

The Effect of Promotion and Pricing on the Decision to Stay at the Mori Hotel in Kuala Simpang

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Abstract

This research was conducted to determine the effect of promotion and pricing on the decision to stay at the Mori Hotel in Kuala Simpang. The sampling technique used was purposive sampling, namely selecting the sample to be the respondent was everyone who was found and stayed at the Mori Kuala Simpang Hotel, aged 21 years and over because they were considered to have been able to make rational decisions and be able to represent all visitors. The distribution of the questionnaire started from 15 to 30 June 2022 with a total of 52 people. The results showed that the factor that dominates the decision to stay at the Mori Hotel in Kuala Simpang is the promotion factor 0.396. This is indicated by the regression value being greater than the pricing factor -0.052. Obtained a value of 25.1%, the decision to stay is influenced by promotions and pricing. The remaining 74.9% is influenced by other factors not recorded in this study. Other factors are thought to be competitors' price factors, demographics, changes in buying habits, tastes and so on.

Keywords: Promotion, Pricing, Purchase Decision



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INTRODUCTION

Currently the hotel industry is growing and developing in various regions in Indonesia, the number of tourism destinations and hotels is increasing. The same situation can also be observed in large cities. Hotels and service companies or the like are growing. Restaurants, catering services and apartment rentals will increase. Hotel is an accommodation type service company that uses part or all of the building to provide lodging, food and beverage services, as well as other supporting services for the public which are managed commercially (Rahma & Airlangga, 2020).

The hotel industry has other characteristics than the industry we are used to knowing where consumers buy these services in the short term, are influenced by the physical or hotel products, pricing strategies, promotion of communication with prospects and customers, and establishing effective locations and distribution channels so that consumers decide to visit. can continue. The hotel industry does not only provide lodging accommodations. But in it there are many services specifically intended by the people who stay overnight. Hotel facilities are usually adjusted to the number of stars at the hotel. The more the number of stars in a hotel,

the more facilities provided to people who stay at a hotel. The hotel industry has long been considered a profitable industry and is always developing (Chandra, 2019).

Competition in the hotel business is not only in terms of physical facilities such as rooms, restaurants, and so on, but the promotion aspect is also one of the strategies that can make tourists buying decisions to stay at hotels. Promotional activities carried out have the aim of informing or offering products or services that aim to attract potential consumers to buy or consume them (Honggoriansyah et al., 2020). A hotel is a commercial establishment that provides accommodation, food and other services to the public. Currently, hotels are often used for weddings, corporate meetings, launching new products for a company and not infrequently hotels are used as weekend facilities for the upper middle class. Hoteliers are expected to be responsive and have a quick response to these changes (Muhammad Supriyanto & Muhammad Taali, 2022).

Not unlike the case with other cities, the hotel business is also growing rapidly in Kuala Simpang City. The level of competition between hotels in Kuala Simpang is quite high, especially with regard to the services provided, the facilities owned, the price offered. Hotels represent a dramatic shift in consumer behavior and conventional marketing paradigms. Consumers are getting smarter, sophisticated and fussy. Consumer demands are increasingly complex. In the process of making a decision to buy a product in the form of goods or services, in this case using lodging at Hotel Mori Kuala Simpang, consumers will be influenced by several factors, such as information search, room class, prices for types of promotions, stories, family invitations and so on. etc.

Hotel Mori Kuala Simpang, which is located on Jalan Iskandar Muda No.21 Kuala Simpang, is a company engaged in the field of lodging services. Since its establishment in 1960, the company has continued to develop in various fields in order to influence consumer decisions to use their accommodation or with the aim of increasing the number of occupancy. In addition, Hotel Mori Kuala Simpang has strategic planning which can be described as a method for achieving a goal by anticipating what will happen and determining what actions need to be taken. The need for planning in the hospitality business is to know the company's position and future positions, as well as the process to achieve these future positions. A marketing plan is a working document intended to measure the performance of this hotel. Every part of the Hotel Mori Kuala Simpang planning objectives, the entire plan or company goals must be consistent with the company's overall business strategy. A marketing plan will be able to assist companies in determining decisions related to media selection, promotion, product advertising, or the company's budget.

Promotion is an activity designated to influence consumers so that they become familiar with the service products offered by the company to them and they become happy and then buy these service products (Efrianto & Suwitho, 2016). Therefore, Hotel Mori Kuala Simpang always builds the best possible communication with its customers and potential customers through promotions. The implementation of promotional activities carried out by Hotel Mori Kuala Simpang includes advertisements such as: banners, newspapers, banners, stickers, brochures/leaflets, posters and radio, sales promotions such as: Sponsorship activities: 17's, watching together, Ramadan packages, music/sports events, and arts and culture, publicity such as: radio and talk shows, personal selling such as: presentations at agencies, telemarketing, word of mouth.

Promotion offers an extra incentive to get consumers to take action. Discounts, prizes, sustainable programs are extra incentives so that consumers want to take action, at least pay attention to the products offered (William et al., 2023). Promotion is essentially all activities intended to convey or communicate a product to the target market, to provide information

about the features of the product to consumers, and most importantly about its existence, to change attitudes or to encourage people to act, in this case buying. Widada, 2017). Promotions carried out by the company but also depend on the price policy services provided, for example by providing satisfactory service to every visitor so that it can generate feedback for the company and the price policy given, namely in the form of price discounts.

Price is an aspect that is clearly visible to buyers. For consumers who don't really understand technical matters when purchasing services, price is often the only factor they can understand. For consumers, the price factor is very sensitive. There are buyer segments that are very sensitive to price (being the only factor in considering buying a product) and some are not. But the majority of consumers are rather price sensitive. Price is one of the determinants of the success of a company, because price determines how much profit the company will get from selling its products in the form of goods or services. In order to be successful in marketing an item or service, every company must set its price appropriately (Amanda et al., n.d.).

The price given by Hotel Mori to every visitor who comes and stays is between Rp. 200,000 to Rp. 400,000 per night. There are 27 rooms at Hotel Mori. There are only 3 types of rooms at Hotel Mori, namely VIP Rp. 400,000 per night, Deluxe Rp. 300,000 per night, Standard Rp. 200,000 per night. However, this pricing can change at any time according to the needs and existing market conditions and of course in accordance with company regulations. The price policy offered by Hotel Mori is that on weekends the room rate can be cheaper than the predetermined rate of IDR 350,000 per night, but this price policy does not last forever or continuously but this price policy applies at times certain time in accordance with the provisions of the company. Another policy that is also offered by Hotel Mori is that children who are classified as toddlers can stay for free using existing beds.

The company's main key to winning the competition is influencing customer decisions through delivering promotions and setting competitive pricing policies. Purchase decisions are stages where consumers form preferences between brands in a collection of choices. In making purchasing decisions, consumers are determined through five sub-decisions, namely brand, seller, quantity, time and also how the purchase method will be made. Pricing and promotion policies include some of the factors that can influence customer decisions, which of course determine competitive prices and provide memorable promotions (TEMA 11, 2018). Purchasing decision is a decision-making process for purchases that will determine whether or not the purchase is purchased, which begins with awareness of fulfillment (William et al., 2023).

In connection with consumer purchasing decisions, in this case the decision to stay at Hotel Mori Kuala Simpang has decreased the number of guests. Although pricing has been considered with various discounts and promotions it has been carried out in various ways. But it does not guarantee an increase in the number of guests staying. This condition is suspected to be due to pricing that is still too high and promotions that are less effective.

Based on these problems, this research was conducted with the aim of: To determine the influence of promotion and pricing factors on the decision to stay at the Mori Hotel in Kuala Simpang partially or simultaneously. To find out which factors most dominate the decision to stay at the Mori Hotel in Kuala Simpang. The hypothesis in this study is promotion and pricing affect the decision to stay at the Mori Hotel in Kuala Simpang either partially or simultaneously.

RESEARCH METHODS

This research is a quantitative study and will examine the effect of promotion and price on purchasing decisions at Hotel Mori Kuala Simpang. The object of this research is hotel guests who stay overnight. The population in this study were all hotel guests who stayed overnight and the sample used a time linear function, namely 52 respondents who were met from 15 to 30 June 2022. Hotel guests as respondents. Source of data obtained by giving questionnaires to

hotel guests by incidental sampling. Data analysis used multiple linear regression. Hypothesis testing through t and F tests. The dependent variable (Y) is the purchase decision, namely the decision to stay with indicators of need recognition, information search, evaluation of alternatives, purchase decisions, and post-purchase behavior (Kotler & Gary, 2018). The independent variable (X1) is promotion with indicators: advertising, sales promotion, public relations and news, personal selling, direct marketing (Kotler & Gary, 2018). The independent variable (X2) is pricing with product cost indicators, company goals, competition, buyer characteristics, economic conditions (Winardi, 1993).

RESEARCH RESULTS AND DISCUSSION

Research Result

Hotel Mori is a place that serves room or room rentals for immigrants and people who have other celebrations, such as seminars, presentations, meetings, wedding receptions using the facilities provided at this hotel. Some of these facilities include halls, prayer rooms, parking lots, lobbies, rooms of various types, sound systems and so on. The code of conduct for accommodation service users at the Mori Hotel in Kuala Simpang is as follows:

1. Guests who will be staying overnight must be able to submit an identity card (KTP) and other proof of signature
2. Guests are required to pay 1 (one) night in advance.
3. Guests who stay more than 3 nights in order to settle their account.
4. The check-out time is 14.00 WIB. From 14.00 to 18.00 WIB you will be charged half the room price and if after 18.00 WIB you will be charged 1 night room price.
5. Guests staying overnight are not allowed to make noise or loud noises at 22.00 WIB and above.
6. For guests who stay overnight bringing room equipment such as towels, TV remote, cutlery, etc., a fine will be imposed.
7. For guests who stay overnight with family, they can submit a marriage certificate to the hotel clerk.
8. For guests whose account fees are borne by Government/Private agencies to be able to submit a letter of introduction to the agency concerned to the hotel staff.
9. For guests who are staying overnight, when receiving guests, they are expected to report to the hotel staff and the visiting deadline is up to 22.00 WIB.
10. The room key is left at the reception counter when leaving the hotel. If the room key is lost, it must be replaced at the cost of the key

Discussion

Promotion Analysis

Based on the results of data processing through the SPSS program, it can be seen that the average (mean) value of respondents' opinions regarding promotions is as follows:

Table 1. Analysis of Promotions at Hotel Mori Kuala Simpang June 2022

No	Statement	Mean
1	Advertisements in print and electronic media distributed by this hotel influence my interest in choosing this hotel as a place to stay for me.	3,90
2	Product introduction in the form of location, price and room class as well as the services provided by this hotel are very convincing.	3,85
3	This hotel often organizes social activities (sacrifice on holidays) to inform its existence to the public.	4,00
4	Consumer and customer stories about this Hotel have been very positive.	3,96

5	The explanation made by the hotel employees influenced my interest in using lodging at this hotel.	4,17
6	Creating a welcoming and friendly impression on the people of Kuala Simpang for every billboard that is posted at Hotel Mori.	4,21
Average		4,02

Source: Processed Data, 2022

Based on Table 1 it can be analyzed that the average value ranges from a scale of 4 (agree) to be precise at 4.02 which means that respondents have a tendency to think that the promotions carried out by Hotel Mori in Kuala Simpang they can feel have been effective.

Pricing Analysis

Based on the results of data processing through the SPSS program, it can be seen that the average (mean) value of respondents' opinions regarding pricing is as follows:

Table 2. Analysis of Pricing at Hotel Mori Kuala Simpang June 2022

No	Statement	Mean
1	The price set for the cost of renting a room at Hotel Mori must have been in accordance with the calculation of the cost of room facilities issued by the company.	3,88
2	All people who are the target market can stay overnight easily because the Mori Hotel in Kuala Simpang is located in a strategic place.	4,19
3	Hotel Mori in Kuala Simpang charges room rates that are competitive with other hotels.	3,98
4	I chose to stay at this hotel because the room rental price was in accordance with the benefits I got.	4,31
5	I will still stay at the Mori Hotel even though the money in my pocket is mediocre.	4,15
6	Tersedia diskon tertentu bagi pengunjung tetap atau wisatawan domestik.	3,69
Average		4,03

Source: Processed Data, 2022

Based on Table 2, it can be analyzed that the average value ranges from a scale of 4 (agree) to be precise at 4.03 which means that respondents have a tendency to think that the room rates at the Mori Hotel in Kuala Simpang are appropriate and in accordance with the facilities provided.

Stay Decision Analysis

Based on the results of data processing through the SPSS program, it can be seen that the average (mean) value of respondents' opinions regarding the decision to stay is as follows:

Table 3. Analysis of the Decision to Stay at Hotel Mori Kuala Simpang June 2022

No	Statement	Mean
1	I first looked for information about the Mori Hotel in Kuala Simpang before deciding to stay here.	4,29
2	After getting enough information, I decided to use lodging at this hotel.	4,17
3	The service provided is satisfactory enough to make me always remember the friendliness and alertness of the employees at this hotel.	3,71
4	In the future I will continue to use this hotel inn.	4,19
5	This hotel is clean enough to be used as a temporary stopover/lodging.	3,71
6	I will share positive things about this Hotel with others.	3,35
Average		3,90

Source: Processed Data, 2022

Based on Table 3 it can be analyzed that the average value ranges from a scale of 3 (quite agree) to be precise at 3.90 which means that respondents have a tendency to think that they have made the right decision to choose and stay at the Mori Hotel in Kuala Simpang.

Analysis of the Effect of Promotion and Pricing on the Decision to Stay at the Mori Hotel in Kuala Simpang

In this study it is known that the determination of the dependent variable is the decision to stay (Y) and the independent variables are promotions (X1) and pricing (X2). To find out the interpretation of the relationship and the influence of the independent variables on the dependent variable as follows.

Table 4. The Effect of Promotion and Determination on the Decision to Stay at the Mori Hotel in Kuala Simpang

Variable	B	t-count	t-signification
Constant	15,133	5,,755	0,000
Promotion	0,396	3,868	0,000
Pricing	-0,052	-3,250	0,028
R	0,501	Dependent variables: Decision to Stay (Y) Independent Variables: Promotion (X ₁) Pricing (X ₂)	
R ²	0,251		
F-statistic	8,196		
F-signification	0,001		
F-table	3,190		
t-table	2,00958		

Source: Table Processed, 2022

Based on Table 4 above, it explains that the correlation coefficient (R) is 0.501, this means that the closeness of the relationship between the independent variable and the dependent variable is quite strong, quite close and has a positive slope (because the value of r is around $0.5 < 0.75$, relationship between X and Y is moderate or quite strong (+)). So it can be analyzed that there is a positive and significant (real) relationship between promotion and pricing with the decision to stay at the Mori Hotel in Kuala Simpang.

The value of the coefficient of determination (R²) of 0.251 or 25.1% indicates that 25.1% of the decision to stay is influenced by promotions and pricing. The remaining 74.9% is influenced by other factors not recorded in this study. Other factors are thought to be competitors' price factors, demographics, changes in buying habits, tastes and so on. From the results of the calculation above, a multiple linear regression equation can be formed as follows:

$$Y = 15.133 + 0.396X_1 - 0.052X_2$$

This equation shows that the decision to stay at the Mori Hotel in Kuala Simpang is influenced by 15.133 constants + 0.396 promotion - 0.052 price fixing. So in this case the two factors are able to significantly influence the decision to stay at the Mori Hotel in Kuala Simpang. While the biggest contribution to the decision to stay is the promotion factor with a regression value of 0.396. The following can also be explained regarding the hypothesis tests carried out using the F test (simultaneous) and the t test (partial), namely:

F Test Results

By conducting the F test to determine the effect simultaneously (simultaneously) of all the independent variables tested in this study, it was found that the calculated F value was above the F table, namely $8.196 > 3.19$ and also a significant F value which was far from the tolerance level significant 5 percent, namely $0.001 < 0.001$. So that from the results of the F test it can be analyzed that promotion and pricing together the two independent variables have an effect and are significant/significant to the decision to stay at the Mori Hotel in Kuala Simpang. From the results of data processing and data analysis as described above, it can be clarified that promotion and pricing affect the decision to stay at the Mori Hotel in Kuala Simpang in a real and significant way so that the hypothesis can be accepted and proven theoretically. The results of this study are in line with the results of research (Hastoko & Stevany, 2022), (Hayatunnufus

& Rosa, 2017), and (Ariana, 2016) which state that there is an influence of promotion and price factors on the decision to stay at a hotel.

Test Results t

Tests carried out through t count, namely to test each variable studied with a significant level of 95%, in this case the t count value for constants is greater than the t table value, namely $5.756 > 2.00958$ and the significant t value is also far from the range of levels tolerance of 5% so that it can be analyzed that the constant variable is able to influence the decision to stay at the Mori Hotel in Kuala Simpang the regression value is 15.133. For the promotion variable, a regression value of 0.396 is obtained with a t count $> t$ table, namely $3.868 > 2.00958$ and it is significant at $\alpha = 0.05$, the number $0.000 < 0.05$ means that promotion has a significant effect on the decision to stay at the Mori Hotel in Kuala Simpang, where the contribution of these variables to the decision to stay is 0.396. This means that if there is an increase in the promotion factor, there will also be an increase in consumers who decide to stay at Hotel Mori Kuala Simpang.

The results of this study are in line with the results of research (Rosanti et al., 2016), (ALFIA QORIZAH, 2019), (Kristanto & Wahyuni, 2019) which state that there is a positive promotional effect on the decision to stay at a hotel. It can also be explained regarding the contribution made by the pricing factor to the decision to stay at the Mori Hotel in Kuala Simpang, which is -0.052 (a negative value only indicates the direction of the slope to the left). This value can be accounted for statistically and significantly significant. The point is that this value has a t count that is greater than t table and a significant t which is far from the significant value of 5% tolerance, namely $-3.250 > 2.00958$ and $0.028 < 0.05$ respectively. So it can be analyzed that the pricing variable has a negative and significant effect on the decision to stay at the Mori Hotel in Kuala Simpang, and the contribution of this factor to the purchase decision is -0.052. This means that if there is an increase in the pricing factor, it will reduce the number of consumers who decide to stay at Hotel Mori Kuala Simpang. The results of this study are in line with (Maulidina, 2021) and (Ryan et al., 2013) which state that price has a negative effect on the decision to stay.

CONCLUSION

There is an influence of promotion and pricing factors on the decision to stay at the Mori Hotel in Kuala Simpang. Promotion is positively related and price is negatively related. If the promotion is increased then the number of guests staying will increase but this is the opposite with the price factor where if the price is increased then the impact will decrease the number of guests staying at Hotel Mori Kuala Simpang. Thus it is suggested that this hotel increase promotion by way of advertising and direct sales because it can reach consumers so that consumers become aware of the hotel so as to foster consumer interest in staying. In setting prices by providing price cuts, clear price lists, in accordance with what is perceived by consumers.

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