. With the hotel assets owned, the Sales and Marketing Department of Grand Inna Kuta seeks to achieve company goals and win business competition in the hospitality industry by implementing a marketing mix strategy.

Marketing mix are elements of a company organization that can controlled by the company in communicating with guests and to satisfy the guests (Zeithaml and Bitner, 2008: 48) While (Sayeed, 2013) the 7P marketing mix is incorporated in a modern marketing system, i.e. product, price, place, promotion, people, physical evidence, and process. Definition of products according to Kotler (2009) is everything that can offered to the market to get attention, bought used, or consumed which can satisfy desires or needs. According to Kotler and Keller which is translated by Bob Sabran (2009: 67), price is one element marketing mix that produces income other elements produce cost. Kotler (2000: 96), in Sukotjo and Radix, (2010) stated that Channels distribution consists of a set of institutions that are do all activities (Functions) which used to distribute products and owner status from producer to consumer. According to Tjiptono (2008: 79) suggested that promotion is one of the determinants of success a marketing program to provide information about the existence of a product. According to (Grewal and Levy, 2010) in Martjiono (2016) People who interact directly with consumers in providing services, is an important part of building loyalty. According to (Kotler and Armstrong, 2012) physical evidence is the environment, color, layout, and facilities additional. According to Assauri (2012: 118) people show the role of employees and customers in the marketing exchange process Poor design processes will lead to slow and ineffective service delivery; waste time and disappointing experiences.

The average revenue target of the rooms set by the management of Grand Inna Kuta is Rp. 90,806,785,000 with the realization of Rp. 76,174,189,598, so that a difference of Rp. 14,632,595,402, in units of a percentage of 16.06 percent lower than the target that has been set. Based on the description above, it is assumed that the marketing mix strategy implemented by Grand Inna Kuta has not been optimal for attracting overnight guests and resulted in the target of room sales not being reached. Based on that condition Grand Inna Kuta needs analyzing marketing strategy which will influence the room revenue by considering to internal factor as strengths and weaknesses and considering to external factor as opportunities and threats that make researcher is interested to conduct a research entitles "Analysis Of Marketing Mix Strategies In Increasing Room Revenue On Grand Inna Kuta, Bali".

RESEARCH METHOD

This research is done at Grand Inna Kuta in the form of hotel that is located in Jalan Pantai Kuta Br. Pande Mas No.1, Kuta, Badung. Research object of this research are internal indicator and external indicator of marketing mix strategy by sales and marketing department. The method of determining the sample used in this study was purposive sampling, which is a sampling method that is determined by using certain criteria by researchers. Respondent in this research is the parties that know the detail information that related to this research and to fulfill some criteria such as: 1) Knowing the standard of pricing in order to determine the room price, 2) Having an ability to change the room price at anytime

The data collection technique that is being used during this research is by making direct observations on the object to be studied and recording the data needed in this study. Interview is frequent interviews too referred to as interviews or oral questionnaires, is a dialogue conducted by interviewer to obtain information from interviews (Suharsini (2006) in Suharsono (2019)). Interview is used by the researcher to dig some information that could help the researcher to get the data, documentation study is collecting a number of documents needed as material data information in accordance with research problems, such as maps, statistical data, number and names of employees, student data, population data; graphics, pictures, letters, photos, certificates, etc. Andriyani (2017) said questionnaire is written set of items used to measure the construct that has been determined and through certain compilation procedures, and Focus Group Discussion Focus group discussion will held by doing gathering discussion consist of management in sales and marketing at Grand Inna Kuta and sales executive.

Data analysis technique that is being used during this research are descriptive analysis and SWOT analysis. Those technique will be used to determine the alternative strategy that can be implemented to increase the room revenue. The position of the marketing mix will be shown after analyzing the indicator for each element include internal and external variable. Based on analysis of total score of internal and external factor by using model of Internal External (IE) matrix.

RESULTS AND DISCUSSION

The strengths and weakness determine by the average of all internal indicators rating which is on (3.17). The number sourced from summarize all of internal indicator rating divided by number of internal indicators. The internal indicator rating that is more than 3.17 is expected to become the strength, and the internal indicator rating that is less than 3.17 is expected to become the weakness. Subsequent to summarize the weight and rating for every internal

indicator that belongs to strength or weakness, author continues to sort out the (IFAS Matrix) internal indicator internal strategic factor analysis summary matrix that can be seen from Table 1.

Table 1. IFAS Matrix

Internal Strategic Factor	Weight	Rating	Score
Strength:			
1. Variety of room packages	0.07	3.29	0.23
2. Suitable price	0.09	3.24	0.29
3. Affordable price	0.09	3.29	0.30
4. The location of hotel	0.09	3.65	0.33
5. Transportation for guest to access the hotel	0.08	3.18	0.25
6. Personal selling by sales department	0.08	3.24	0.26
7. Sales promotion to attract customer	0.08	3.41	0.27
8. Hospitality of the staff	0.09	3.18	0.29
Weakness:			
1. Variety of room category	0.08	3.06	0.24
2. Product knowledge of staff	0.09	2.88	0.26
3. Ambiance of rooms	0.08	2.65	0.21
4. Payment method	0.08	2.82	0.23
Total			3.16

(Source: Processed Data, 2020)

Opportunities and threats are determined the average rating of external indicator (2.91). The number sourced from summarize all of external indicator rating divided by number of external indicators. The external indicator rating that is more than 2.91 is expected to become the opportunity, and the internal indicator rating that is less than 2.91 is expected to become the threat. Subsequent to summarize the weight and rating for every external indicator that belongs to opportunities or threats, author continues to sort out the (EFAS Matrix) external indicator external strategic factor analysis summary matrix that can be seen from Table 2 below.
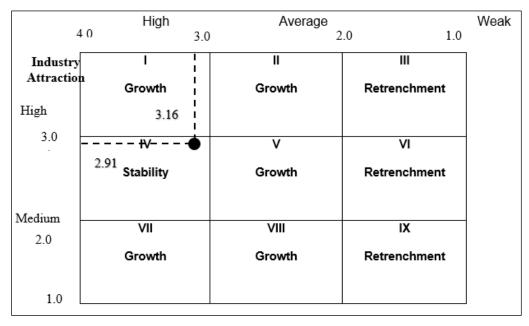
Table 2. EFAS Matrix

External Strategic Factor	Weight	Rating	Score
Opportunities:			
1. The commission for government officials is restricted by the law	0.16	3.12	0.50
2. Season condition	0.18	3.12	0.56
3. Government policy for tourist	0.17	2.94	0.50
Threats:			
1. Global economy condition	0.16	2.88	0.46
2. Expand the target market through the overseas	0.16	2.76	0.44
3. Flight ticket price	0.17	2.65	0.45
Total			2.91

(Source: Processed Data, 2020)

IE Matrix is used to find out the current business position. By knowing the internal and external score, the author be able to know on what the current business position. The vertical

line is identified as final internal score, and the horizontal line is identified as final external score. The meeting point between those 2 lines, is interpreted as the current business position. The current business position can be seen from Figure 1 below:

Figure 1. Internal and External Matrix (IE Matrix)

Table 3. SWOT Matrix

IFAS / EFAS	Strengths (S)	Weakness (W)
	1. Variety of room packages 2. Suitable price 3. Affordable price 4. The location of hotel 5. Transportation for guest to access the hotel 6. Personal selling by sales department 7. Hospitality of staff	1. Variety of room category 2. Product knowledge of staff 3. Ambiance of rooms 4. Payment method
Opportunities (T) 1. The commission for government officials is restricted by the law 2. Season condition 3. Government policy for tourist	SO Strategies 1. Intensify the promotion to government market 2. Intensify the room packages based on the current season	WO Strategies 1. Rejuvenate, or repair the room ambiance 2. Technology for paying method
Threats (T) 1. Global economy condition 2. Expand the target market through the overseas 3. Flight ticket price	ST Strategies 1. Adjust the room price to make it lower 2. Focus on the current target market	WT Strategies 1. Increase the evaluating of the staff to work by giving rewards 2. Train more about the skill quality for the staff 3. Create support package 4. Make a promotion on airlines

There are 10 alternative strategies that can be implanted by management of Grand Inna Kuta in order to increase the room revenue by using SWOT Matrix. The SWOT matrix tool is used to create the strategy by analyzing the internal and external factor. The strategy for Grand Inna Kuta based on IFAS and EFAS matrix can be seen in Table 3.

Intensify The Promotion To Government Market

Doing sales call to Jakarta region or similar to Jakarta that becomes the central government that creating sales call activity becomes more efficient, and make more relation through the government officials to penetrate the government market and able to give a chance to stay at Grand Inna Kuta

Intensify The Room Packages Based On The Current Season

Enriching the room packages with the current season atmosphere. By presenting the atmosphere of Chinese New Year. This may be adjusted with the current or trending season atmosphere that happened present.

Adjust The Room Price To Make It Lower

Doing analyze the flight ticket price by contacting through the airlines official to know the current price from the other state or region to get to Bali. When the flight ticket price is higher than usual, it is recommended to make the room price a little bit lower, and when facing the global economy condition, where certain part of the world experience the inflation, and would like to do travel to Bali, it is suggested the turn the room price lower to gain or attract the customer that experience the inflation on their country can do travel.

Focus On The Current Market

Doing market penetration on the current target market at Grand Inna Kuta. It is not necessary to expand the target market and, by doing the sales call through travel agent to talk about inquiry that is available. Moreover, to maintain the friendship.

Rejuvenate or Repair The Room Ambiance

Making one standard that shows the cleanliness of the room as a reference that this room ambiance must be followed by other room. At the end, the customer will have the same perception about the room cleanliness, and by checking the room ambiance to make sure everything is well prepared to sell it to customer.

Technology For Paying Method

Updating or upgrading the technology for paying method, it is necessary to follow the current era, because whatever is popular in the society, the company must be able to follow it.

Increase The Evaluating of The Staff To Work By Giving Rewards

Giving rewards for the outstanding staff as a form of appreciation to the best staff in the company, you can provide bonuses or incentives that are worth the achievements. This

method will boost the enthusiasm of other staffs to make the best achievement for the company, and by Knowing the weakness and strength for every staff in the department as one staff compared to the other staff will not the same. The staffs have their own characteristic, in order to optimize the work performance, the leader of the department has to know the weakness and the strength of their subordinate. Moreover, it will maintain the friendship among the staff and the leader in the department.

Train More About The Skill Quality of The Staff

Giving training to the staff regularly and periodically. Sometimes do the same work every day to make the staff become bored and bored. By doing so, it will increase and maintain the staff knowledge about the skill that will be needed to communicate with people around that comes from overseas. Moreover, it may maintain the friendship among the staff and the leader of the department.

Create Support Package

Creating a new support or additional package for people who wants to stay at Grand Inna Kuta. The support package exists to muffle the variety of room category by giving the tourist with certain activity that is include with the support package. Meanwhile, the price for the package will be higher compared with room only but the package price will be much cheaper if the tourist reserve it separately.

Make a Promotion on Airlines

One of the obstacles for tourist that love travelling is the flight ticket price. By making a contact through several airlines domestic or international may promote the hotel when the flight ticket price is increasing, this can be done by doing agreement contract rate with the airlines.

CONCLUSIONS

By analyzing the internal indicator and external indicator through IFAS and EFAS matrix, it was found out the current position of the company is on the cell number 4 where the business is growing and developing. The main strategies are market penetration, focus on the current market, and product development. There were also two strategies given to maximize the strength and opportunity which intensifies the promotion to government market, and also the room packages based on the current season, two strategies to maximize the strengths in order to eliminate threats which is adjust the room price to make it lower, and focus on the current target market. two strategies to maximize the opportunities to eliminate the weaknesses contain of rejuvenating or repairing the room ambiance, and technology for paying method, and 4 strategies to minimize weaknesses and threats contain of increasing the evaluating of

the staff to work by giving rewards, training more about the skill quality for the staff, creating support package, and making a promotion on airline.

By analyzing the marketing mix internal indicator in order the find out the weakness and the strength of Grand Inna Kuta, it is found out that the price, place, and promotion is the strength that currently Grand Inna Kuta possesses. By developing the other elements, it is expected to turn the weakness into the strength of the company.

ACKNOWLEDGMENT

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