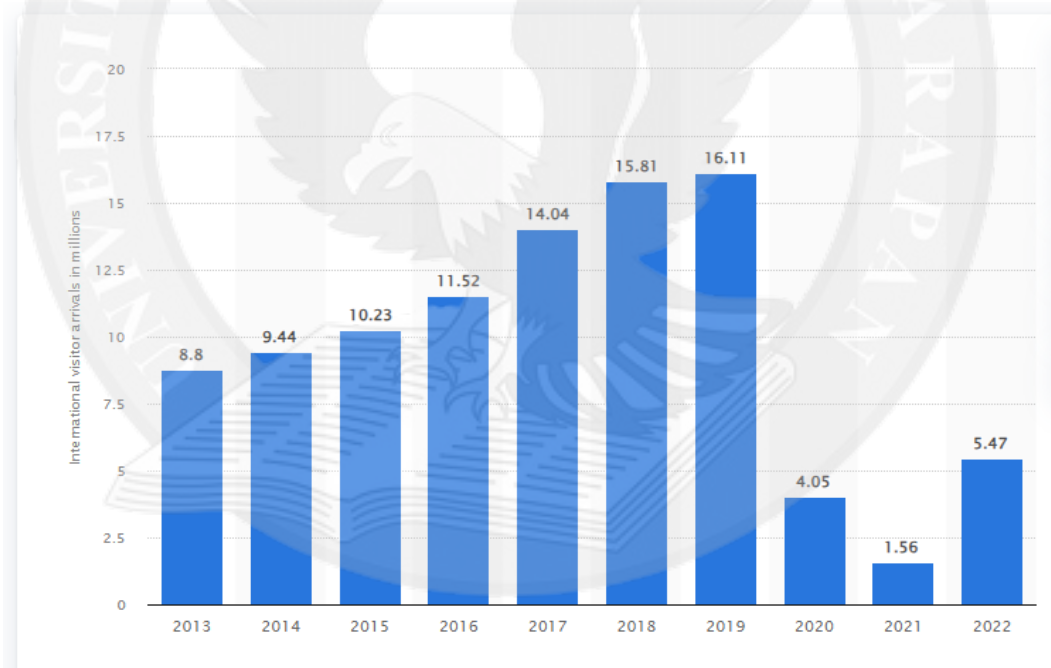


# CHAPTER I

## INTRODUCTION

### 1.1 Background of Study

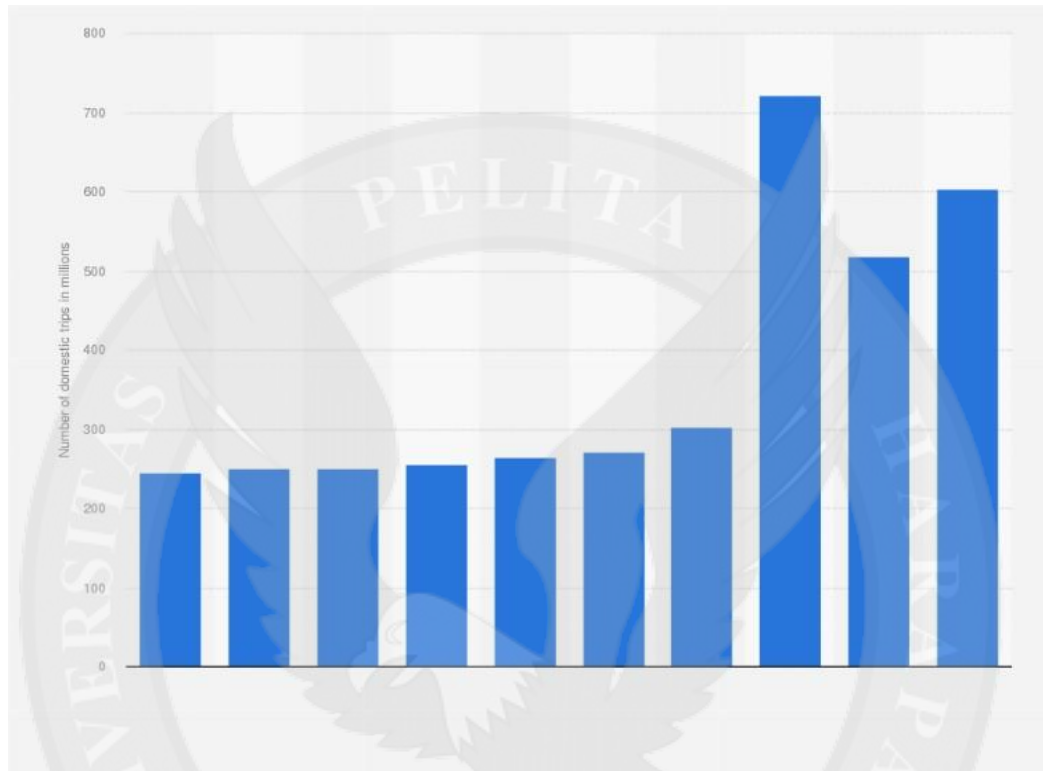
Indonesian tourism locations have been successful in drawing both domestic and international visitors. A wide range of tourist attractions may be found in Indonesia, including historical tours at temples or museums, religious tourism at memorials or places of devotion, educational tours, and breathtaking landscapes like beaches or mountains.



**Figure 1.1** Number of international visitor arrivals in Indonesia from 2013 to 2022  
Sources: Statista.com (2023)

In 2022, there were about 5.47 million international visitor arrivals in Indonesia, the number significantly increased in comparison to the previous year.

Visitor arrivals were distributed amongst the various ports of entry in Indonesia. International tourism to Indonesia has been increasing over the years, and Indonesia has become a popular holiday destination.



**Figure 1.2 Total number of domestic trips to Indonesia from 2012 to 2022 (in millions)**  
Sources: Statista.com (2023)

According to data from the UNWTO, about 603 million domestic trips were made in Indonesia in 2021. Domestic travel in Indonesia increased compared to the year before

One of the must-visit places in Indonesia, as mentioned in Table 1.1 below is known as Bali, which is often referred to as “*Pulau Dewata*” where *Pulau* means Island and *Dewata* means God. Bali is known as a tourist destination due to its vibrant culture, spiritual traditions, and abundance of tourist attractions such as the stunning beaches in Kuta, Seminyak, and Nusa Dua. Along with it, there are many

landscapes, temples, rice terraces, art scenes, and the Mount and Lake renowned in Bali.

Other gorgeous locations may be found in Indonesia, in addition to Bali. On the island of Java, tourists can find the magnificent Borobudur Temple, and Bromo Mountain, as well as the vibrant capital of Jakarta, where you can see both modern buildings and ancient monuments. Komodo National Park and Raja Ampat islands, which have spectacular coral reefs and rich marine life, provide unmatched chances for diving and snorkeling.

**Table 1.1 Top Ten Destinations in Indonesia**

No.	Place	Location
1.	Bali	East Java
2.	Lombok	West Nusa Tenggara
3.	Raja Ampat Island	West Papua
4.	Nusa Penida	Bali, East Java
5.	Komodo National Park	East Nusa Tenggara
6.	Borobudur Temple	Central Java
7.	Lake Toba	North Sumatera
8.	Wakatobi National Park	Southeast Sulawesi
9.	Bromo Mountain	East Java
10.	Derawan Island	East Kalimantan

Source: Liputan6.com (2023)

In addition to becoming a popular tourist destination, Bali provides a variety of accommodation options, from five-star hotels and resorts to modest and affordable guesthouses. Hotels in Bali experience intense competition because it is a tourist island that is popular with both domestic and international visitors.

A hotel is a commercially operated structure that offers public access to service and lodging services. A hotel is a multi-roomed facility that is rented out as a location for travelers to stay and dine, or as professionally managed lodging, and is open to all for services, lodging, food, and drink. The majority of hotels provide

customers with dining options, physical activity centers, swimming pools, and spa services. Some hotels even provide exclusive services like rooftop bars, themed bedrooms, or breathtaking panoramas of the city or the outdoors.

There are several lists of top five-star hotels in Seminyak, Bali such as W Bali Seminyak, Alila Seminyak Bali, The Seminyak Beach Resort, TS Suites Seminyak, Anantara Seminyak Bali Resort, The Trans Resort Bali, The Legian, Courtyard by Marriott, Double Six Luxury Hotel, Grand Mercure Bali Seminyak, and many more.

**Table 1.2 Top five-star hotel in Seminyak, Bali**

Name of Hotel	Rating (out of 10)	Total reviews
Courtyard by Marriott Bali Seminyak	9.2	1,007
W Bali Seminyak	9.4	1,000
Hotel Indigo Bali Seminyak	9.4	449
Potato Head Suites & Studios	9.4	141
Alila Seminyak Bali	9.2	492
Seminyak Beach Resort	9.2	930
Oberoi Beach Resort Bali	9.6	374
TS Suites Seminyak	9.0	997
Trans Resort Bali	9.4	264
Legian Seminyak Bali	9.8	361
Anantara Seminyak Bali Resort	8.4	396
Samaya Seminyak	9.6	221

Source: Expedia.co.id (2023)

One of the five-star hotels in Bali, Trans Resort Bali, with a 9.4 rating based on Expedia, offers easy access to Sunset Road, one of Bali's main roads, making it simpler for tourists to get around the city. The Trans Resort Bali's history began when the company's founder and chairman, Mr. Chairul Tanjung, leased a 1.5-hectare parcel of land in Banjar Merthanadi, Kerobokan, Bali, on Jalan Sunset Road No. 9 in the year 2011. Initially, Mr. Chairul Tanjung rented this property intending to construct a more accessible entertainment location close to Denpasar's core business center. However, he decided to scrap the plan and cooperate with CT Corp

to build a hotel.

In Indonesia, CT Corp, often known as CT Corpora, is a well-known business that works in a variety of industries. Mr. Chairul Tanjung created CT Corp, which is the owner of well-known TV networks in Indonesia including Trans TV and Trans7 as well as major supermarket chains like Transmart and Carrefour. With Bank Mega and AlloBank, they are also present in the financial industry. Furthermore, CT Corp. operates Trans Studio Bali and Trans Studio Bandung in the entertainment industry. Last but not least, CT Corp owns several renowned hotels, including The Trans Luxury Hotel, Fashion Hotel Legian, Ibis Bandung, and The Trans Resort Bali.



**Figure 1.3 The Trans Resort Bali**  
Source: The Trans Resort Bali (2023)

Since Bali's hotel industry is highly competitive, to attract visitors, hotels in Bali work hard to provide great service and unique visitor experiences. The competition motivates hotels in Bali to continuously enhance their services,

amenities, and overall visitor experience. To guarantee the quality of the lodgings, supply management is essential. It is essential to carry out procedures that can support the hotel's rate decision since room bookings are the primary form of a hotel's income and management is crucial. Trans Resort Bali tries to increase room occupancy specifically through online distribution through Websites and Online Travel Agents.

Based on a survey conducted at the hotel, there is a decline in Room occupancy at The Trans Resort Bali. The decrease in revisit room occupancy which can be seen in Table 1.3 below:

**Table 1.3 Room Occupancy at The Trans Resort Bali (2021-2022)**

Month	2021				2022			
	Direct Guest	Hotel Website	OTAs	Walk-in Guest	Direct Guest	Hotel Website	OTAs	Walk-in Guest
January	326	47	280	152	261	20	356	99
February	110	19	237	108	115	7	255	62
March	380	17	322	93	305	61	657	136
April	473	56	669	151	305	254	554	57
May	449	80	1107	141	538	354	685	43
June	616	102	1.209	155	551	325	583	41
July	444	37	300	57	810	451	824	20
August	469	5	304	81	679	335	802	36
September	470	1	681	144	884	277	301	11
October	509	56	669	95	458	242	170	0
November	398	29	356	77	304	124	226	0
December	635	81	961	84	302	140	176	0
<b>Total</b>	<b>5279</b>	<b>530</b>	<b>7095</b>	<b>1338</b>	<b>5512</b>	<b>2590</b>	<b>5589</b>	<b>505</b>

Sources: Trans Resort Bali (2023)

Table 1.1 shows that the number of room occupancy in 2021 was 14,242 and then in 2022 there was a decrease in room occupancy to 14,196.

According to research (Laily, 2022), A website is a collection of web pages that are housed within a domain or subdomain on the World Wide Web (WWW), an online information resource. The information that is provided on a website is the reason everyone accesses it. The website allows for rapid, broad, and not limited to

distance and time transmission of information. As a result, the website is a crucial tool for gathering and managing information. The use of websites for product and service promotion is particularly beneficial, especially in the hotel industry because there is an immense market, accessibility from any location, and straightforward access to information.

Trans Resort Bali website: <https://www.transresortbali.com/>. For the rating, The Trans Resort Bali earned 4.7 stars. In 2022, hotels are promoting around 20-30% using bank mega credit cards so there was an increase in reservation transactions via the hotel website. However, there are still customer complaints of dissatisfaction with reservations via the hotel website. Hotels offer a cheaper but more expensive number of family vacations person and only 1-2 days of stay.

Online travel agencies, on the other hand, do play a big part in the hospitality industry. Customers may effectively book a variety of travel-related services online with their support. They can choose from a variety of options made available by the OTAs, evaluate prices, and make smart choices. Direct online distribution through the hotel's website is also more beneficial for the hotel than direct online distribution through an online travel agent since the hotel does not pay a commission through the website like it does through an online travel agent.

Trans Resort Bali cooperates with many agents such as Traveloka, Tiket.com, Trip.com, Booking.com, Agoda, Reserving.com, Tripadvisor.co.id and expedia.co.id. However, the majority of customers make more room reservations from Traveloka, tiket.com and booking.com. some agencies have quite a price difference with the same facility. In 2022, there was a decrease in the number of

reservations via travel agents from 7,095 to 5,589. This shows that customer interest in booking rooms at hotels via online travel agencies has decreased.

The reason the writer uses the title “The Effectiveness of Implementing Online Distribution through Website and Online Travel Agents (OTAs) for Room Occupancy at The Trans Resort Bali” is because based on the data obtained in Tabel 1.3, it can be seen that there is a significant difference in the number of room sales at The Trans Resort Bali through website and online travel agents.

## **1.2 Problem Limitations**

Because the utilization of online distribution channels has grown popular within the hotel industry, there is a lack of thorough research comparing the effectiveness of direct booking through hotel websites compared to booking through OTAs.

In this study, there will be one dependent variable and two independent variables as follows:

X1 : Effectiveness of Online Distribution through Website

X2 : Effectiveness of Online Distribution through Online Travel Agents

Y : Room Occupancy

The indicators for a good website according to Hermawan (2018) are usability, navigation system, graphic design and content. According to Pradiatiningtyas (2019), there are indicators of the use of online travel agents for consumers and companies are information, response to market and condition. A lot of indicators that affect the room occupancy rate in an industry or hospitality



business, including (Wibowo, 2023) are facilities, service quality, satisfaction, promotion and price.

### **1.3 Problem Formulation**

Based on the background of the study, several questions are formulated by the writer as follows:

1. Does the effectiveness of online distribution through the website have a partial influence on room occupancy at the Trans Resort Bali?
2. Does effectiveness of online distribution through online travel agents have a partial influence on room occupancy at the Trans Resort Bali?
3. Does effectiveness of online distribution through websites and online travel agents have a simultaneous influence on room occupancy at the Trans Resort Bali?

### **1.4 Objective of Research**

Based on the problem formulation, the objectives of this research are as follows:

1. To examine the Effectiveness of Online Distribution through Website has partial influence on Room Occupancy at Trans Resort Bali.
2. To analyze whether the effectiveness of online distribution through online travel agents has a partial influence on room occupancy at the Trans Resort.
3. To examine the effectiveness of online distribution through websites and online travel agents have simultaneous influence on room occupancy at the

Trans Resort.

## **1.5 Benefits of Research**

### **1.5.1 Theoretical Benefits**

Theoretically, this research can assist hotels in improving room occupancy through online distribution by offering helpful information on the most effective techniques for achieving it. By contrasting the two distribution channels, this study may help hotel owners and managers in making decisions on whether they should focus on their websites or utilize the resources of OTAs.

### **1.5.2 Practical Benefits**

Practically, this research provides practical insights and actionable recommendations for hotel owners and managers. In order to improve the strategies, they use for attracting more guests and increasing room occupancy, hotels may increase their revenue by evaluating the effectiveness of both channels, this can also enhance customer satisfaction. This research also offers benefits to other parties:

1. For the writer

The writer may benefit from this research in terms of developing their research techniques and learning more about the hospitality sector. In the academic, it may also result in advancement in career and reputation.

2. For The Trans Resort Bali

This research could help Trans Resort Bali in making wise selections of online distribution strategies to increase room occupancy and boost revenue.

3. For the readers

The research provides insightful information so that readers can find out about current market conditions, standard procedures, and strategies to maximize their online distribution strategies. It enables readers to choose wisely between websites and OTAs when making hotel reservations.

4. For other researchers

The study provides a framework for more researchers in the area of hotel distribution. To gain a more thorough understanding of the subject, it may motivate more study in the form of replication or extension.

