

Digital marketing strategy through mobile application to increase room sales At Ibis Styles Bali Legian Hotel

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Abstract: This study aims to identify the market segment of Ibis Styles Bali Legian Hotel and to find out the digital marketing strategy through the mobile application in increasing room sales. This study used descriptive qualitative research methods and used primary data through interviews, observations, documentation and questionnaires. The results showed that the market segments at Ibis Styles Bali Legian were mostly FIT (Free Independence Travelers) from the Distribution and inbound segments, and the majority of tourists from Australia. The digital marketing strategy through the mobile application in increasing room sales were through promotion of products and services for brand awareness, strengthening online reputation and traffic growth, through social media, online banners on the landing page, optimization of SEO, SEM and keywords to facilitate searches/browses, collaborate with influencers and travel bloggers as well as provide extra benefits in transactions made through mobile applications. With this strategy, impacting the reservations via mobile applications is dominating the market segment by 85% of the total market and increase the sales from year to year.

Keywords: digital marketing strategy, market segment, mobile application

History Article: Submitted 18 July 2021 | Revised 27 July 2021 | Accepted 18 August 2021

How to Cite: Nurtirtawaty, I G., A., S., Murni, N., G., N., S., Bagiastuti, N., K., & Ruki, M. (2021). Digital marketing strategy through mobile application to increase room sales At Ibis Styles Bali Legian Hotel. *Journal of Applied Sciences in Travel and Hospitality*, 4(2), 92-100.

Introduction

Bali as one of the famous tourist destinations throughout the country makes the tourism industry as one of the main industries. Bali is known for all the beauty and uniqueness of its culture, language, art and social life. It makes a reason that Bali is the right choice not for people to go for holiday but also to hold several international class events and has been transformed into a destination to hold conferences, meetings, and exhibitions on an international scale. Bali has become the center of world tourism because it has been equipped with representative facilities. However, with many competitors both from inside and outside, hotels in Bali must compete to reach an increasingly competitive market. One of them is market segmentation so that the target market can be achieved (Khan, Hakeem, & Naumov, 2018). This segmenting also studied by (Liu, Hsiao, & Ma, 2021) that introduce longitudinal profile analysis via multidimensional scaling (LPAMS) as an effective and easy to implement data-driven segmentation tool. But the arrival of guests in destination sometime can not be predicted, it related to season, personal income, willingness to travel, and also the situation of both origin and destination. One of those is pandemic that officially designated corona virus as a world pandemic (Djalante et al., 2020), followed by the issuance of Regulation of the Minister of Law and Human Rights of the Republic of Indonesia Number 11 of 2020 concerning the temporary ban of foreigners entering the territory of the Republic of Indonesia has a huge impact on the tourism. Most economic and tourism activities such as exhibitions, conferences, workshops, and trade shows scheduled for the second quarter of 2020 have been canceled and the majority conducted virtually (Zaenal Aripin, 2021).

A new era of digital marketing has entered into the practice of modern society life and the use of internet, social media, mobile apps, and other digital communications technologies have

become part of everyday life for billions of people around the world (Dwivedi et al., 2021). New markets and new producers were increasingly created by utilizing a wide range of internet networks around the world (Haryanti, Mursito, Prodi, Fe, & Surakarta, 2019). Information technology has entered the mainstream market and is being developed as a new wave technology that allows connectivity and interactivity between individuals and groups. According to Kotler et al., (2017), besides digital marketing uses the internet and information technology to expand and enhance traditional marketing functions, it is also involving the process of planning and implementing an idea or concept, pricing, promotion and distribution. Digital marketing is an innovation from conventional transactions to modern transactions that applies "digital distribution" channels to reach consumers in an effective, personalized and cost effective way. This bring the higher cyber traffic, social media platforms such as Facebook, Instagram, Twitter etc. are increasingly active, higher level of E-Commerce transactions through today's "start-up" companies such as Lazada, Sephora, Shopee, Tokopedia etc., increasingly gives people the flexibility to easily search for basic goods.

Life style trends and digital promotions through mobile applications are one of the ways that business actors can increase sales in strengthening brand image and creating traffic in addition to through websites with Search Engine Marketing, Search Engine Optimization, Social media marketing, Pay per strategy strategies. click, Native Ads. A mobile application is the |opposite of a desktop application that runs on a desktop computer, and a web application that runs on the device's web browser. The application features displayed in the mobile app are designed to look quite attractive, trendy, user friendly, with advanced capabilities ranging from sensors, cameras and network consistency (Permana, 2019).

The effectiveness of the mobile application is more supportive in today's era where the electability level is very short, so an automatic digital facility is needed that can be accessed anywhere effectively and efficiently. There are three key advances in mobile marketing research relating to mobile targeting, personalization, and mobile-led cross-channel effects (Narang & Shankar, 2019) Mobile bookings distribution in hotels through smartphones reached a value of 81% compared to only 19% through tablets, as well as OTA's and hotel suppliers where the percentage of smartphones was higher than tablets (Boydak, 2015). There are many mobile application use in some area because it was accessible, appealing and pedagogically constructive for users. However, optimization, development time, technical and organizational issues, workload of academics and production costs were identified as major challenges (Saif, Khan, & Shaheen, 2020)

Indonesia has an important order in the international arena as the 4th largest user of car applications in the world (Tao & Edmunds, 2018). Meanwhile, the popularity of mobile applications continues to increase, where the use of mobile applications has become increasingly common among mobile users, almost 3,473 billion registered mobile users which taken 45% digital penetration value of the total global mobile application, internet and social media users worldwide (Permana, 2019).

Thus, it can be concluded that digital marketing activities are increasingly becoming the lifestyle trend of the world community. All companies continue to innovate to maximize the use of the internet network to promote brand/ trademark, as well as hotels are conducting promotions and marketing massively by using mobile application facilities to maintain reputation, build customer trust and customer loyalty, news and promotions can be accessed by anyone with only one hand that is through "mobile phones", freedom of any transaction either by cash, credit cards, debit cards, vouchers, 24/7 hours, 30 days without the need for a physical place (physical outlet).

Based on the background described above, it will be analyzing who is the market segment of Ibis Styles Bali Legian Hotel, and what is the digital marketing strategy through mobile application in increasing room sales at Ibis Styles Bali Legian Hotel.

Methodology

The research was conducted in Sales & Marketing at Ibis Styles Bali Legian Hotel located in Jl. Padma Utara, Legian, Kuta, Badung Regency, Bali 80361. This research was conducted by doing direct survey of the marketing process at Ibis Styles Bali Legian, monitoring reservations

from each strategy of sales and total revenue generated, analyzing the Internal Data Statistics Revenue Stream which includes the number of occupancy, average room rate, revenue generated from each market segment, length of stay, nationality, and booking channel to be compared with external data from competitor hotels as a market reference through the metasearch technology to analyze the market share of Ibis Styles Bali Legian Hotel within competitor set and how digital marketing strategies are carried out through mobile applications to reach customers so as to increase room sales. Variables used are internal variables and external variables. The definition of internal variables in this study is the 7P marketing mix strategy which includes product, price, promotion, place, physical evidence, people and process. While being used as external variables in this study are competitors, policy & legacy, economic environment, technology, social & culture environment and natural environment. Informant determination technique in this study using purposive sampling technique. The selection of informants in this study, obtained by conducting interview activities conducted against Reservations, Revenue Analysts, Sales Managers Ibis Styles Bali Legian Hotel. Data collection is obtained from observations, interviews, documentation and triangulation. Data analysis techniques used include qualitative descriptive and quantitative descriptive data analysis techniques. In this study, quantitative analysis was used to interpret data through IFAS and EFAS matrices as well as IE matrices.

Data analysis techniques used include qualitative descriptive data analysis techniques through interviews and quantitative descriptive data analysis techniques used in interpreting the data through IFAS and EFAS matrices and IE matrix by grouping data based on variables and types of respondents, tabulating data based on variables from all respondents, researching, and testing hypotheses (Sugiyono, 2017). Analysis of internal and external factors to determine the rating and weight in accordance with the results of the questionnaire given to 38 respondents.

After calculating the IE matrix analysis (IFAS and EFAS), the next step is to formulate an Alternative Strategy (AS) through a SWOT analysis (Kotler et al., 2017). The data will be matched with all indicators of internal factors that become strengths and weaknesses as well as indicators of external factors that become opportunities and threats, to choose a better strategy and prioritize it to be applied by Sales & Marketing and Revenue Analyst in increasing room sales at Ibis Styles Bali Legian Hotel.

Results and Discussions

Results

The research method used to find out the current market segment at Ibis Styles Bali Legian Hotel is by conducting direct observation and documentation of statistical data which includes: 1. Revenue Stream Analysis Review, 2. Guest Nationality Data, Number of Guest/Room, and Length of Stay (LOS), 3. Distribution Delivery Report. The results shows that reservation in Ibis Styles Bali Legian mostly coming from the distribution channel where booking channel through mobile application taken around 85% from total market segment. Sales results in 2018 total online orders were 56.53% consisting of 48.05% sales through mobile applications and 8.48% through websites, and experienced an increase/ growth of 16.52% in 2019 where 14.05% is the increase in sales through the mobile app and 2.48% is the increase in sales through the web.

The results of the rating and weight of internal factors can be determined by the total value or score obtained from the average weighting of each internal factor indicator multiplied by the average rating of each internal factor indicator. The overall total score is obtained by adding up all scores of the internal factor indicators. The score result from the IFAS Matrix in the table above is 3.90 as shown in the Table 1 below.

Table 1. Internal Factor Analysis Summary

No.	Internal Factor	Weight	Rating	Score
	Strength			
1	Has complete facilities according to 4-star hotel standards	0.09	3.84	0.35
2	The position of the hotel is close to the attractions in Kuta and Legian area	0.08	3.89	0.31
3	Employees work according to SOP	0.09	3.95	0.36
4	Guaranteed the best and dynamic online prices in the market competition as well as the extra benefit in downloading applications and transactions directly on ibis Styles Bali Legian Hotel (ALL) mobile application	0.1	3.84	0.38
5	Staff implement health protocols	0.08	4	0.32
6	Have a strong Internet Network and varied Payment Methods	0.09	3.89	0.35
7	Sales & Marketing Promotion both through Online (website, Instagram, Facebook, and OTA's partner) and Offline (in collaboration with travel agents)	0.1	3.87	0.39
8	Sales & Marketing Staff has a strong basic sales strategy and understands E-Commerce studies	0.09	3.82	0.34
9	The hotel has a beautiful building concept, is well organized and has parking available	0.08	3.82	0.31
10	Hospitality of hotel staff in serving guests	0.08	3.79	0.30
	Weakness			
1	Easy access for guests to find Ibis Styles Legian information, especially in terms of age and in making reservations through the car application	0.07	3.76	0.26
2	Cleanliness of the building and hotel environment	0.07	3.76	0.26
		1.00		3.90

(Source: Data Processed, 2020)

EFAS matrix analysis (External Factor Analysis Summary), is an analysis method used to determine how much influence external factors where the score from the EFAS Matrix is 3.60 in the table below is obtained from the average weighting of each external factor indicator multiplied by the average rating for each external factor indicator, thus obtaining a score for each external factor indicator. The overall total score is obtained by adding up all the scores from the external factor indicators. The data can be seen in Table 2 below.

Table 2. External Factor Analysis Summary

No.	External Factor	Weight	Rating	Score
	(Opportunities)			
1	Community hospitality, security and comfort of the surrounding environment and culture are guaranteed and conducive	0.11	3.76	0.41
2	Rapid digital advancement of technology makes it easier for potential customers to make hotel room reservations	0.11	3.76	0.41
3	Cultural appeal affects the character of visiting tourists	0.11	3.74	0.41
4	Hotel Reputation Value and Ranking Position in the market	0.12	3.76	0.45
5	Economic capabilities of tourists (purchasing power) and Social Background	0.11	3.95	0.43
6	Cooperation relationships with local communities	0.11	3.79	0.42
	(Threats)			
1	Government policies that affect tourist arrivals	0.10	3.47	0.35
2	Natural Disaster Factors make Tourism deteriorate (Force Majeur)	0.10	3.58	0.36
3	The construction of accommodation facilities either star scale or jasmine and villas are very rapid / massive	0.10	3.61	0.36
	TOTAL	1.00		3.60

(Source: Data Processed, 2020)

The total calculation of IFAS and EFAS, it is known the position of digital marketing implementation strategy at Ibis Styles Bali Legian can be seen in Figure 1 below:

Total Internal Factor Score				
3.90				
Total External Factor Score	5.0	3.0	Average 2.0	Weak 1.0
High 3.60	5.0	3.0	2.0	1.0
Average 2.0	5.0	3.0	2.0	1.0
Low 1.0	5.0	3.0	2.0	1.0

(Source: Data Processed, 2020)

Figure 1. Matrix IE (Internal-External) Digital marketing through Mobile application at Ibis Styles Bali Legian Hotel

Figure 1 above shows that the position of the digital marketing implementation strategy at Ibis Styles Bali Legian Hotel is in the position of cell I in the Internal-External matrix. Which shows that the implementation of Digital Marketing Strategy implemented by Sales Marketing and Revenue Department is at the stage of Growth Strategy or Growth Strategy with concentration through vertical integration. This growth strategy is designed to achieve good growth in sales, profit and improve the type of product or service. This is the main strategy that has a position in improving various types of products and services in industries that have high attractiveness. In order to increase the target of implementing digital marketing strategy, Ibis Styles Bali Legian Hotel needs to continue to see business opportunities while maximizing online promotions either through online or offline, cooperation with OTA's Partner and Social Media and involve several public figures or influencers, attractive promotion through landing page by optimizing SEM / SEO and Key Words that are easy to reach, the development of mobile application tools that are easy to understand "user friendly" for all ages level The results of the formulation of internal-external matrix will be used as a consideration in formulating Alternative Strategy technically and concretely in SWOT matrix analysis.

Discussions

SWOT Analysis

The results of SWOT matrix analysis are as follows:

1. S - O Strategy (Strength - Opportunity)
 - a. Maximize landing page and update blog on Ibis Styles Bali Legian Hotel website with interesting product and service content.
 - b. Optimization of SEO / SEM through the targeted Keywords to positioning the hotel on the top rank and increase the Hotel Reputation Score.
 - c. Collaboration with offline (travel agent) and online (OTA, social media i.e. FB,IG, etc) and KOL (Key Opinion Leader i.e. Travel bloggers/influencers).
 - d. Maintain the Highest Reputation Promotion Score and Hotel ranking through the hotel website through online review channel i.e. TripAdvisor.
 - e. Best price guarantee and extra benefit to motivate mobile app users to download ALL (Accor Limitless) app.

2. S - T Strategy (Strength - Threat)
 - a. Special discount for reservation via mobile application to increase conversion transaction.
 - b. Extra discount for Accor ALL Limitless Member.
 - c. Maintaining the quality of service to guests is a major factor in facing several threats from various competitors.
3. W - O Strategy (Weakness - Opportunity)
 - a. The development of simple mobile application tools (use friendly).
 - b. Adjust standard operating procedures to the current digital market situation so that sales transactions will be more effective and efficient.
 - c. Keep maintaining the relationship with the surrounding community so that the staying tourists feel comfortable.
4. W - T Strategy (Weakness - Threat)
 - a. E-commerce training program for Sales Marketing & Revenue staff to maximize online sales.
 - b. Dynamic pricing strategy to overcome competition with competitors.
 - c. Use of the right channel manager and metasearch to control the price every day both with competitors and with other platforms.

After determining the alternative strategy through the SWOT matrix, the last step in this research is to determine the assessment of several alternative strategic steps that are best and appropriate to be applied by using analysis QSPM (Quantitative Strategic Planning Matrix). Alternative strategies with the highest Total Attractiveness Score value will be the top priority strategy choice to be implemented to increase room sales at Ibis Styles Bali Legian Hotel.

1. WO2 Strategy – Score 522.19

The alternative strategy that became the top priority is the development of simple mobile application tools (user friendly).

2. WO1 Strategy – Score 518.46

Furthermore the strength of SOP greatly influences the staff in carrying out its responsibilities. The application of SOP especially for the presentation of prices through Mobile application, the appearance of promotional prices that are more attractive than offline or complementary prices or around the hotel will have a very positive impact on sales conversion in addition to efficiency in the reservation and confirmation process and payment process.

3. SO1 Strategy – Score 517.30

Strategy ranks third in the application is actively updating landing pages, maintaining keywords through SEO/ SEM, and maintaining the Rate Promotion Score to gain the trust of the bookers/ visitor through Online Review Channel i.e Trip Advisors.

4. SO2 Strategy – Score 517.62

Collaborating with Offline Partnership, Online Partnership, KOL (Key Opinion Leader) such as Travel Blogger and Influencers.

5. WT1 Strategy – Score 517.62

Cooperation with the right channel manager and metasearch to conduct a consistent price survey so that the price position in the market for Ibis Styles Bali Legian Hotel remains stable and competitive.

6. WT2 Strategy– Score 506.36

Dynamic price placement strategy to overcome competition with and always optimize RevMax (Revenue Maximization) strategy which divided into 3:

- Price according to Length of Stay
- Price according to Lead Time
- Price according Period/ Season

7. ST2 Strategy– Score 500.88

Giving extra benefit/ additional discount from normal price for reservation via mobile application to increase traffic and conversion transaction at Ibis Styles Bali Legian Hotel.

8. ST1 Strategy – Score 494.75

It is the priority of Member of Accor ALL Limitless to gain appreciation for its Loyalty by giving an extra discount of 10% of all normal prices including discounted prices displayed on all channels either promotion through the website, mobile application, OTA's, Social Media such as Facebook or Instagram or other promotions.

Conclusions

The conclusion of this study is that the majority market segmentation of Ibis Styles Bali Legian is FIT Distribution (Direct and Indirect Segment) which orders 85% through mobile application channels. Digital marketing strategy through mobile application can increase sales by interesting promotions through social media such as IG, FB, Twitter and the like and cooperation with influencers and travel bloggers, maintain the high score of Reputation Promotion Score between the competitor and strengthen brand awareness at the top rank on the search site, online reputation and traffic growth by actively updating the landing page of Ibis Styles Bali Legian Hotel with attractive product and service promotions, by optimizing the use of Key words through SEO/SEM; d. With a good level of positioning in the internet network and car applications as well as the provision of attractive price promotions and other benefits will stimulate mobile users to download the ALL (Accor Limitless) mobile application and also able to provide confidence of mobile users of the Ibis Styles Bali Legian Hotel application to further become an ALL Loyalty Member.

Based on the results of research on the strengths, weaknesses, opportunities and threats that exist in Ibis Styles Bali Legian Hotels at this time, the management is advised to be able to implement and implement alternative strategies that have been proposed to increase sales to the domestic/ local market segmentation by utilizing marketing strategies through mobile applications, this is very possible where Indonesia has an important order in the international arena as the 4th largest user of car applications in the world.

Sales Marketing and Revenue Department must always innovate to market Ibis Styles Bali Legian Hotel in the midst of hotel competition and always maintain reputation and positioning level in mobile applications amid intense competition, be creative in promoting attractive packages online either through social media such as Megatix, Lazada, or offline through print media such as newspapers, magazines, fliers, brochures, billboards, as well as establishing strong partnerships with offline (such as travel agents, government, airline) and online (OTA's, influencers, travel bloggers) to maximize sales and increase profitability company. And partnerships with start-up companies to expand marketing networks and increase sales.

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