



Beyond Price and Promotions: Uncovering the Drivers of Guest Choice at V Hotel and Residence Bandung

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Abstract: The purpose of this study to determine how the price, product, promotion, purchasing decisions, and how much influence the price, the product, and promotions on consumer purchasing decisions This research is a census, the number of objects in a population of 100. The research method used in this research is descriptive analysis method. The data analysis technique used is the technique of correlation analysis and path analysis techniques. Correlation analysis techniques to determine the relationship between variables, while the technique of path analysis to determine how much influence the independent variables on the dependent variable. The software used to process and analyze the data of this study was SPSS version 23. The results showed that the variable conditions of the price, product, promotion and purchasing decisions included in both categories.

Keywords: Price, Product, Promotion, Purchasing Decisions

INTRODUCTION

The development of the business world in Indonesia, especially the service business, is experiencing good growth, this shows that consumer needs in the service sector have increased. The increasing needs of the community also mean increased competition among companies that will meet the needs of the community. Thus these companies are faced with increasingly fierce competition. Companies that want to survive must have their own advantages that will make a plus for the company in the eyes of other companies. Companies must also be more careful and responsive in observing the needs and desires of consumers so that they know what consumers want and can fulfill these desires, and one of the consumer desires is the hotel.

The hospitality industry has other characteristics from the industries we are familiar with where consumers buy these services in the short or long term, are influenced by physical or hotel products, pricing policy strategies, promotions with potential buyers and subscriptions, and establish effective distribution channels so that consumer decisions to visit can continue to be made. The hotel industry does not only provide lodging accommodation. But in it there are many services aimed specifically at people who stay overnight. Hotel facilities are usually

adjusted to the number of stars in the hotel. The increasing number of stars in a hotel, the more facilities provided to the community who stay at a hotel. The hotel industry has long been considered a profitable industry and has also always experienced development. Opportunities to invest in the Hospitality sector are supported by several things, namely: safe and peaceful environmental conditions in an ethnically homogeneous area, a strategic location that is not too far from the city center and good infrastructure..

The intense competitive situation in the hotel industry in the Bandung area has made it difficult for companies to increase the number of customers. In the existing market, there are too many hotel service products with various advantages and added values offered by competitors, making it difficult for companies to capture competitors' market share. This shows that the average star hotel has not been able to achieve the expected ideal occupancy rate target, this kind of condition makes many hotels not strong in the business world, if a company cannot develop a marketing strategy appropriately, it will experience defeat in competition where marketing strategy is one of the main activities that can be carried out by entrepreneurs to maintain their survival, to develop and to make a profit, one important aspect of marketing is to encourage potential customers to stay..

Tingkat keputusan pembeli terhadap V Hotel and Residence masih rendah jika dibandingkan dengan *competetitor* yang ada disekitar.

The point is that the company must be able to create higher customer value compared to competitors, this is done in an effort to provide satisfaction to customers. Improving the quality of service provided to customers is possible to reduce service failures and provide satisfaction. (Matilda; 2003).

Every company must be able to understand the survival of the company as an organization that tries to meet the needs and desires of consumers depending on the behavior of its consumers. The main key for companies to win the competition is to influence customer decisions through the delivery of promotions and setting competitive pricing policies (Kotler 2012:166)

Purchasing decisions are stages where consumers form preferences between brands in a collection of choices (Susanto, 2013). 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.

According to (Swastha and Irawan 2008; 349), purchasing decisions are consumers' understanding of the wants and needs for a product by assessing existing sources by setting purchase goals and identifying alternatives so that decision makers buy which is accompanied by behavior after making a purchase. To be able to get a quality product at a good price, several factors are needed so that consumers are interested in deciding to buy, namely cultural factors, social class, small reference groups, family, experience, personality, beliefs, and self-concept. These factors are to obtain information about the quality of the product to be purchased, by improving product quality, consumer satisfaction will also increase.

Pricing, product and promotion policies are among the factors that can influence customer decisions, which of course determine prices that can compete and provide memorable promotions. In economic theory, the notions of price, value, utility, are interrelated concepts. What is meant by utility is an attribute attached to an item, which allows the item to fulfill needs, wants, and satisfaction.

LITERATURE REVIEW

Price

According to (Kotler 1984: 48), price is the only element of the marketing mix that generates sales revenue, while the other elements are solely cost elements. Many companies do not pay attention to the problem of selling prices properly, the common mistakes are: pricing

is very cost-driven, prices are not reviewed frequently even though the market is always changing, selling prices are determined independently, apart from the marketing mix and not an integrated element in the market placement strategy, selling prices are less varied for different types of products and market segments..

According to (Swastha and Irawan 2001: 241) price is the amount of money (plus some products if possible) needed to get a number of combinations of products and services. From this definition, it can be seen that the price paid by the buyer includes the services provided by the seller. Even the seller also wants a certain amount of profit from the price.

Product

Nowadays consumers want good quality products at low prices. Products and services that are sold must have good quality or match the price offered. In order for a business or company to survive in the face of competition, especially competition in terms of quality, the company needs to improve the quality of its products or services..

Promotion

According to (Swasta and Irawan 2002) promotion is a unidirectional flow of information or persuasion made to direct a person or organization to actions that create exchanges in marketing.

Marketing communication is a marketing activity that seeks to disseminate information, influence and or remind the target market of the company and its products to be willing to accept, buy, and be loyal to the products or services offered by the company concerned.

According to (Husein 2002) promotion is the communication of information between sellers and buyers or other parties so that the product is known and eventually purchased. From the above theory, it can be concluded that promotion is a communication activity to provide information to people about the products to be offered so that consumers are interested in buying the products or services offered. Promotion Mix Promotion mix is the best strategic combination of advertising variables, personal selling, and other promotional tools, all of which are planned to achieve the objectives of the sales program (Swasta & Irawan, 2005).

Lupiyoadi (2010), says that promotion not only functions as a means of communication between service providers and consumers, but also as a tool to influence consumers in purchasing decisions..

Purchase Decision

Consumers generally want to maintain products that meet their needs and wants both now and in the future. To achieve this, consumers make various purchasing decisions. When consumers make decisions, they are involved in various decision-making behaviors. According to Boyd, et al (2000: 120) consumer purchasing decisions are a problem-solving process for both individual consumers and organizational buyers through almost the same mental process in deciding what products and brands to buy. So, the more knowledge marketers have about the factors that influence their consumer purchasing decisions, the greater their ability to design attractive product and service offerings. Based on the above definition, it can be concluded that a purchase decision is an activity carried out by consumers to decide to buy goods or services..

RESEARCH METHOD

The method used in this research is descriptive verification method. The questionnaire used is a closed questionnaire, in which several alternative answers have been provided in the form of a 5-point Likert scale, namely if there is an answer with a low weight, a score of 1 (one) is given and so on so that a high weighted answer is given a score of 5 (Riduwan, 2008: 86). In this study, the population is customers and prospective customers at V Hotel and

Residence Bandung..

Table 1. Research Population

Description	Period August - October 2019
Customer/Consumer Av Occ X Total Room Av August to October X Total Pax 49.78% X 15.732 X 2 Pax	15,663
Prospective Customers - Sales Call	372
Amount	16,035

Source: Realta System V Hotel and Residence Bandung

In this study, researchers narrowed the population by calculating the sample size using the Slovin technique..

The Slovin formula for determining the sample is as follows:

$$n = \frac{N}{1 + N (e)^2}$$

Description:

n = Size of sample/amount of respondent

N = Size of population

e = Percentage allowance for sampling error accuracy that can still be tolerated;

e =0,1

The total population to be studied has been determined with a total of 16,035 respondents. So from this data, the sample size is obtained using the Slovin formula as follows:

$$n = \frac{16.035}{1 + 16.035 (0,1)^2}$$

$$= \frac{16.035}{161,35}$$

$$= 99.38 \sim 100 \text{ People}$$

The sample used is determined by the criteria, namely respondents who have and will make purchases at V Hotel and Residence Bandung.

In this study, data analysis is an effort to investigate in depth about the data obtained by researchers directly so that the true meaning and circumstances of what has been researched will be known.

The verification analysis method carried out in this study is to use path analysis. The main analysis carried out is to test the path construct whether it is empirically tested or not. Further analysis is carried out to find the direct and indirect effects of a set of independent variables on the dependent variable. In addition, path analysis is a type of multivariate analysis to study the direct and indirect effects of a number of variables hypothesized as cause variables on other variables called effect variables. The causal relationship between variables has been formed with a model based on the theoretical basis. The data in this study will be processed using the Statistical Package for SPSS program.

Based on the method used in data collection, the variables that have ordinal sizes are then transformed into interval form using the Method of Successive Intervals. Before distributing the instrument, first test the validity and reliability of the instrument. Testing the validity of the instrument is done using the Product Moment Correlation formula (Sugiyono, 2006: 182).).

RESEARCH RESULTS AND DISCUSSION

Research Result

Validity Test

The results of the Validity Test can be shown in the following table:

Table 2 Validity Test Result

Variable	Item	Sig	Questionnaire Validity Standards	Description
Pricing Policy X ₁	X1.1	0.892	0,3	Valid
	X1.2	0.877	0,3	Valid
	X1.3	0.829	0,3	Valid
	X1.4	0.752	0,3	Valid
Product X ₂	X2.1	0.759	0,3	Valid
	X2.2	0.334	0,3	Valid
	X2.3	0.550	0,3	Valid
	X2.4	0.641	0,3	Valid
	X2.5	0.734	0,3	Valid
	X2.6	0.828	0,3	Valid
	X2.7	0.815	0,3	Valid
	X2.8	0.797	0,3	Valid
Promotion X ₃	X3.1	0,845	0,3	Valid
	X3.2	0,898	0,3	Valid
	X3.3	0,917	0,3	Valid
	X3.4	0,898	0,3	Valid
	X3.5	0,922	0,3	Valid
Purchase Decision (Y)	Y.1	0,916	0,3	Valid
	Y.2	0,913	0,3	Valid
	Y.3	0,905	0,3	Valid

Source: Primary data processed, 2019

From the statements in the variable instrument Price, product and promotion policies on purchasing decisions, it can be seen that the variable test results meet the required criteria, namely > 0.30, and it is concluded that the statement items are declared valid as price, product and promotion policies on purchasing decisions..

Reliability Test

The results of the reliability test can be shown in the following table

Table 3. Reliability Test Result

Variable	Alpha Cronbach	Critical Value	Description
Pricing Policy	0,859	0.6	Reliable
Product	0,826	0.6	Reliable
Promotion	0,939	0.6	Reliable
Decision Purchase	0,898	0.6	Reliable

Source: Primary data processed, 2019

The results of the reliability test above can be stated that all variables are in the reliable category because the score is > 0.60 according to Nunnaly's criteria (1960) if Cronbach's Alpha is greater than 60% then the questionnaire is declared reliable / consistent and is truly a reliable measuring instrument and has a high level of stability..

Data Processing Results

Table 4 Recapitulation of Price Policy Score

No	Description	Score	Remark
1	Prices are affordable by the purchasing power / ability of consumers	311	Moderately Agree
2	Price match with product quality	308	Agree
3	Price is in line with benefits	270	Moderately Agree
4	Competitive price with similar products	314	Moderately Agree
	Amount	1.203	Good Enough
	Average	300,75	

Source: Primary data processed, 2019

Based on the weighted score of the price policy variable above, respondents' responses regarding prices compete with similar products get the highest weight. Some things that need attention because they have a low weight are price compatibility with benefits.

Table 5 Recapitulation of Product Score

No	Description	Score	Remark
1	Good Product Quality at V Hotel and Residence Bandung	294	Simply Agree
2	Product looks good and satisfying at V hotel and Residence Bandung	325	Agree
3	Kehandalan produk V hotel and Residence Bandung	310	Simply Agree
4	Products at V Hotel and Residence meet the desired specifications	292	Agree
5	The durability of V Hotel and Residence Bandung products is good.	278	Simply Agree
6	Serviceability, speed and ease of obtaining capable repairs.	241	Simply Agree
7	Aesthetics match expectations, the product looks, feels, sounds, tastes, and is immersed.	350	Agree
8	The quality of V Hotel and Residence products is in line with expectations.	318	Simply Agree
	Amount	2.408	Good enough
	Average	301	

Source: Primary data processed, 2019

Based on the weighted score of the product variables above, respondents' responses regarding product aesthetics received the highest weight.

Some things that need to be considered because they have a low weight are product service capabilities, speed and ease of obtaining qualified repairs..

Promotion at V Hotel and Residence Bandung

Table 6 Recapitulation of Promotion Score

No	Description	Score	Remark
1	Personal selling, The level of direct communication (face to face) between the seller and the customer / prospective customer either .	325	Simply Agree
2	Advertising that persuades and influences customers / prospective customers both on social media, TV, Radio and print media .	293	Simply Agree
3	Sales promotions are attractive, clear, and in accordance with reality so that I am interested in using them. to use it.	278	Simply Agree
4	Public relations are built on reputation, image and communication that is good and beneficial	320	Simply Agree
5	Direct Marketing in a bargain transaction The bargain or sale of a product or service offered is attractive..	241	Not Agree
	Amount	1.457	Good enough
	Average	291,4	

Source: Primary data processed, 2019

Based on the weighted score of the promotional variables above, respondents' responses regarding personal selling received the highest weight.

Some things that need attention because they have a low weight are sales promotions. Based on the calculation of multiple linear regression using the SPSS program, the following results are obtained:

$$Y = 2,290 + 0,086X_1 + 0,071X_2 + 0,274X_3$$

1. Constant = 2,290
This means that if there are no price, product and promotion policy variables that influence purchasing decisions, the purchase decision is 2,290 units..
2. $b_1 = 0,086$
This means that if the price policy variable increases by one unit, the purchasing decision will increase by 0.086, assuming that the other independent variables remain the same..
3. $b_2 = 0,071$
This means that if the product variable increases by one unit, the purchasing decision will increase by 0.071, assuming that the other independent variables remain the same..

4. $b_2 = 0,274$

This means that if the promotion variable increases by one unit, the purchasing decision will increase by 0.274, assuming that the other independent variables remain the same..

Partial Hypothesis Testing (Test t)

The results of multiple linear regression analysis testing show that there is a significance value of 0.041 ($0.041 < 0.05$). This value can prove the hypothesis is accepted, which means that "There is a partial effect of price policy on purchasing decisions".

The results of multiple linear regression analysis testing show that there is a significance value of 0.044 ($0.044 < 0.05$). This value can prove the hypothesis is accepted, which means that "There is a partial product influence on purchasing decisions".

The results of multiple linear regression analysis testing show that there is a significance value of 0.000 ($0.000 < 0.05$). This value can prove the hypothesis is accepted, which means that "There is a partial effect of promotion on purchasing decisions".

Simultaneous Hypothesis Testing (Test f)

The results of multiple linear regression analysis testing show that there is a significance value of 0.000 ($0.000 < 0.05$). This value can prove that the hypothesis is accepted, which means that "There is an effect of price, product and promotion policies together on purchasing decisions".

Coefficient of Determination (*r square*)

Based on multiple linear regression analysis, the coefficient of determination (r^2 square) = 0.705, meaning that the independent variables jointly affect the independent variable by 70.5%, the remaining 29.5% is influenced by other variables not included in the research model..

Discussion

The Effect of Pricing Policy on Purchasing Decisions

This research is in line with previous research conducted by Vicky (2015) which states that there is a significant influence between price policy on purchasing decisions..

The Effect of Products on Purchasing Decisions

This research is in line with previous research conducted by Bayu (2014) which states that there is a significant influence between products on purchasing decisions..

The Effect of Promotion on Purchasing Decisions

This research is in line with previous research conducted by Mei (2015) which states that there is a significant influence between products on purchasing decisions..

CONCLUSIONS AND SUGGESTIONS

Conclusions

Price policy affects purchasing decisions. This shows that price is an important factor in influencing consumer purchasing decisions. Consumers will tend to choose products or services that are affordable and within their budget. Products also have an effect on purchasing decisions. This shows that product quality is also an important factor influencing consumer purchasing decisions. Consumers will tend to choose products or services that have good quality and suit their needs. Promotion affects purchasing decisions. This shows that promotion is an effective factor to increase consumer awareness and encourage them to make purchases. Effective promotion can provide the information consumers need about the products or services

offered, so as to increase their interest and desire to buy.

Suggestions

For hotel managers, in order to further improve the factors that influence purchasing decisions. For further researchers, research can be carried out with other independent variables, so that more variables that influence purchasing decisions can be identified.

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