

CHAPTER I

INTRODUCTION

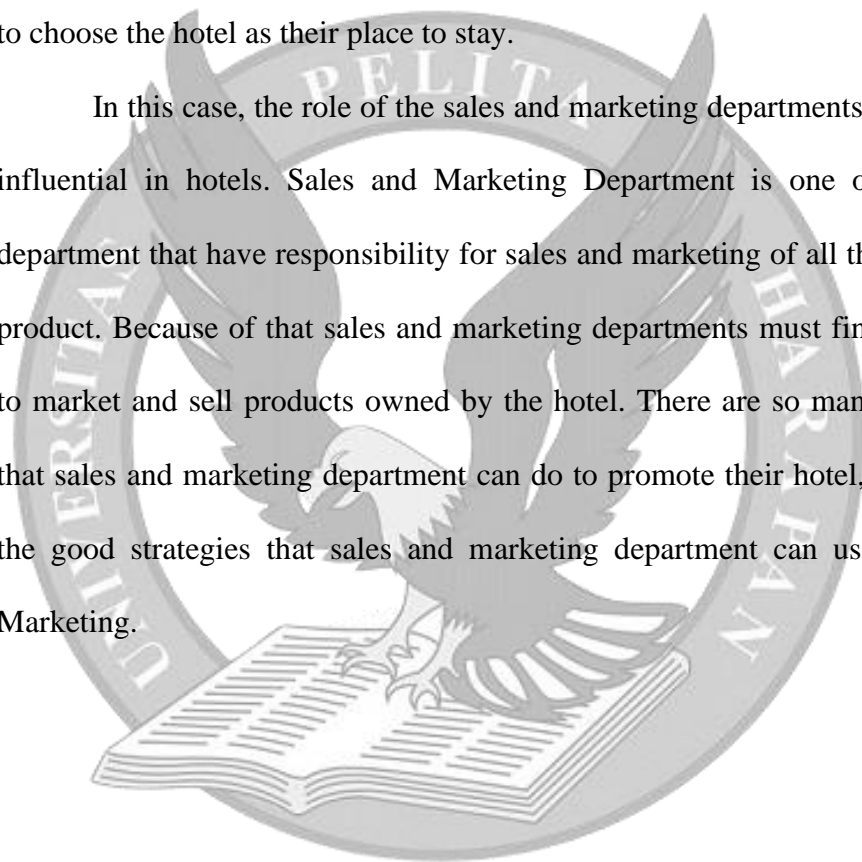
1.1 Background of the Study

Nowadays, tourism is one of the industries which has a very fast growth. The amount of foreign exchange earnings of several countries is generated by the tourism sector. From every year the number of tourists and their expenses when doing tourist activities is increasing. It can't be denied that nowadays, more people spend money to travel abroad with family or explore the world to see and feel the beauty of the world. Indonesia as a developing country that has diversity it is ethnicity, language, culture, religion and nature are attractive tourism potentials itself both among foreign tourists and local tourists. Not only the beauty of the place. The typical food of each place is also one of the things sought by tourists. And to support all of that sure tourists also need a place for them to rest temporarily while they travel and the hotel is one place they can occupy to unwind and stay temporarily while they traveling.

The hotel itself is an organization engaged in services with the focus of its activities is to serve hotel guests through quality service. Today the hotel industry becomes one of the promising businesses because the hotel industry is one of the important components in tourism where the hotel industry is one of the supporting facilities for the success of the tourism industry, therefore it cannot be denied if the two industries are

interconnected and because of that nowadays a lot of entrepreneurs switch to the hotel business. Every hotel has a different service and facility, therefore every hotel competes to provide the best service so that guests can come back again. Although hotel has a good service and facility, hotel also needs to market their hotel to make people know that the hotel exists and provide a good service that different from other hotels. So, the guest wants to choose the hotel as their place to stay.

In this case, the role of the sales and marketing departments is very influential in hotels. Sales and Marketing Department is one of hotel department that have responsibility for sales and marketing of all the hotel product. Because of that sales and marketing departments must find ways to market and sell products owned by the hotel. There are so many ways that sales and marketing department can do to promote their hotel, one of the good strategies that sales and marketing department can use is E-Marketing.



Top 25 Countries, Ranked by Internet Users, 2013-2018						
<i>millions</i>						
	2013	2014	2015	2016	2017	2018
1. China*	620.7	643.6	669.8	700.1	736.2	777.0
2. US**	246.0	252.9	259.3	264.9	269.7	274.1
3. India	167.2	215.6	252.3	283.8	313.8	346.3
4. Brazil	99.2	107.7	113.7	119.8	123.3	125.9
5. Japan	100.0	102.1	103.6	104.5	105.0	105.4
6. Indonesia	72.8	83.7	93.4	102.8	112.6	123.0
7. Russia	77.5	82.9	87.3	91.4	94.3	96.6
8. Germany	59.5	61.6	62.2	62.5	62.7	62.7
9. Mexico	53.1	59.4	65.1	70.7	75.7	80.4
10. Nigeria	51.8	57.7	63.2	69.1	76.2	84.3
11. UK**	48.8	50.1	51.3	52.4	53.4	54.3
12. France	48.8	49.7	50.5	51.2	51.9	52.5
13. Philippines	42.3	48.0	53.7	59.1	64.5	69.3
14. Turkey	36.6	41.0	44.7	47.7	50.7	53.5
15. Vietnam	36.6	40.5	44.4	48.2	52.1	55.8
16. South Korea	40.1	40.4	40.6	40.7	40.9	41.0
17. Egypt	34.1	36.0	38.3	40.9	43.9	47.4
18. Italy	34.5	35.8	36.2	37.2	37.5	37.7
19. Spain	30.5	31.6	32.3	33.0	33.5	33.9
20. Canada	27.7	28.3	28.8	29.4	29.9	30.4
21. Argentina	25.0	27.1	29.0	29.8	30.5	31.1
22. Colombia	24.2	26.5	28.6	29.4	30.5	31.3
23. Thailand	22.7	24.3	26.0	27.6	29.1	30.6
24. Poland	22.6	22.9	23.3	23.7	24.0	24.3
25. South Africa	20.1	22.7	25.0	27.2	29.2	30.9
Worldwide***	2,692.9	2,892.7	3,072.6	3,246.3	3,419.9	3,600.2

Note: individuals of any age who use the internet from any location via any device at least once per month; *excludes Hong Kong; **forecast from Aug 2014; ***includes countries not listed
Source: eMarketer, Nov 2014

181948 www.eMarketer.com

Figure 1.1 Top 25 Countries by Internet Usage 2013-2018

Source: https://kominfo.go.id/content/detail/4286/pengguna-internet-indonesia-nomor-enam-dunia/0/sorotan_media

On this day the internet is increasingly sophisticated, the internet is like something that cannot be released in human activities. Indonesia itself is ranked as the sixth most internet user in the world during 2013-2018. There are so many benefits from the internet that humans can enjoy today. One of them is E-Marketing. According to Armstrong and Kottler (2004) in Sulistyawati (2016), E-Marketing is the marketing side of E-Commerce, it consists of company efforts to communicate about, promote and sell products and services over the internet.



Figure 1.2 Percentage of Indonesia Society That Start Using E-Commerce

Source:

<https://www.bps.go.id/publication.html?Publikasi%5BtahunJudul%5D=&Publikasi%5BkataKunci%5D=internet&Publikasi%5BcekJudul%5D=0&yt0=Tampilkan>

Every year there are always Indonesian people who start using E-Commerce as a way to sell goods/services and the highest percentage of Indonesian people who started using E-Commerce as a tool for trading was on 2017-2018. Now all people want practical, fast and easy. Many people are starting to use the internet to make activities easier, for example with E-Commerce users can get information about goods/service without going to the place, users also can directly buy the goods/service that users want, for the payment user also spoiled with the convenience of payment by transfer, credit card, and cash on delivery, and last the user also can easy to monitoring their goods.

As is well known that the number of hotels in Medan has made competition fiercer. Therefore, a good marketing strategy is needed to improve the hotel. One of marketing strategy that is widely used by hotels today is E-Marketing. E-Marketing becomes a tool that all hotels widely used not only hotel industry, but all industrial sectors also use E-Marketing to promote their product or services, because by using E-Marketing people

can easily and quickly access or search the hotel 24 hours not only that nowadays, people use internet to do their work and entertain their self. According to Brian Sheehan (2019) in his book, digital marketing has also changed the way in which consumers search for and purchase goods. The Internet has reshaped the way consumers buy high-price products, such as cars, even though they eventually purchase the product in a physical store. Day by day technology always up to date. So, hotels also must up to date to survive. Because everyone wants something that makes their life move easier.

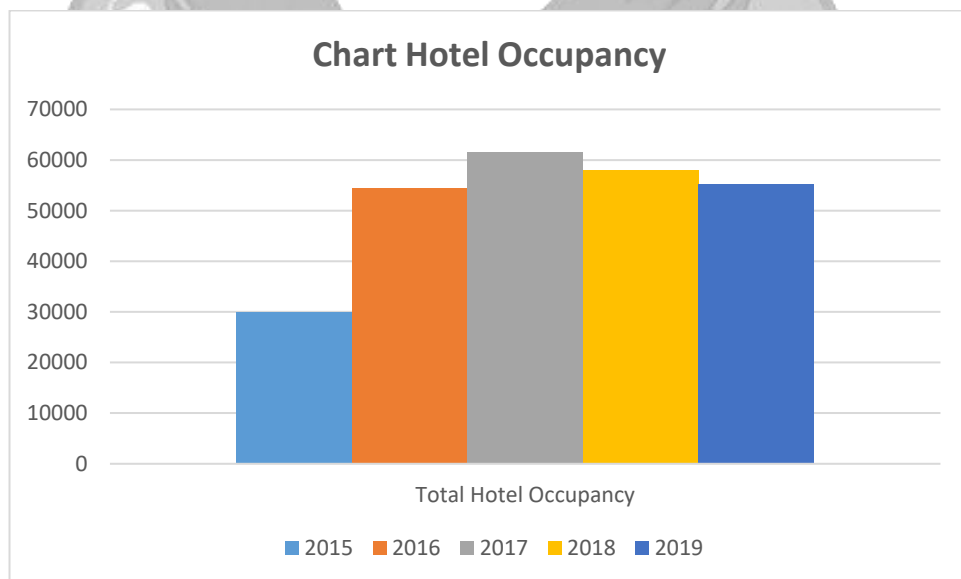


Figure 1.3 Total Hotel Occupancy Grand Mercure Medan Angkasa 2015-2019

Source: Grand Mercure Medan Angkasa Hotel

Author chooses Grand Mercure Medan Angkasa as her research object because Grand Mercure is a 5-star hotel located in Medan, North Sumatra. Grand Mercure Medan Angkasa was originally named Hotel Angkasa which is the first five-star hotel in Medan. By the time, Hotel

Angkasa changed its name to Grand Mercure Medan Cipta and changed its name again to Grand Mercure Medan Angkasa which was directly under Accor Management in 2015 and under ACCOR MANAGEMENT. Since under ACCOR MANAGEMENT all existing systems in the hotel are already online and follow ACCOR's standards. In 2015 the Grand Mercure hotel implemented the system from ACCOR. Starting from the availability of reservations through the website, working together through several travel agents and online travel agents, to promotion through the online platform. It can be seen from the table above that there was an increase in the number of occupancies in 2015-2017, but in 2018 and 2019 there was a decrease in the number of occupancies from the previous year. Author note that since Grand Mercure is under ACCOR MANAGEMENT, this hotel use online platform and get occupancies increased, but in last 2 years (2018 and 2019), the occupancies went down, which may indicate the online platform may be the cause, so author wants to examine whether there is an E-Marketing effect on hotel occupancy at Grand Mercure Medan Angkasa. Therefore, the authors decided to research the title "**The Effect of E-Marketing Towards Hotel Occupancy at Grand Mercure Medan Angkasa Hotel**".

1.2 Problem Limitation

The author limits the study about "The Effect of E-Marketing Towards the Hotel Occupancy on Grand Mercure Medan Angkasa Hotel", to simplify the study. So, in this research, the author just focuses on the

effect that E-Marketing gives to Grand Mercure's hotel occupancy that may increase the number of occupants of this hotel. The independent variable (X) is E-marketing, which has indicators consist of information, reliability, responsiveness, process, and benefit. The dependent variable (Y) is hotel occupancy, which has indicators consist of customer satisfaction, customer loyalty, and customer experience.

1.3 Problem Formulation

Based on the background of the study, the formulation of the problem obtained is as follows:

1. How is the E-marketing condition at the Grand Mercure Medan Angkasa Hotel?
2. How is the hotel occupancy condition at the Grand Mercure Medan Angkasa Hotel?
3. Does e-marketing have any effect towards Grand Mercure Medan Angkasa hotel occupancy?

1.4 Research Object

1. To evaluate the E-marketing application in Grand Mercure Medan Angkasa Hotel.
2. To know the hotel room occupancy in Grand Mercure Medan Angkasa Hotel.

3. To know the effect of e-marketing to the room occupancy on Grand Mercure Medan Angkasa Hotel.

1.5 Benefit of the Research

When author choose this research, the author hopes this research can be useful and helpful to then author and the hotel. The benefit of the research also separated into two kinds of benefit, which are:

1.5.1 Theoretical Benefit

The results of this study are theoretically expected to be able to contribute ideas for the hotel in order to choose the right e-marketing method to increase the number of guests staying.

1.5.2 Practical Benefit

The results of this study are practically expected to be a reference for students who want to research the same topic.

