



## Travel Agencies As Marketing Distribution To Gaining Hotel Occupancy, A Case Study In Pangandaran

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### ABSTRACT

*This research was conducted with the intention of knowing how the role of travel agencies in providing support for hotel occupancy rates in the Pangandaran area, especially Surya Kencana Seaside Hotel. The research was conducted using a literacy study method on various supporting data collected during 2018-2022. The data collected was then analysed for things that affect hotel occupancy rates, especially based on data from guests who book hotel rooms through travel agencies both online and offline. Based on the results of the analysis, information was obtained that sales made through online travel agencies were higher than offline travel agencies. This is because bookings made by consumers are more practical. Currently there are many sites that provide online room booking media services. The presence of online travel agencies greatly affects the world of tourism and is beneficial for hotels in terms of saving promotional costs. The conclusion that can be drawn from this research is that Online Travel Agent still affects the room occupancy rate at Surya Kencana Seaside Hotel because there are many new policies and the latest promotions in attracting customers. Offline Travel Agent must work harder to beat Online Travel Agent in terms of providing support in increasing room occupancy.*

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## INTRODUCTION

Indonesia is an archipelago that has cultural diversity, community hospitality, and a wealth of flora and fauna that is very beautiful and also has enormous potential to become one of the world's tourist destinations. Indonesia relies on tourism as one of the mainstay sectors in development, it can be proven that tourism has contributed a large foreign exchange earner for the State. The development of Indonesian tourism has spread to all regions including Pangandaran Regency. Pangandaran is one of the destinations with a unique charm of nature and diverse culture that is able to be an attraction for tourists, both local and foreign tourists.

Currently, the movement of tourists is accelerating due to factors that encourage tourists to travel, such as the desire to escape from routine daily life and have curiosity about a tourist destination. Related to this, Pangandaran is one of the tourist destinations that has adequate tourism facilities such as the creation of basic facilities (travel agent, hotel, central bank,

restaurant, transportation), as well as complementary facilities(night club, bar, karaoke, bank centre). This can be seen from the development and growth of tourism accommodation facilities, namely hotels.

The hotel industry is one of the industries that has a major influence on the development and arrival of tourists as a basic facility that aims to make tourists stay longer and have comfort during their stay, so as to be able to give a positive impression for tourists to visit again.

This can be seen in Table 1 tourists who use hotel services in the Pangandaran area of West Java based on occupancy rates for the last five years as follows:

**Tabel 1,** Pangadaran Hotels Occupancy, Year Period 2018-2022

Year	2018	2019	2020	2021	2022	Notes
Hotel Occupancy	1.488.816	1.709	0	952.095	3.213.259	Room Nite
		Covid 19 Period				

Source: BPS Kabupaten Pangandaran

In Table 1 above, it can be seen that there are fluctuations in the growth rate from 2018 to 2022. This is due to the presence of COVID 19 which is spread in several countries including Indonesia and causes death. However, there was an increase in the growth rate of foreign and domestic tourists who used hotel services in 2021 to 2022. This is because there are many international *events* such as the Sea Games, kite parties, PAN HASH, Harley Davidson and other events.

Based on this data, it can be seen that the highest growth rate occurred in 2022. Seeing this, the hotels are competing to attract tourists to stay at their place. Almost all hotels in Pangandaran have mutually beneficial cooperation with travel agents both online and offline. One of the hotels that collaborates with travel agents is Surya Kencana Seaside Hotel.

Along with the times, increasingly sophisticated technological advances affect room sales conducted *online* or offline at Surya Kencana Seaside Hotel Pangandaran. This is explained in table 2 as follows:

**Tabel 2,** Guest of Surya Kencana Hotel Pangandaran, Travel Agencies Source Market Share

Source	2018	2019	2020	2021	2022	Notes
Offline Marketing	1.976	381	0	173	1.852	Room Nite Occupancy
Online Marketing	0	674	0	469	2.196	Room Nite Occupancy

Source: Data System Xpert Hotel Surya Kencana Pangandaran

From the data on table 2 explains that sales made through online travel agencies are higher than offline travel agencies, this is because orders made by consumers are more practical. Currently there are many sites that provide online room booking media services. The presence of this online travel agency greatly affects the world of tourism and is beneficial for the hotel in terms of saving promotional costs.

Many parties who cooperate with Surya Kencana Seaside Hotel Pangandaran, which attracts the most attention, are online travel agencies and travel agencies in their operations to fulfil room occupancy. For the hotel, cooperation with online and offline travel agencies is an advantage for Surya Kencana Seaside Hotel Pangandaran. It can be seen in Table 2 the level of sales made through online travel agencies or offline travel agencies at Surya Travel Agent according to Goeldner (2009) Travel agent or Travel Bureau is an intermediary of a business or a person who sells certain parts of the tourism industry individually or a combination of these parts to consumers.

The difference between a travel agency and a travel agent can be seen from their respective duties. The travel agency is tasked with planning and creating trips, earning profits based on the results of the sale of the plans created while the travel agent is tasked with being a travel intermediary and benefiting from commissions, and tipping. Travel Agent in terms of market share is divided into two, namely offline travel agent and online travel agent. Basu Swastha (1999) says that the level of sales is the amount offered from a company by industrial users using distributors.

Based on Table 2 above, it can be said that room sales made by online travel agencies and offline travel agencies experienced a decrease in the growth rate every year from 2018 to 2022. But based on the number of room sales made through online travel agencies, there is an increase every year while sales made through offline travel agencies decrease every year. Although from 2018 to 2022 room sales are dominated by online travel agencies.

Therefore, to find out how the influence of travel agencies in increasing room occupancy at Surya Kencana Seaside Hotel Pangandaran, research was conducted on the analysis of the influence of travel agencies as a distribution channel on room occupancy rates at Surya Kencana Seaside Hotel Pangandaran calculated from 2018 to 2022. Thus, it will find solutions to increase occupancy at Surya Kencana Seaside Hotel both in terms of online and offline.

According to Asri in Karim, et al (2014: 423), sales volume is the number of units of real sales of the company in a certain period. So, sales volume can be said to be the result of sales activities measured by units.

Based on the opinion of Heldin Manurung and Trizno Tarmoezi (2002), a hotel is a building used for lodging with commercial purposes and provides professional services for guests including the provision of food and drinks and other facilities.

According to Philip Kotler (2007), Distribution Channels are a set of organisations included in a process that makes products or services for use or consumption by consumers or business users.

According to Yoeti (2001) a tourist is a person, regardless of race, sex, language, and religion, who enters the territory of a country that has an agreement other than the country where the person usually lives and is there for not less than 24 hours and not more than six months, within a period of 12 consecutive months, for legal non-immigration purposes.

## **RESEARCH METHOD**

The research was conducted using a literacy study method on various supporting data collected during 2018-2022. The data collected was then analysed for things that affect hotel occupancy rates, especially based on data from guests who book hotel rooms through travel agencies both online and offline.

## **RESULTS AND DISCUSSIONS**

### **a. General Description of Surya Kencana Seaside Hotel Pangandaran**

An individual hotel company established since 2003 with a total of 15 rooms but in 2010 renovations were carried out so that it had a total of 69 rooms. Surya Kencana Seaside Hotel Pangandaran is built on an area of 2.5 hectares and is located in the tourist destination of Pangandaran West Coast. Surya Kencana Seaside Hotel Pangandaran was established by CV Surya Wijaya Abadi with the largest shareholder named Fredi Tanu Solihin.

Surya Kencana Seaside Hotel which officially started operating on 09 April 2003 is a three-star hotel located at Jl. Pananjung Pangandaran West Beach. Surya Kencana Seaside Hotel offers various facilities including 69 rooms with room types (standard room, deluxe room, super deluxe room, junior suite room, suite room, family room and family suite), restaurant, swimming pool and meeting room.

#### **a. Travel Bureau as a Distribution Channel at Surya Kencana Seaside Hotel Pangandaran.**

The distribution channel has the task of distributing goods or as an intermediary from producers to consumers in the form of distributing products or services that are sold. Thus consumers will be able to enjoy and get the products they need. Distribution plays an important role for consumers. With a good distribution channel, it can ensure the availability of products needed by consumers to producers. Without distribution channels, producers will find it difficult to market their products and consumers will find it difficult to find producers to enjoy their products.

The travel agency is one of the tools or intermediaries used by Surya Kencana Seaside Hotel as a distribution channel in selling rooms / products owned by the hotel. The distribution channel in this case is defined as an intermediary process to deliver goods from producers to consumers. Meanwhile, a travel agency is a business entity that sells services in tourist trips such as tour packages which are of course related to transportation and accommodation. Consumers who travel not only will travel, of course, need a place to rest, namely accommodation. Therefore, travel agencies always sell accommodation in tour packages for consumers.

**b. The Effect of Online Travel Bureau as a Distribution Channel on Room Occupancy Rate at Surya Kencana Seaside Hotel Pangandaran**

Online travel agencies greatly affect the room occupancy rate at Surya Kencana Seaside Hotel because the hotel has collaborated with various online travel agents such as Agoda, Traveloka, Tiket.com, Pegi-Pegi. Booking.com, and MG Holiday. With each online travel that offers various benefits for the hotel in terms of increasing room occupancy. So that by working with online travel agents, it is hoped that Surya Kencana Seaside Hotel will be better known by local and foreign customers.

There are many positive and negative things related to cooperation with online travel agents, not only profitable in terms of increasing room occupancy but from various aspects such as the following:

1) Positive Impact

Surya Kencana Seaside Hotel can be better known by customers from various countries, besides that it saves marketing costs because indirectly the online travel agent promotes through the website of each online travel agent, of course the Surya Kencana Seaside Hotel agrees regarding the promos offered to increase visits both on weekdays and weekends. In addition, the positive impact is to improve the quality of products sold both in terms of facilities and services because if it is ready to be promoted by an online travel agent, the hotel must be ready for the facilities and services provided by the hotel to the customer.

2) Negative Impact

Many things need to be taken into account to be able to work with online travel agents because many things have a negative impact on Surya Kencana Seaside Hotel if it is not careful in terms of cooperation with online travel agents. Service discounts that change at any time without notice to the Surya Kencana Seaside Hotel so that it reduces hotel revenue. In addition, many customers who arrive at the hotel complain about information that does not match the

benefits provided because they are tempted by cheap promos so they immediately choose without seeing the benefits obtained by the customer.

Many policies that harm the hotel are related to refunds or reschedules that can change policies to the detriment of Surya Kencana Seaside Hotel. It is difficult to contact online travel agent customer service if there is a date from the customer who complains to the Surya Kencana Seaside Hotel. So that customers feel played by the hotel and online travel agent. The influence of online travel agents is very significant and helps Surya Kencana Seaside Hotel in weekdays, seeing Pangandaran Regency is only crowded on weekends so that weekdays are very hard work to meet room occupancy remains stable so that online travel agents are very helpful to increase revenue on weekdays.

c. Effect of Offline Travel Bureau as a Distribution Channel on Room Occupancy Rate at Surya Kencana Seaside Hotel Pangandaran

Offline travel agency is one of the helpers for Surya Kencana Seaside Hotel during weekdays and weekends. Many offline travel agents cooperate with Surya Kencana Seaside Hotel from various regions in Java Island because most tourist visits from Java Island although many foreign tourists visit but without using offline travel agent services. Surya Kencana Seaside Hotel really prioritises offline travel agents by offering special prices for offline travel agents so that they can bring in guests both FIT and GIT so that weekdays and weekends remain filled with stable occupancy.

However, the lack of offline travel agents who collaborate with Surya Kencana Seaside Hotel Pangandaran, most customers directly contact the hotel without going through offline travel agents due to lack of information. Offline travel agents should have a forum from various regions to collect data on hotels in Pangandaran to be able to cooperate with the hotel because offline travel agents are very influential on room occupancy rates. The impact of online travel agents on room occupancy rates at Surya Kencana Seaside Hotel is as follows:

1) Positive Impact

The positive impact given by offline travel agents on hotels is very diverse, increasing trust in offline travel agents to be able to collaborate well in terms of fulfilling components in tour packages sold to customers. In addition, Surya Kencana Seaside Hotel is assisted in promotion to customers with its feedback providing a special rate for offline travel agents, of course lower than online travel agents. Offline travel agents if satisfied with the services and facilities provided by Surya Kencana Seaside Hotel, the offline travel agent will recommend to the offline travel agent community so as to increase the relationship and room occupancy of Surya Kencana Seaside Hotel.

## 2) Negative Impact

However, the negative impact is that there are many people who act on behalf of offline travel agents in order to get cheaper prices but are used badly in obtaining their own profits. Instead it is used badly in getting their own benefits. In addition, it often happens that offline travel agents before the event runs away by leaving the remaining payment to the hotel. The effect is very large for the room occupancy rate at Surya Kencana Seaside Hotel, if there is a big event, the offline travel agent immediately recommends hotels that are trusted and have worked together with the MOU with offline travel agents. So that the event held will increase the occupancy of the Surya Kencana Seaside Hotel hotel.

Offline travel agents usually promote Surya Kencana Seaside Hotel through their respective websites or by adding components to the tour packages they create. In addition, the hotel has joined the PHRI community so that all offline travel agents entrust all PHRI members to be able to provide customers.

## CONCLUSION AND SUGGESTION

Based on the discussion in the previous chapter, the things that can be concluded are as follows:

- a) Online Travel Agent still affects room occupancy rates at Surya Kencana Seaside Hotel because there are many new policies and the latest promos in luring customers and Surya Kencana Seaside Hotel to be able to follow the programmes offered by offline travel agents.
- b) Offline Travel Agent must work even harder to be able to beat Online Travel Agent in terms of providing customers to Surya Kencana Seaside Hotel so that it can increase room occupancy.

Based on the above conclusions, the following can be suggested:

- a) Surya Kencana Seaside Hotel management must further enhance cooperation with Offline Travel Agent so that it can facilitate promotional media and can have a positive impact on room occupancy rates at Surya Kencana Seaside Hotel Pangandaran, besides that the hotel provides lower prices to offline travel agents to be able to compete with online travel agents and provides sales targets to offline travel agents if they exceed their sales then the Surya Kencana Seaside Hotel will give rewards to offline travel agents.

- b) Management of Surya Kencana Seaside Hotel Pangandaran to look for other things outside the Travel Bureau that have a significant (large) influence on room occupancy rates, such as holding MICE, increasing promotions to foreign countries.
- c) Online Travel Agent Marketing must be better understood regarding online travel agent policies so that they can be clearer and there is no miss communication, besides providing dynamic prices to online travel agents.
- d) Surya Kencana Seaside Hotel management must prioritise online travel agents focused on weekday sales so that weekends focus on offline travel agents and walk-ins. thus occupancy will be stable.
- e) Surya Kencana Seaside Hotel management must know the major events that will be held in Pangandaran Regency so that it can immediately provide a great opportunity for offline travel agents to work together to increase room occupancy at Surya Kencana Seaside Hotel by taking the opportunity at every event to use Surya Kencana Seaside Hotel.
- f) In terms of online travel agents, it is more emphasized regarding the facilities and policies of Surya Kencana Seaside Hotel which can be informed on the online travel agent website so that the customer does not feel fooled regarding the offers published on the website of each online travel agent. In addition, it is mandatory to have a market manager for each online travel agent to be able to communicate easily in the event of problems or complaints from guests regarding booking rooms through online travel agents so that they can be handled more quickly.
- g) Management must be more observant of online travel agents who do not have a good impact on increasing room occupancy at Surya Kencana Seaside Hotel, especially always providing an increase in commission without prior notification to Surya Kencana Seaside Hotel, making it difficult to recap at the end of the month. In addition, do not be tempted by promos offered by online travel agents which ultimately harm Surya Kencana Seaside Hotel because it is not in accordance with the campaign offered by online travel agents.
- h) Creating a table top event in Pangandaran Regency to get to know all tourism entrepreneurs, especially hotel entrepreneurs and offline travel agents. Thus, if the relationship has grown, it will be easier to work together with each other.



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