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THE INFLUENCE OF FACILITIES AND PROMOTIONS ON THE DECISION TO STAY AT GRAND BALIEM HOTEL WAMENA PAPUA

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Abstract

This study focuses on the Grand Baliem Hotel Wamena, inaugurated in 2019, which despite its strategic location and extensive facilities, has recorded an occupancy rate of less than 50% during certain periods in 2022. This discrepancy suggests potential gaps in customer awareness of the hotel's offerings. Therefore, this research aims to examine the impact of facilities and promotions on customer decisions to stay at Grand Baliem Hotel Wamena. Utilizing a quantitative survey method with a sample of 55 respondents, the study employs multiple linear regression analysis to assess the significance of these factors. The findings reveal that facilities significantly influence guest decisions, whereas promotions do not have a significant impact. This suggests that management should prioritize the quality of facilities to enhance guest satisfaction and encourage repeat visits. The study underscores the importance of facility quality over promotional efforts in determining guest decisions at Grand Baliem Hotel Wamena, offering valuable insights for hotel management in optimizing their strategies for sustained business growth.

Keywords: Hotel Management, Facility, Promotion, Decision to Stay, Hospitality, Tourism

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INTRODUCTION

The tourism sector in Indonesia has experienced significant growth in recent years, enhancing its competitiveness from 2014 to 2019 and positively impacting the national economy (Haryana, 2020). As one of the country's leading economic industries, the booming tourism and hospitality sectors require precise planning and strategies to sustain this development. A committed management approach and carefully crafted strategies tailored to the Indonesian hotel industry are essential to supporting sustainable development (Lemy et al., 2019), particularly by improving the quality of hotel services.

Facilities, defined as the physical amenities that meet guests' needs during their stay (Bakhtiar et al., 2018), significantly influence customer satisfaction and decisions to stay (Andari & Mulyantomo, 2020; Haling, 2022; Kristanto & Wahyuni, 2019). Promotions, as communication strategies aimed at boosting sales by attracting potential customers (Alexandrescu & Milandru, 2018), also play a critical role in influencing stay decisions, as demonstrated by Haling (2022). Effective promotions enhance customer awareness and interest in the hotel's offerings, contributing to brand image and customer engagement (Ruliana & Dwiantari, 2015).

Grand Baliem Hotel Wamena, inaugurated on July 22, 2019, after five years of construction, is strategically located in central Wamena, just two minutes from Wamena Airport. The hotel features 63 rooms spread over three floors, equipped with various amenities designed to enhance the guest experience. However, the average occupancy rate in July, August, and September 2022 was less than 50%, despite the hotel's extensive facilities, including a swimming pool, ample parking, and high security. This low occupancy contrasts with the hotel's advantages, suggesting potential gaps in customer awareness of its offerings. The hotel's strategic location near key city landmarks and comprehensive facilities imply that more effective promotion could be necessary to inform potential customers fully. Given the multifactorial nature of decisions to stay, both facilities and promotions are crucial, representing not only price, location, and recreational experience but also customer engagement through branding and promotional activities.

Previous studies have shown mixed results regarding the influence of facilities and promotions on stay decisions. While Kristanto & Wahyuni (2019) found both factors significant, Baunsele et al. (2018) reported that facilities did not significantly impact stay decisions. Considering the underutilized capacity at Grand Baliem Hotel Wamena, this study aims to further explore and validate the influence of facilities and promotions on guest stay decisions at this hotel.

Hypothesis 1: Facilities have a partial effect on the decision to stay at the Grand Baliem Hotel Papua.
Hypothesis 2: Promotion has a partial effect on the decision to stay at the Grand Baliem Hotel Papua.
Hypothesis 3: Facilities and promotions have a significant effect on the decision to stay at Grand Baliem Hotel Wamena Papua.

METHOD

This study employs a quantitative approach using a survey method. Survey research involves collecting information from a sample of individuals through their responses to questions. This method allows for various approaches to participant recruitment, data collection, and instrument use. Surveys are widely utilized in social and psychological research due to their ability to describe and explore human behavior (Ponto, 2015). The study relies on primary data collected directly from the subjects. The research was conducted at Grand Baliem Hotel Wamena, Papua, located at Jalan Sumbawa Number 1, Wamena Kota, Wamena, Jayawijaya Regency, Papua. The data collection occurred between January to March 2023.

The study's subjects were guests staying at Grand Baliem Hotel Wamena. A total of 55 questionnaires were distributed to the subjects using non-probability sampling and accidental sampling techniques. Non-probability sampling is preferred for its practicality, cost-effectiveness, and adequate accuracy when the sample size is sufficient (Wiśniowski et al., 2020). Accidental sampling is particularly useful when studying large populations with limited resources, time, and workforce (Etikan et al., 2016). The sample size was calculated using Slovin's formula (Adam, 2020), with a population of 64 guests and a 5% margin of error, resulting in a minimum sample size of 55. The research utilized self-reported data, which includes opinions or perceptions of hotel guests on the studied variables: facilities, promotions, and their decisions to stay at Grand Baliem Hotel Wamena. Data were gathered by administering a set of written questions or statements to the subjects for their responses. This method was chosen to streamline data collection, making it more effective, efficient, and practical. The study employed a closed-ended questionnaire.

The questionnaire's validity was assessed using Pearson's Product-Moment Correlation to evaluate the construct validity of each item against the total score. Validity was considered "very good" for Pearson correlation values ≥ 0.75; "good" for values between 0.5 and 0.7; "sufficient" for values between 0.25 and 0.50; and "weak or non-existent" for values below 0.25 (Ramdan, 2018). Reliability was defined as the extent to which a measurement consistently produces stable and consistent results. The most commonly used measure of internal consistency, Cronbach's Alpha, was employed, with a minimum acceptable value of 0.70 (Taherdoost, 2016).

Multiple regression was used to estimate the relationships between the dependent variable and multiple independent variables. The primary objective was to analyze and formulate the equation describing the relationship between these variables (Uyanık & Güler, 2013). The T-test was employed to assess the significance of each independent variable's effect on the dependent variable. A significant effect was indicated by a T-test probability of < 0.05, while a probability > 0.05 indicated no significant individual effect. Simultaneous test or F-test was conducted to evaluate the effect of the independent variables (facilities and promotions) on the dependent variable (decision to stay). The model was considered significant if the significance value was < 0.05, indicating that the independent variables collectively influenced the dependent variable (Kumar &

Mehta, 2012). The R^2 coefficient was used to measure the proportion of variation in the dependent variable explained by the independent variables in the regression model (Zhang, 2017). An R^2 value closer to 1 indicates a strong influence of the independent variables on the dependent variable, while a value near 0 indicates a weak influence.

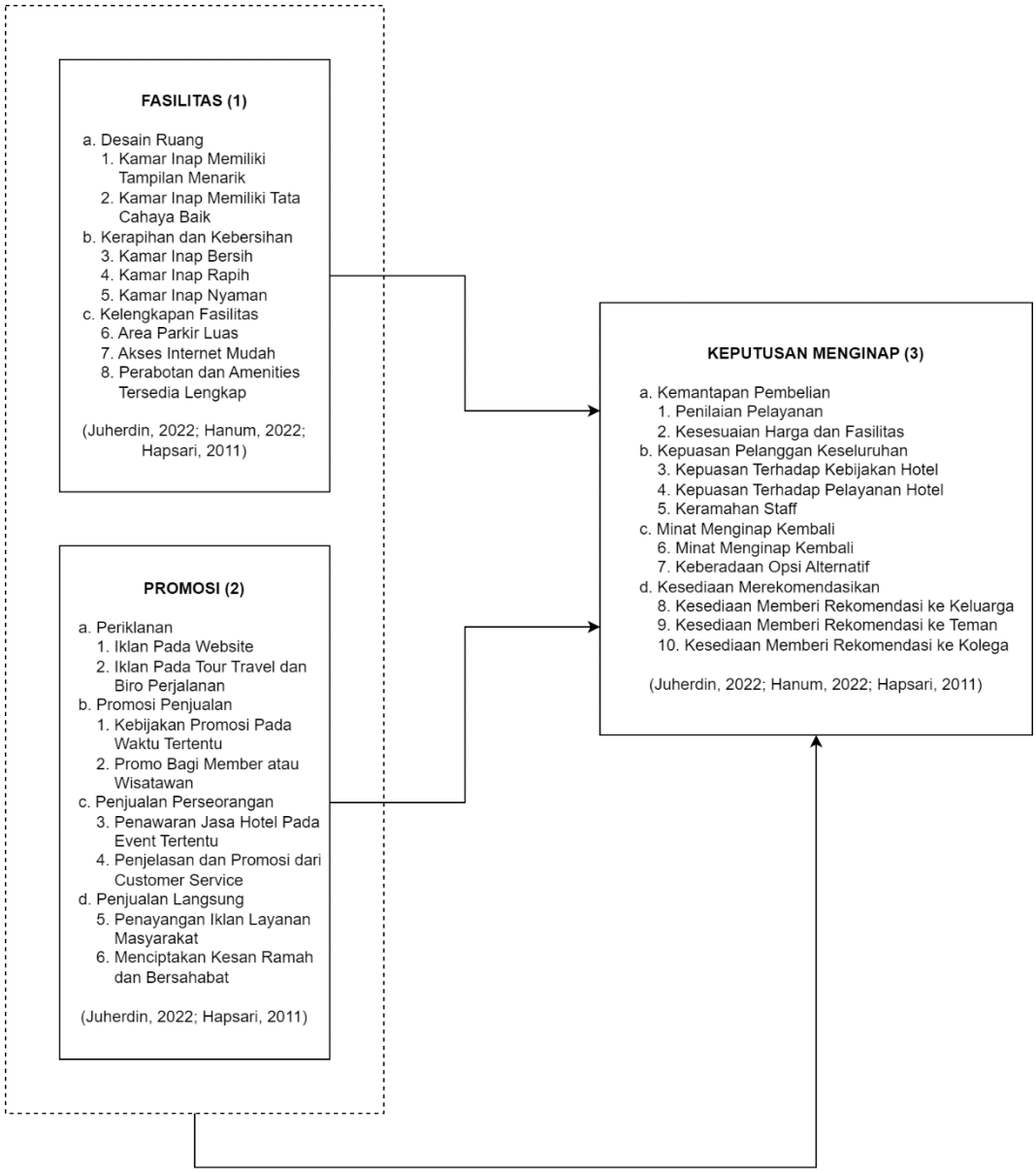

Figure 1. Conceptual Framework of the Study
Source: Author (2024)

RESULT AND DISCUSSION

Table 1. Respondent's Characteristics

Characteristics	Frequency (n)	Percentage (%)
Sex		
Female	28	50.9

Male	27	49.1
Total	*55*	*100*
Occupation		
Student	12	21.8
Employee	14	25.5
Entrepreneur	21	38.2
Others	8	14.5
Total	*55*	*100*
Age		
Mean	31.89	
Median	31	
Mode	35	
Standard Deviation	8.18	
Variance	66.88	
Minimum	18	
Maximum	54	
1st Quartile	26	
2nd Quartile	31	
3rd Quartile	36	

Source: Author (2024)

Based on Table 4.1, it can be seen that as many as 28 respondents (50.9%) are women while male respondents are 27 respondents (49.1%), so the majority of respondents are women. Respondents had an average age of 32 years, with 35-year-old respondents making up the most respondents in the study. Respondents also ranged from 18 years to 54 years. A total of 21 respondents (38.2%) are entrepreneurs, 14 respondents (25.5%) are employees, 12 respondents (21.8%) are students, and 8 respondents (14.5%) have other jobs. The majority of respondents who stayed at the Grand Baliem Hotel Wamena Papua were entrepreneurs.

Table 2. Results of Validity Test

Questionnaire Code	Sig.	Confidence Level	Interpretation
F1	0,031	0,05	Valid
F2	0,000		Valid
F3	0,000		Valid
F4	0,000		Valid
F5	0,000		Valid
F6	0,043		Valid
P1	0,000	0,05	Valid
P2	0,000		Valid
P3	0,000		Valid
P4	0,000		Valid

P5	0,000		Valid
P6	0,000		Valid
KM1	0,000	0,05	Valid
KM2	0,000		Valid
KM3	0,000		Valid
KM4	0,000		Valid
KM5	0,000		Valid
KM6	0,000		Valid

Source: Author (2024)

The validity measure describes the extent to which the collected data does not deviate from the description of the variable in question. The validity in this study was assessed with the Pearson Product Moment approach, with the limitation that the significance value < 0.05 then the question is valid. Based on the test results in Table 2, it can be concluded that all question items in the Facility, Promotion, and Decision to Stay variables' questionnaires have a significance value of < 0.05 so that they are valid (can measure the actual phenomenon).

Table 3. Results of Reliability Test

Variable	**Alpha**	**Standard Coefficient**	**Interpretation**
Facility	0.738	0,60	Reliable
Promotion	0.824		Reliable
Decision to Stay	0.631		Reliable

Source: Author (2024)

Reliability testing measures an instrument's ability to produce consistent and error-free data. The approach used in determining the reliability of this research questionnaire is Cronbach Alpha, where a questionnaire α declared reliable if the coefficient value obtained ≥ 0.60. Based on Table 3, it is known that the reliability value of all research questionnaire variables in this study has exceeded 0.60 (Taherdoost, 2016). This illustrates that the measurement provides stable and consistent results. Therefore, it can be concluded that the questionnaire is reliable to be used as a research instrument.

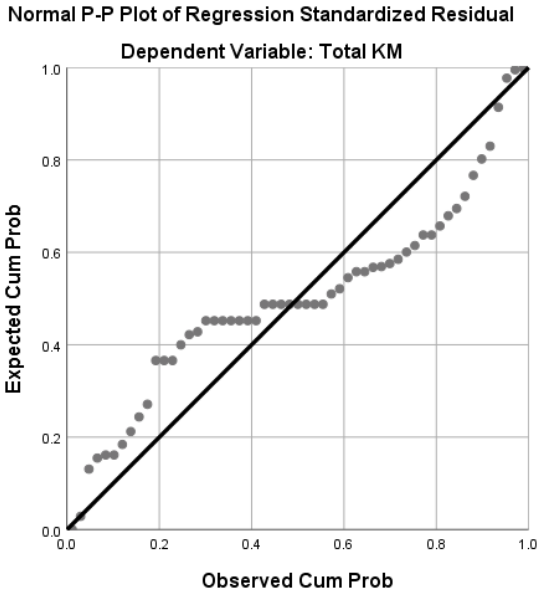

Figure 2. Probability Plot for Normality Test
Source: Author (2024)

Based on Figure 2, it can be seen that the plot points always follow and approach the diagonal line. Therefore, it can be concluded that the residual values are normally distributed. Thus, the assumption of normality for residual values in simple linear regression analysis in this study can be met.

Table 4. The Result of Multicollinearity Test

Model	**Collinearity Statistics**	
	Tolerance	VIF
Facility	0.916	1.091
Promotion	0.916	1.091

Source: Author (2024)

Multicollinearity test was conducted with the aim of checking the regression model that is known to have connections or relationships between independent variables (Table 4). In addition, the multicollinearity test can also be used to check if a variable is included in orthogonal or not. Orthogonal is an independent variable that has a relationship with other independent variables but has a value equal to zero. The requirement of the multicollinearity test is a tolerance value of > 0.10 or equal to a VIF value of < 10 with a collinearity level of 0.95. The observation results showed that the tolerance values of the two independent variables, namely Facility (X1) = 0.916 and Promotion (X2) = 0.916, had a value greater than 0.10 and the VIF values of the two independent variables, namely Facility (X1) = 1.091 and Promotion (X2) = 1.091, had a value smaller than 10, which meant that the data did not experience symptoms of multicollinearity.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.967	1.241		.779	.440
	Total F	.009	.052	.026	.181	.857
	Total P	-.015	.048	-.044	-.304	.762

a. Dependent Variable: Abs_RES

Figure 3. The Result of Heteroscedasticity Test
Source: Author (2024)

The purpose of heteroscedasticity testing is to find out the regression model that occurs if there is a difference in variation from the residual of one research to another (Figure 3). The condition of this heteroscedasticity test is that the significance value is ≥ 0.05 which means that the tested data does not experience heteroscedasticity. Based on the results obtained from observations, all significance values of the independent variable, namely Facility (X1) = 0.857, indicate a significance number greater than 0.05. Meanwhile, the significance value of the Promotion variable (X2) = 0.762 shows a number smaller than 0.05 so it can be concluded that the variable in this study does not show any symptoms of heteroscedasticity and the data is considered good.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	20.948	1.542		13.585	.000
	Total F	.264	.065	.513	4.084	.000
	Total P	-.114	.060	-.240	-1.912	.061

a. Dependent Variable: Total KM

Figure 4. The Result of Multiple Linear Regression Test
Source: Author (2024)

Based on Figure 4, it is known that the Facility variable is positively related to the Decision to Stay variable, on the other hand, the Promotion variable is negatively related to the Decision to Stay. From the regression equation, the following equation is obtained:

$$Y=20,948 + 0,264\ X1 - 0,114\ X2 + e$$

The equation can be explained, namely when the Facility variable (X1) increases by 1 point, the Decision to Stay variable (Y) will increase by 0.264 points.

Meanwhile, when the Promotion variable (X2) increases by 1 point, the Decision to Stay variable (Y) will decrease by 0.114 points. Referring to Figure 4, it is known that the Facilities have an effect on the Decision to Stay ($p < 0.05$; $p = 0.000$). In other words, the Facilities have a partial effect on the Decision to Stay so that the first hypothesis, namely "Facilities have a partial effect on the decision to stay at the Grand Baliem Hotel" is accepted. Meanwhile, the Promotion has no partial effect on the Decision to Stay ($p > 0.05$; $p = 0.061$). It can also explain the confusion of negative relationships between Promotions and Decision to Stay. Therefore, the second hypothesis, namely "Promotion has a partial effect on the decision to stay at the Grand Baliem Hotel Wamena Papua" was rejected.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28.413	2	14.207	8.632	.001[b]
	Residual	85.587	52	1.646		
	Total	114.000	54			

a. Dependent Variable: Total KM

b. Predictors: (Constant), Total P, Total F

Figure 5. The Result of F Test
Source: Author (2024)

Based on Figure 5, it is known that the Facility and Promotion variables simultaneously or together affect the Decision to Stay ($p = 0.001$) so that the variables studied can be accepted and continued. This has implications for efforts to improve facilities and promotions that must be carried out simultaneously so that they have a good impact on the decision to stay. Therefore, the third hypothesis, namely "Facilities and promotions have a significant effect on the decision to stay at Grand Baliem Hotel Wamena Papua" was accepted.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.499[a]	.249	.220	1.283

a. Predictors: (Constant), Total P, Total F

Figure 6. Determination Coefficient Test Results
Source: Author (2024)

Based on Figure 6, it is known that the value of the determination coefficient is 24.9% which indicates that the new Facilities and Promotions variable can predict the Decision to Stay of 24.9%. This can be caused by various other factors or variables that can affect the Decision to Stay with a greater influence than Facilities and Promotions. In addition to facilities and promotions, several other

variables can significantly impact the decision to stay at a hotel. These include the quality of service, which encompasses staff responsiveness and professionalism; the hotel's location relative to attractions and transportation hubs; pricing and perceived value for money, including additional benefits like free breakfast or Wi-Fi; the hotel's brand reputation and loyalty programs, which influence repeat stays; safety and security, crucial for certain guests; comfort and cleanliness of the hotel; and unique amenities or experiences, such as spa services or dining options.

In this study, data analysis was conducted using multiple linear regression techniques to examine the relationship between facilities and promotions on hotel guests' decisions to stay. Multiple linear regression was utilized because there were multiple independent variables (facilities and promotions) that potentially influence the dependent variable (guests' decision to stay). Hotel facilities are a critical factor in determining guests' decisions to stay at a hotel. Comprehensive and high-quality facilities enhance guest satisfaction and influence their decision to return to the hotel in the future. Conversely, inadequate facilities can reduce guest satisfaction and impact their decision to not stay at the hotel again. These facilities significantly influence guests' decisions to stay at the hotel. If a hotel can provide comprehensive and high-quality facilities, guests will feel satisfied and are more likely to return to the hotel in the future. Additionally, hotel facilities also affect guests' decisions to recommend the hotel to others. Satisfied guests are more inclined to recommend the hotel to their family, friends, or colleagues who are seeking accommodation.

This study found that facilities have a significant impact on guests' decisions to stay at Grand Baliem Hotel Wamena, Papua. Notably, the findings indicate a strong effect, where an increase of 1 point in the Facilities variable (X1) results in a 0.264-point increase in the Stay Decision variable (Y), along with a very strong p-value ($p = 0.000$). The findings of this study are consistent with previous research (Andari & Mulyantomo, 2020; Kristanto & Wahyuni, 2019; Rahman, 2022; Syahfitri, 2022; Yunni, 2019). These studies demonstrate that hotel facilities significantly influence guests' decisions to return to the same hotel in the future. Comprehensive and high-quality facilities enhance guest satisfaction and influence their decision to return to the hotel.

The data analysis also revealed that promotions do not have a significant impact on guests' decisions to stay at the hotel (p-value > 0.05). This result suggests that promotions are not a significant factor in determining guests' decisions to stay at the hotel. This finding is consistent with previous research that shows promotions do not always play a significant role in determining guests' decisions to stay at a hotel. For instance, the study by Kandampully & Suhartanto (2000) found that promotions did not significantly affect guests' decisions to stay at luxury hotels. Other studies also indicate that promotions have a weak influence on guests' decisions to stay (Reza Jalilvand & Samiei, 2012).

In this context, the study shows that hotel guests place more importance on hotel facilities when deciding whether to stay. Comprehensive hotel facilities can enhance guest satisfaction and influence their decision to return to the hotel in

the future. Conversely, inadequate facilities can decrease guest satisfaction and lead to a decision not to stay at the hotel again.

CONCLUSION

The research findings indicate that hotel facilities significantly influence guests' decisions to stay at Grand Baliem Hotel Wamena, Papua, while promotional efforts do not have a significant impact. This suggests that the quality of the facilities provided is a more crucial determinant of guest satisfaction and their decision to return in the future.

Given these results, it is imperative for hotel management to prioritize the enhancement and maintenance of high-quality facilities. By doing so, they can directly improve guest experiences, thereby increasing satisfaction and fostering customer loyalty. This strategic focus on facilities over promotional activities implies that investments in physical infrastructure and amenities may yield better returns in terms of occupancy rates and long-term business growth.

Additionally, the findings suggest that promotional strategies may need to be reevaluated or better aligned with the high standards of the facilities offered. While promotions alone may not drive booking decisions, they could be more effective when used to highlight the superior facilities of the hotel. This nuanced understanding can guide more effective resource allocation and marketing strategies, ultimately contributing to the hotel's competitive advantage in the region.

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