Promotion Strategies, Price, and Service Quality on Customer's Booking Intention During the COVID-19 Pandemic (Case of Giszella Hotel, West Sumatra, Indonesia)

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Abstract. In this study, the authors researched one of the hotels in the South Coast area, West Sumatra, namely Hotel Giszella. Hotel Giszella is a hotel frequented by locals and outside the region. However, due to the coronavirus pandemic, Hotel Giszella experienced several problems. The purpose of this study was to determine and analyze how promotional strategies, prices, service quality, and consumer purchase interest at Giszella Hotel during the COVID-19 pandemic, as well as to assess the influence of promotional strategy, prices, and service quality simultaneously and partially on consumer buying interest. Hotel Giszella at the time of the COVID-19 pandemic. This research uses quantitative methods with descriptive and causal research types. Sampling was done using a non-probability sampling method with a purposive sampling type. Data collection using a questionnaire with as many as 250 respondents and interviews. The data analysis technique used descriptive analysis and multiple linear regression analysis. Overall, they are in a suitable category Based on the descriptive study of the promotional strategy variables, price, service quality, and consumer purchase interest in Giszella Hotel during the COVID-19 pandemic. The results of the multiple linear regression analysis techniques, promotion strategy, price, and service quality simultaneously significantly affect consumer purchase interest in Giszella Hotel during the COVID-19 pandemic.
Keywords: tourism; promotion; COVID-19; Indonesia

1.   Introduction

One of the growing service industries in Indonesia is hotels. A hotel is an accommodation business managed commercially by providing various lodging facilities for the general public or consumers; these facilities include lodging services, food and beverage services, luggage services, laundry, use furniture, and decoration facilities [1]. Marketing is a company's activity in promoting products or services from its company; with the presence of marketing, the company can achieve targeted sales targets and generate consumer buying interest [2]. Hotels should strive to create attractive promotional strategies to increase consumer buying interest. However, a business or business does not always run smoothly; sometimes, something disrupts the company's operational activities. In 2020, Indonesia and all countries in the world experienced a virus outbreak, which is called the Corona Virus. The COVID-19 pandemic in Indonesia in March has deteriorated the hotel business. This situation is due to the enactment of the government policy on large-scale social restrictions (PSBB) in various regions in the country, reducing hotel room sales. According to data from the Indonesian Hotel and Restaurant Association (PHRI), as of April 7, 2020, at least 1,504 hotels are temporarily closed.

This number continues to grow until it reaches 2,000 hotels in early May [3]. The following is data on hotel room occupancy rates and the distribution of hotels in the country that were closed during the COVID-19 pandemic:
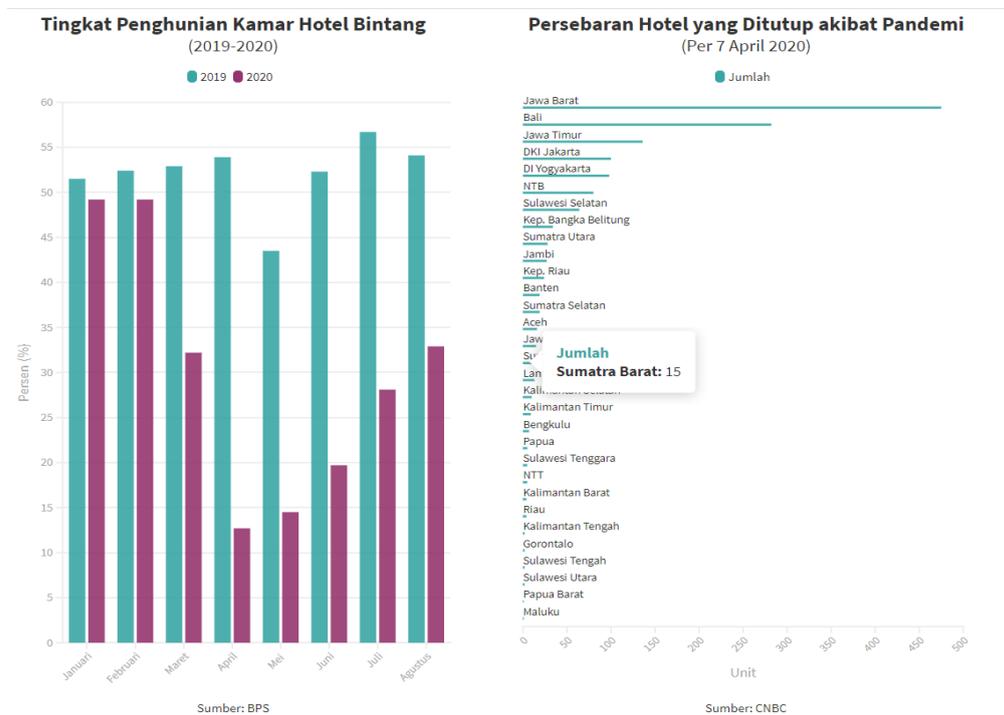
Figure 1. The Occupancy Rate of Rooms and Hotels that Were Closed During the Covid-19 Pandemic

Source: https://katadata.co.id/, accessed 2 October 2020

In this study, researchers chose Hotel Giszella as the object of their research; this is because Hotel Giszella is one of the hotels located in a tourism area in the Pesisir Selatan district, which has experienced a significant impact from the COVID-19 pandemic.

This is evidenced in the monthly sales data of Hotel Giszella in the 2019-2020 period, which has decreased as below:
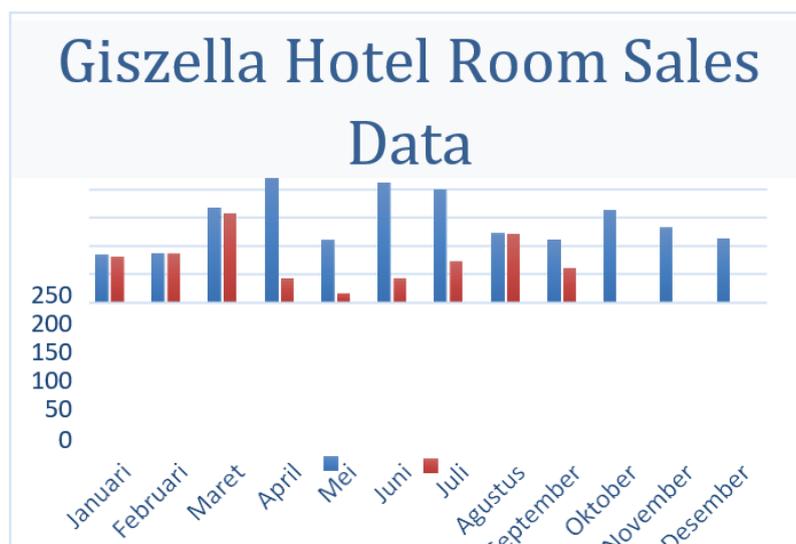

Figure 2. Data on Sales of Giszella Hotel Rooms 2019-2020

Source: Hotel Giszella, accessed October 21, 2020

It can be seen in the chart above that in 2020; the Giszella Hotel experienced a significant decline in room sales; because of this, the Giszella Hotel suffered a loss. But hotel entrepreneurs do more than just stand there; they make various strategies to keep their business running by following the health protocol from the government. For example, Hotel Giszella is trying to attract consumer buying interest through vigorous promotional strategies, lowering prices, and improving service quality during the COVID-19 pandemic. However, some consumers still have not been interested in promotional strategies, reduced prices, and the quality of services provided during the COVID-19 pandemic. In the research journal by Putra et al. (2020) [4], the results showed that Price variables have a significant effect on consumer purchase intention at Budget Hotels in central Surabaya, and promotional variables have a significant effect on consumer purchase intention at budget hotels in Central Surabaya. Based on the background that has been described, the problem formulations in this study are:

1. What is the promotional strategy for Hotel Giszella during the COVID-19 pandemic?
2. How much will Hotel Giszella cost during the COVID-19 pandemic?
3. How is the service quality of Hotel Giszella during the COVID-19 pandemic?
4. What is the buying interest of Hotel Giszella consumers during the COVID-19 pandemic?
5. How do promotional strategies, prices, and service quality simultaneously influence the purchase interest of Giszella Hotel consumers during the COVID-19 pandemic?
6. How do promotional strategies, prices, and service quality partially influence consumer purchase interest in Giszella Hotel during the COVID-19 pandemic?

This study aims to determine and analyze the following:

1. Hotel Giszella's promotion strategy during the COVID-19 pandemic.
2. Hotel Giszella prices during the COVID-19 pandemic.
3. Giszella Hotel service quality during the COVID-19 pandemic.
4. Buying interest of Giszella Hotel consumers during the COVID-19 pandemic.
5. The effect of promotional strategies, price, and service quality simultaneously on Giszella Hotel's consumer interest during the COVID-19 pandemic.

The effect of promotional strategies, price, and service quality partially on consumer buying interest in Giszella Hotel during the COVID-19 pandemic.

2. Research Method

Consumer behavior concerns individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas for satisfaction. In the Coronavirus pandemic (COVID-19) era, people infected with this virus can then pass it on to other people. Hence, many tourism businesses were affected by this situation.

The promotion strategy is a promotional activity planning to communicate products, prices, and distribution channels to other parties or consumers to influence purchasing decisions. According to Piercy et al. (2017) [5], there are five dimensions of the Promotion Strategy: Advertising, Personal Selling, Sales Promotion, Public Relations, and DirectMarketing.

According to Pradana & Novitasari (2017) [6], price is an amount with a general value in the form of money that must be sacrificed or spent to get a product. According to Tjiptono (2017) [7], there are four dimensions of price: Price Affordability, Price Match with Product Quality, Price Competitiveness, and Price Match with Benefits. Putra (2016) [8] argues that service quality is simply a measure of how well the level of service provided is able or appropriate to achieve consumer expectations. There are five dimensions of service quality, according to Kotler (2016) [9], namely Physical Evidence (Tangible), Reliability (Reliability), Responsiveness (Responsiveness), Assurance

(Assurance), and Empathy (Empathy). According to Kotler (2016) [9], purchase interest is a certainty or possibility for someone to buy a product. According to Kartawinata et al. (2020) [10], there are four dimensions of consumer buying interest: Transactional Interest, Referential Interest, Preferential Interest, and Exploratory Interest.
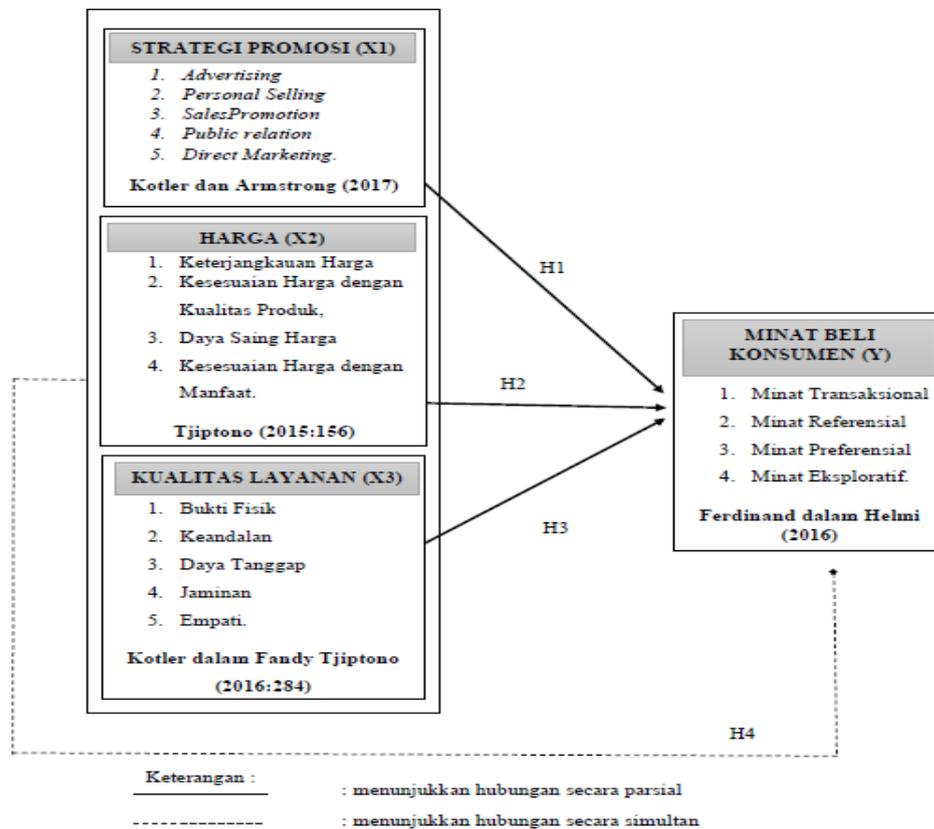

Figure 3. Framework

This research uses quantitative methods with descriptive and causal research types. Sampling was done using a non-probability sampling method with a purposive sampling type (Pradana et al., 2020) [11]. They collected data using a questionnaire with 250 respondents and interviews. The data analysis technique used descriptive analysis and multiple linear regression analysis.

3.   Result and Discussion

Based on tests that have been carried out using the SPSS 23 application, it was found that the results of the instruments used in this study were declared valid because the calculated R value> R table is 0.361. Based on the results of the reliability test that has been carried out, the Cronbach Alpa value for the Promotion Strategy is 0.901> 0.60, for the price is 0.967> 0.60, for Service Quality 0.965> 0.60, and Consumer Purchase Interest 0.906> 0.60. So all the questions for all variables in this study can be categorized as reliable and consistent in assessing the questionnaire.

1) The promotion strategy variable (X1) is in the Very Good category. This is indicated by the overall value obtained by the Promotion Strategy variable, 87.02%.
2) The price variable (X2) is in the Very Good category. This is indicated by the overall value obtained by the Price variable, namely getting a score of 86%.
3) Service Quality Variable (X3) is in an outstanding category. This is indicated by the overall

value obtained by the Service Quality variable, namely, getting a score of 86.8%.
4) Consumer Purchase Interest Variable (Y) is in an outstanding category. This is indicated by the overall value obtained by the Consumer Purchase Interest variable, namely, getting a score of 86.25%.

Table 1. Multiple Linear Regression Test Results

Coefficients a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	0,109	0,063		1,744	0,082
trans_X1	0,150	0,054	0,201	2,772	0,006
trans_X2	0,144	0,061	0,222	2,355	0,019
trans_X3	0,302	0,049	0,461	6,222	0,000

a. Dependent Variable: trans_Y

Based on the results of data processing, the multiple regression equation models can be formulated as follows:

$$Y = 0.109 + 0.150\ X1 + 0.144\ X2 + 0.302\ X3$$

Based on this equation, it can be described as follows:
1) Constant (a) = 0.109. If the promotional strategy, price, and service quality are 0, the consumer's buying interest is 0.109.
2) The Promotion Strategy variable (X1) regression coefficient value is positive, 0.150. This means that for every increase in the Promotion Strategy variable by one unit, Consumer Purchase Interest will increase by 0.150.
3) The price variable regression coefficient (X2) value is positive, namely 0.144. This means that for every increase in the Price variable by one unit, the Consumer Purchase Interest will increase by 0.144.
4) The regression coefficient value of the Service Quality variable (X3) is positive, namely
   0.302. This means that for every increase in the Quality of Service variable by one unit, Consumer Purchase Interest will increase by 0.302.

This test is used to determine the joint effect (simultaneously) of the variables X1 (Promotion Strategy), X2 (Price), and X3 (Quality of Service) on the variable Y (Consumer Purchase Interest) by comparing Fcount with Ftable. According to Prayitno (2010) [12], determining the value of Ftable, it can be done through the method of 95% confidence level, α = 5%, df 1 (the number of variables-1, or 4-1 = 3, and df 2 (nk-1) or 250 -3-1 = 246 (n is the number of cases and k is the number of independent variables), the results obtained for the F table are 2,641, processed through Ms. Excel by typing = finy (0.05; 3; 246) then press enter Then Ftable is 2.641.

Table 2. F Test Results

Model		Some of Squares	df	Mean Square	F	Sig.
1	Regression	215,429	3	71,810	201,091	, 000b
	Residual	87,847	246	0,357		
	Total	303,276	249			

In the F Test Table, it can be seen that Fcount is 201.091 with a significance level of 0.000. Therefore the two calculations, namely Fcount> Ftable (201.091> 2.641) and a significance level of
0.00 <0.05 indicates that H0 is rejected and Ha is accepted, meaning that the Independent Variable consisting of Promotion Strategy, Price, and Service Quality simultaneously has a significant influence.Significant towards Consumer Purchase Interest.

Partial hypothesis testing or t-test is used to determine the effect of each independent variable, namely Promotion Strategy, Price, and Service Quality, on the dependent variable, Consumer Purchase Interest. According to Prayitno (2010) [12], to determine the value of the T table, the distribution table is sought at $\alpha = 5\%$: 2 = 2.5% (2-sided test) with degrees of freedom (df) nk-1 or 240-3-1 (n is the number case and k is the number of independent variables). With a 2-sided test, the results obtained for the t table are 1.9696, processed through Ms. Excel by typing = tinv (0.05; 246) and then pressing enter. Then Ftable is 1.970. The results of the T-test using SPSS 23 can be seen in the following table:

Table 3. T-test results
Coefficients a

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	0,109	0,063		1,744	0,082
	trans_X1	0,150	0,054	0,201	2,772	0,006
	trans_X2	0,144	0,061	0,222	2,355	0,019
	trans_X3	0,302	0,049	0,461	6,222	0,000

Based on the table above, it can be seen that:
1) Promotion Strategy variable (X1) has a value of t count (2.772)> t table (1.970) and a significance level of 0.006 <0.05, then H0 is rejected. Therefore, Promotion Strategy (X1) has a significant effect on Consumer Purchase Intention (Y).
2) Price variable (X2) has a value of t count (2.355)> t table (1.970) and a significance level of
0.19 .05, then H0 is rejected. Therefore, Price (X2) has a significant effect on Consumer Purchase Interest (Y).
3) The Service Quality variable (X3) has a value of t count (6.222)> t table (1.970) and a significance level of 0.000 <0.05, then H0 is rejected. Therefore, Service Quality (X3) has a significant effect on Consumer Purchase Interest (Y).
The coefficient of determination is a tool used to measure the influence of the independent

variable on the dependent variable.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,843[a]	,710	,707	,59758

a. Predictors: (Constant), trans_KL, trans_SP, trans_H

b. Dependent Variable: trans_MB

Figure 4. Determinant Coefficient Test

The picture above shows that the R-value is 0.843, and the R square (R^2) is 0.707. This figure is used to simultaneously see the influence (Promotion Strategy, Price, and Service Quality) on Consumer Purchase Intention. How to calculate R square using the coefficient of determination (KD) using the following formula:

$$KD = R^2 \times 100\%$$
$$= (0.843)^2 \times 100\%$$
$$= 71\%$$

This figure shows the coefficient of determination (KD) of 71%. This shows that the influence of the independent variable (Promotion Strategy, Price, and Service Quality) on the dependent variable, Consumer Purchase Interest is 71%. In comparison, the remaining 29% is influenced by other factors, such as brand image or trust, which were not examined in this study.

4. Conclusions

Based on the results of descriptive analysis, the promotion strategy variable in the eyes of the respondents is in the outstanding category, which has a score of 87.02%. Of the overall question items for the promotional strategy variable, there is a statement that received the lowest respondent's response with a score of 85.2%, which contains the statement "At the time of the COVID-19 pandemic, I was still interested in repurchasing at Hotel Giszella because of the discount given".

In the eyes of the respondents, the price variable is in an outstanding category, which has a score of 86%. Of the total price variable question items, a statement received the lowest respondent's response with a score of 85%, which contains the statement "During the COVID-19 pandemic, I felt a price match with the perceived benefits".

Based on the results of descriptive analysis, the variable service quality in the eyes of the respondents is in an outstanding category, with a score of 86.8%. Of the total question items of the service quality variable, a statement received the lowest respondent response.

The score of 85.2% contained the statement, "During the COVID-19 pandemic, Giszella Hotel continues to serve consumers on time and quickly".

Based on the results of descriptive analysis, the variable of consumer buying interest in the eyes of the respondents as a whole is in an outstanding category, which has a score of 86.25%. Of the total price variable question items, a statement received the lowest respondent with a score of 83.4%, which contained the statement, "During the COVID-19 pandemic, I tended to make transactions at the Giszella Hotel". Variable T-Test Promotion Strategy (X1), Price (X2), and Service Quality (X3) partially on Consumer Purchase Interest in Giszella Hotels during the COVID-19 pandemic.

Promotional Strategy (X1), Price (X2), and Service Quality (X3) variables simultaneously have a significant effect on Consumer Purchase Interest in Giszella Hotels during the COVID-19 pandemic. The amount of influence is 71%, while the remaining 29% is influenced by other factors, such as brand image or brand trust, which were not examined in this study.

4.1 Suggestions for company

Hotel Giszella should pay attention to and increase the promotional strategy variable regarding the statement that received the lowest response, which contains the statement, "At the time of the COVID-19 pandemic, I was still interested in repurchasing at Hotel Giszella because of the discount given"—for example, continuing to make promotions and discounts that are even more attractive to continue to create consumer interest in making repeat purchases at Hotel Giszella during the COVID-19 pandemic.

1) Hotel Giszella should pay attention to and increase the price variable regarding the statement that received the lowest response, which contained the statement, "At the time of the COVID-19 pandemic, I felt a price match with the perceived benefits". Therefore, Hotel Giszella must consistently continue creating unique experiences for consumers, pampering consumers with the best facilities so that consumers can experience the benefits of staying and making transactions at Hotel Giszella even during the COVID-19 pandemic.

2) Hotel Giszella should pay attention to and improve the service quality variable regarding the statement that received the lowest response, which contains the statement "During the COVID-19 pandemic, Giszella Hotel continues to serve consumers on time and quickly". This means that there are still some consumers who have yet to be served quickly and accurately. Therefore Hotel Giszella must serve consumers on time and quickly so that even during the COVID-19 pandemic, this is done to make consumers feel comfortable and still interested in making transactions during the hotels. Giszella.

3) Hotel Giszella should pay attention to and increase the consumer buying interest variable regarding the statement that gets the lowest response, which contains the statement "During the COVID-19 pandemic, I tend to make transactions at Hotel Giszella". This means that some consumers are not too inclined to make transactions at Hotel Giszella. It is recommended that Hotel Giszella continue to innovate and be creative to attract consumer buying even during the COVID-19 pandemic. For example, it continues to carry out active promotions, making attractive facilities, and ensuring the safety of consumers during the COVID-19 outbreak.

4) Hotel Giszella must pay attention to and improve the promotional strategy variables, price, and service quality during the COVID-19 pandemic; Hotel Giszella must be able to make exciting innovations so that consumer interest in buying will continue.

5) Hotel Giszella must pay attention to factors not examined in this study, for example, brand image and trust, to maintain a good image and trust for consumers.

4.2 Suggestions for Further Researchers

This study only examines the effect of promotional strategies, price, and service quality on consumer purchase interest in Giszella Hotel during the COVID-19 pandemic, so further research is suggested:

- Research other similar companies using the same variables so that the results can be used as a comparison.
- Researching different variables not examined in this study and using similar companies.
- Conduct research on the variable promotion strategy, price, and service quality by using the latest and different theories from experts to add a wealth of knowledge in the marketing field.

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