

## **CONTRIBUTION OF HOTEL WEBSITE, ONLINE TRAVEL AGENT, AND OFFLINE TRAVEL AGENT TO ROOM REVENUE IN MELIA BALI**

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### **ABSTRACT**

This research is about the contribution of each distribution channel towards room revenue in Melia Bali. The purpose of this research is to find out the contribution of hotel website, online travel agent, and offline travel agent towards room revenue at Melia Bali during 2015-2017. Data are collected in this research through interview, observation, and literature study. Data analysis method used is descriptive statistics. The result of the research shows that the biggest contribution of the distribution channel is offline travel agent. While the other distribution channels are having a fluctuations issue, where in year 2015 and 2016 the online travel agent distribution channels is higher than the hotel website. But in 2017, the hotel website has bigger contribution than online travel agents. The average contribution of hotel website towards room revenue in 2015-2017 is 17.03%. The distribution channel of online travel agent is 16.83% and the other five online travel agents that have the most contribution upon room revenue of Melia Bali in 2015-2017 are booking.com, Expedia, Agoda, Hotelbeds, and Orbitz. Contribution on distribution channel of offline travel agent is 66.15% and the five offline travel agents that have the most contribution towards room revenue of Melia Bali in 2015-2017 are Flight Center, TUI Deutschland, Meier's Weltreisen, TMS Tours, and HIS Bali Tours and Travel.

Key words: hotel website, online travel agent, offline travel agent, room revenue.

### **INTRODUCTION**

Internet as one form of information technology has a very important role for every hotel in nowadays because it deals with the effectiveness and efficiency of handling information in order to stay competitive with the hotel competitors. Internet can make it easier for potential travelers to get to know the products, facilities, and services offered by the hotel. In addition, the

Internet can be used as a media promotion of products, improve the quality of service to guests and improve company productivity. The development of information technology also cannot be separated from the role of internet users.

The number of internet users in the world in the last five years continues to increase every year. According to official website statistics source [internetlivestats.com](http://internetlivestats.com) accessed on February 25, 2018, in 2013 the world internet users numbered 2,728,428,107 people. By 2014 it will increase to 2,956,385,569. In 2015 it is 3,185,996,155. In 2016 that is as much as 3,424,971,237 and in the year 2017 as much as 3,578,000,000. Of these, from 2013 to 2017 the number of internet users worldwide increased by 31.14%. The average growth rate during 2013-2017 is 6.23% annually. From the increasing number of internet users in the wider community would have an impact on the development of information technology systems are no exception in the field of marketing of goods and services using the internet (e-commerce).

E-commerce is the process of purchasing, selling or exchanging products, services and information through computer networks (Utama, 2017: 291). Seeing the importance of the development of e-commerce, now the hotel industry may use the help of information technology systems, one of them in sales and marketing activities (Budi, 2013: 21). In addition to the sales results achieved more leverage because the information about the hotel products can be accessed by all target markets, the marketing process is easier to run because it does not take long so that the use of human resources to be more efficient (Budi, 2013: 26). Sales through the internet will directly or indirectly affect the amount of revenue in hotel.

Melia Bali is one of the hotels in Nusa Dua area which uses internet as part of media and sales strategy. As a five star accommodation service provider in the Indonesian Tourism Development Corporation (ITDC) area, the hotel has many competitors by offering the same products and services.

Sales and marketing departments are required to be more creative and innovative in selling and marketing their products. Strategy is required that can bring Melia Bali in a higher position both in terms of occupancy rate and revenue in order to excel in the competition.

Melia Bali has its own website that can be accessed easily. The website of Melia Bali can be accessed through [melia.com](http://melia.com), [meliahotels.com](http://meliahotels.com), and [meliabali.com](http://meliabali.com). Website is one of the online marketing medium that functioned as a communication medium that provides information for tourists. In Indonesia the website is called a page. Many advantages are offered if the prospective traveler makes a reservation through the hotel website. If incorporated in Melia Reward, tourists can get potential benefits such as rebates, late check out and others. Apart from the hotel website for Melia Bali marketing strategy can maximize to be able to win the competition is by doing cooperation with online travel agent.

Online travel agents help the hotel to do promotion through their official website or by using social media. In general, sales through online travel agents is expected to become one of the potential distributions to increase hotel revenues. It's just not all online travel agents that exist and in cooperation with the hotel can provide stable productivity. In addition to working with online travel agents, it is important for hotels to continue to rely on offline travel agent performance in marketing their products. It cannot be denied that offline travel agents as travel service providers have the most contribution among other distribution channels. That's because the number of offline travel agents in collaboration with Melia Bali. Based on the above explanation, the authors want to analyze the contribution of various distribution channels to room revenue or room revenue in 2015-2017. The purpose of the study based on background and problem, then this research proposes:

- 1) To find out the contribution of hotel website to room revenue in Melia Bali.

- 2) To find out the contribution of online travel agent to room revenue in Melia Bali.
- 3) To find out the contribution of offline travel agent to room revenue in Melia Bali.

## **METHODOLOGY**

The research was conducted at Melia Bali, located in Nusa Dua area famous for its beautiful beaches located in Tourist Area ITDC Lot 1, Nusa Dua. The object of this research is Sales and Marketing at Melia Bali as a department that has information about hotel website, online travel agent, and offline travel agent that has big contribution to the room revenue of Melia Bali in 2015-2017. The sources of data in use consist of primary and secondary data. Data are collected in this research through interview, observation, and literature study. Data analysis method used in this study is descriptive statistics.

Descriptive statistics according to Sugiyono (2016: 238) are statistics used to analyze data by describing data that has been collected as it is without intending to make conclusions that apply to the general or generalization. Presentation of descriptive statistical data through tables, graphs, circle diagrams, pictograms, mode calculations, medians, mean, decile calculations, percentiles, and percentage calculations.

Researches concerning contribution of channel distribution to hotel's room revenue had been done by some researches such as Septiawan (2018), Yanti (2018), Pendit (2008), and Dewi (2008) but they did not cover all aspects of channel distributions as we do (hotel website, online travel agent, and offline travel agent). Beside that, the location they chose is different from the one we do. This research is done in Melia Bali.

## **FINDINGS AND DISCUSSION**

In Melia Bali, the highest contribution of the distribution channel in 2015 to 2017 is offline travel agent as seen in table 1.

Table 1  
The Average of Contribution of the Distribution Channel  
in 2015 to 2017 in Melia Bali

Year	<i>Hotel Website</i>	<i>Online Travel Agent</i>	<i>Offline Travel Agent</i>
2015	16%	18%	66%
2016	16%	19%	65%
2107	19%	14%	67%

Based on an interview, the high contribution of offline travel agent is caused by several factors are as follows:

a. Getting the Service

Offline travel agent not only sells tour packages, but also sells airline tickets and hotels. Customers will be assisted to find the best option as needed at the best price. Offline travel agent usually complete the service with a tour guide, it will be given complete information about the sights visited.

b. The cost is cheaper

Offline travel agent usually provides all-in tour packages for groups, the price is often cheaper than the road itself. So guests do not have to use a separate service: hotels, transportation, entrance fees of tourist attractions, and so forth. With offline travel agent all needs have become one, spending becomes controlled. This is because offline travel agent usually reserve a hotel room with a large number of times with a fairly frequent range.

c. Easy transportation

Transport is an important thing in a tour, especially if the tourist attractions have never been visited. Needs shopping and looking for souvenirs are usually already selected in the best place.

d. More effective time

Travel time is a special time, often there are unexpected things hampering the trip so that guests miss the special moment. With offline travel agent services, guests will visit the attraction at the right time, because the tour guide knows when the best time to visit a tourist attraction.

e. Comfort is assured

If guests plan their own trips, usually will inconvenience in running the plan because it has not known the destination. By using the services of offline travel agent the moment of the tour will be much more effective and practical, guests will enjoy travel time without thinking things that do not need.

f. Consultation on destinations

Most people only buy vacation tickets to the city or country they want but do not know where the next destination is. Offline travel agent is an expert in the area that guests will visit and have experienced visiting the area before.

g. Convenient if the schedule changes

Sometimes in planning a trip, a condition that resulted in having to cancel the trip. On offline travel agent for some conditions, airline tickets and hotels can be postponed or refunded the money. Of course usually if you want the money refunded, there is a cancellation fee.

For the next contribution channel is the online travel agent and at the lowest contribution in the year 2015-2017 is the hotel website distribution channels. Based on the interview, it can be concluded from 2015-2017 the low contribution is due to several factors are as follows:

a. Price

The price of the room displayed by the online travel agent is slightly more expensive than the member's price on the hotel website,

where the price appears on metasearch (price comparison website), so that the guest who initially intends to book the room through the online travel agent will switch to the room reservation through the hotel website to get a cheaper price.

b. Promotion

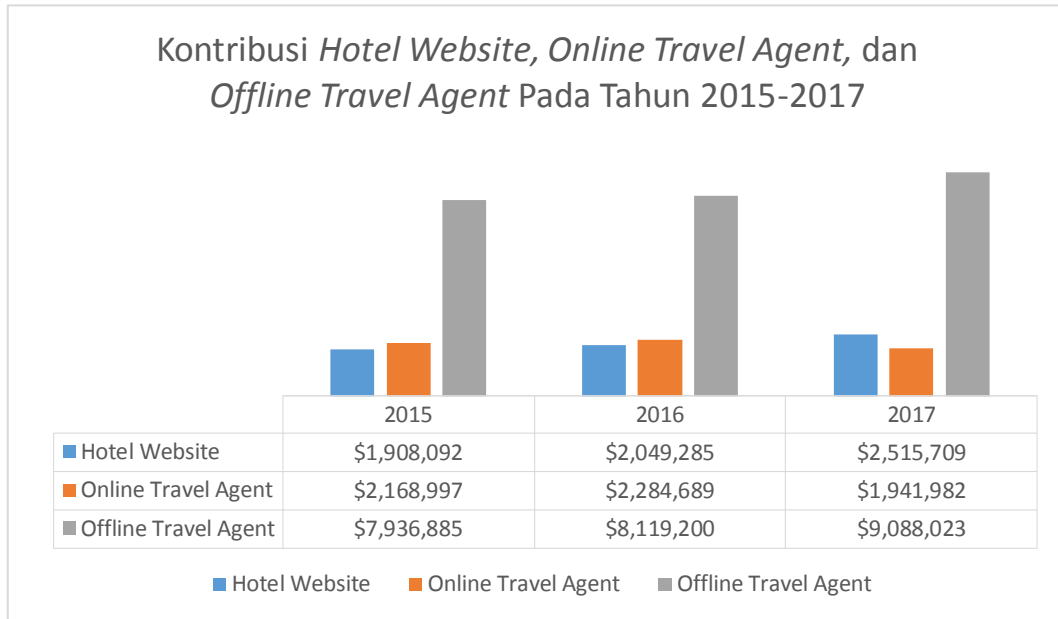
The growing number of online travel agents with their respective promotions and business competition with competing hotels. Melia Bali in doing the promotion is constrained by the existing policy, because in the process of promotion conducted Melia Bali must go through several stages so it is not uncommon to be an obstacle in the promotion.

c. Guest type

The majority of guests in Nusa Dua area especially Melia Bali are GIT guests (Group Inclusive Traveler) who make room reservation through offline travel agent, whereas guest who make room reservation through online travel agent is a minority guest ie FIT (Free Independent Traveler) Melia Bali's largest room is through an offline travel agent distribution channel.

d. Cancellation Policy

The existence of a cancellation policy at Melia Bali which provides a fine if someone has confirmed the payment and then canceled the reservation and required the guest to pay in full non-refundable, and if not, payment can be made directly at the Hotel with a larger nominal (refundable), while many competitor hotels currently provide the same price and do not give fines.



Graph 1: Contribution of booking sources (Sales and Marketing Melia Bali 2018)

On the graph 1 in 2015-2017 the most contribute to room space is offline travel agent and continue to increase every year. In 2015 the amount of offline travel agent contribution to room revenue is USD 7,936,885. Then in the year 2016 increased by 2.3% or USD 182,315 to USD 8,119,200. In 2017 the offline travel agent distribution channel has increased by 12% or USD 968,823 to USD 9,088,023.

The next highest distribution channel is the online travel agent. In 2015 the amount of contribution provided from online travel agent amounted to USD 2,168,997 while on the hotel website of USD 1,908,092. In 2015 the online travel agent distribution channel increased by 5.3% or USD 115,692 to USD 2,284,689 and hotel website also increased from the previous year by 7.4% or USD 141.193.

In 2017 the hotel website experienced considerable improvement over the previous year and exceeded the online travel agent. For the hotel website increased by 22.8% or USD 466,424 to USD 2,515,709 while online travel agent decreased by 17.64% or USD 342,707 to USD 1,941,982.



## CONCLUSION AND SUGGESTION

The concluded that from each distribution channel that has the highest contribution in 2015-2017 is offline travel agent. The second highest distribution channel is the hotel website and the last is the online travel agent. The contribution of the hotel website to Melia Bali's room revenue in 2015-2017 was USD 6,473,086 or 17.03%, for online travel agents was USD 6,395,668 or 16.83%. The five online travel agents that contribute the most to Melia Bali's room revenue in 2015-2017 are booking.com, Expedia, Agoda, Hotelbeds, and Orbitz. In the last distribution channel, offline travel agent has a contribution of USD 25,144,108 or 66.15%. The top five contributing offline travel agents to Melia Bali in 2015-2017 are Flight Center, TUI Deutschland, Meier's Weltreisen, TMS Tours, and HIS Bali Tours and Travel.

Based on the conclusions described above, some suggestions may be conveyed are as follows:

- 1) The Sales and Marketing department, especially E-commerce and Revenue, hopefully can increase the revenues in the hotel's website distribution channel, because from the hotel the website itself is handled by an internal party that does not require additional commission such as online travel agent and offline travel agent so that the total amount of room revenues at Melia Bali will be maximized.
- 2) The Sales and Marketing department must maintain and keeping a good relations with online travel agents and offline travel agents who contribute highly to room revenues at Melia Bali and need to be given appreciation in the form of contract rates at special prices.

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