

PROMOTION PLAN OF BOUTIQUE HOTEL X

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ABSTRACT

Hotel X is "Javanese-Colonial" Boutique Hotel to be built in the area of Singhasari Residence, Klampok, Singosari with its theme Luxury, Ethnic, and Eco Green Hotel. Hotel X has positioned itself as "Your preferred Boutique Dutch-Colonial Hotel for an unforgettable Nostalgic Experience of Java". Hotel X aspires to be a preferred boutique hotel for customers who crave for more experiences through unique concepts and designs, by bringing a nostalgic colonial atmosphere back, with excellent and hospitable service. This research was conducted with aim to plan the promotion of Boutique Hotel X. From the results of data analysis and discussion in planning the promotion of Boutique Hotel X, the conclusions are drawn follows: advertisement done on magazines, newspaper, and television are now abandoned. Nowadays, ads are shifting to social media, famously known as online advertising. Besides paying attention to the rates, the specificity of this boutique hotel which is its thematic concept must be well applied, thus the sales promotion must follow and adjust to the concept of the boutique hotel itself. Today, public relations and publicity of boutique hotels mostly involve online media than offline media. Although price and sales promotion are important for the customers, sales are expected to be well-understood about the concept of boutique hotels, because sales represent the hotels themselves. Nowadays, social media sales play a significant role in brand awareness and brand maintenance of boutique hotel companies. Customers in this age book their hotel room not through travel agents anymore, but via online booking. The end goal of direct marketing of a boutique hotel is to make costumers book the hotel through the hotel website. Word of mouth actors are mostly social media influencers who have with many followers such as bloggers, vloggers, and endorses.

Keywords: *boutique hotel, social media promotion*

INTRODUCTION

Singosari is a strategic destination in Malang Regency viewed from the amount of tourist traffic. Tourists who want to reach Malang city and Batu city, two cities that are highly developed in tourism, must first pass Singosari, since this area is placed before those cities. It is hoped that tourism development in Singosari can maximize its strategic location and high tourism traffic of Malang city and Batu city. Besides that, Singosari also has high historical and cultural value with its Singosari Kingdom history and the legend of Ken Arok and Ken Dedes.

Hotel X is going to be built on Singhasari Residence area to answer the needs and direction of tourism development in Malang Regency that will make Malang as a tourist destination. *Luxury, Ethnic, Eco Green Hotel* has become the theme of this "Javanese-Colonial" boutique hotel with beautiful nature of rice fields and Malang city. This hotel will be built on an area of approximately one hectare with an 80-room capacity. Boutique Hotel X has positioning itself as "Your preferred Boutique Dutch-Colonial Hotel for an unforgettable Nostalgic Experience of Java". Boutique Hotel X aspires to be a preferred boutique hotel for customers who crave for more experiences through unique concepts and designs by bringing back a colonial nostalgic atmosphere, with excellent and hospitable service. Boutique Hotel X plans their products through newspapers, magazines, billboards, websites, and other internet promotions. This hotel cooperates with domestic and international travel agents to capture

domestic and foreign market share, as well as with airlines to promote their products. The focus of this research is to plan the promotion of Boutique Hotel X.

LITERATURE REVIEW

Management of Service Marketing

Marketing is no longer seen as the process to sell a product, but aims to customers and attract new customers by promising proper value and keeping existing customers by meeting their current expectations.

Kotler (2013) states that marketing is a social managerial process where individuals and groups get what they need by creating, offering and exchanging valuable products with others.

Term “marketing” which is often adopted comes from the *American Marketing Association* according to Kotler and Keller (2012) that define marketing as an organizational and process function to create, communicate and deliver value to customers, as well as to manage good relationships with customers who will ultimately provide positive benefits to the organization and its *stakeholders*.

From the above definition it can be concluded that marketing service is an action offered by producer to customer in a sense that the services provided cannot be seen and experienced before they are bought and consumed. Service marketing is a long-term relationship with customers.

Service Marketing Mix

Marketing mix is a way to influence customers in order to buy certain products and services, including service industry products. Neil Wearne and Alison Morrison (in Lupiyoadi, 2013) explain about seven elements needed in marketing mix as follows:

- a. Product. Products and services can be obtained by consumers with money. Therefore, strategy determines what benefits will be obtained by consumers if they buy the products offered.
- b. Price. Price set for a product will become a basic offer for a particular target market. Market determination will be influenced by corporate objectives, market competition, operational costs, and external factors such as economic conditions.
- c. Promotion. Promotion strategy is a way to deliver information to potential customers who are expected to buy the products offered. Basically, information delivery can be done in the following ways:
 1. Personal contact (hotel sales representative);
 2. Doing advertisement on appropriate print or electronic media;
 3. Doing Sales promotion activities;
 4. Doing publication with available mass media;
 5. Installing display and outdoor advertising;
 6. Doing direct mail.
- d. Place. The most important thing in this strategy is to determine location, distributor or outlet, where costumers can see and buy the products offered. Hospitality industry can use mediators to sell products they offer such as travel agents, tour operator, wholesaler or appointed hotel reservation representative.
- e. People. Related to service marketing, there are “people” functions as service provider greatly affect the quality of service provided. This “inside person’s” decision is related to selections, trainings, motivations and human resource management.
- f. Process. The process is a combination of all activities, which in general consists of procedures, work schedules, mechanisms, activities and routine matters, where services are produced and delivered to costumers.
- g. Customer service. Customer service in service marketing is seen more as a result of distribution and logistics activities, where services are provided to customers to achieve satisfaction. Customer service consists of activitives for providing usable time and space, including pre-service transaction, during transaction, and post transaction.

Promotion

Besides variables like product, price, and distribution channel, promotion of a company is vital. Promotion is done as a marketing variable to introduce a company’s product to its customers.

Promotion is an early form of communication between customers and companies and one of media to introduce product to customers as well. Kotler and Armstrong (2012) explain that promotion is the activity to communicate product and persuade target customers to buy the product. Kotler and Keller (2012) add that promotion is a marketing tool used by companies to inform, direct, and remind customers about products and brands sold directly or indirectly. From the above definition, it can be seen that promotion is a marketing tool used by companies to introduce products to customers, direct customers to use the products offered and provide information about the company's products.

From Kotler and Keller's definition (2012), promotion can be divided into five categories with explanation as follows:

1. Advertising. Ads (advertising) are all paid forms from non-personal presentations and promotion of ideas, goods or services through a clear sponsor. Ads functions to provide information and raise value of commodities it advertises. The method of advertisement is one form of mass communication. Marketing manager can direct company's mission to a large number of customers as ads target, and can be occasionally done at a lower cost. Some advertising media that marketing managers can use to achieve their goals are, for example, magazines, newspapers, television, radio, billboards, banners, posters, brochures, catalogs, internet, journals, and direct mail.
2. Sales Promotion. Sales promotions are short-term incentives and ventures to encourage purchases and increase sales of products or services. Examples of sales promotions are coupons with prizes, prizes in form of other items, prizes in form of holidays or others, and discounts.
3. Publicity. Public relations are conducted by companies with aim to build relationships between companies and public to create positive image of the company.
4. Personal Selling. Personal sales are personal presentations done by company salesperson to create sales and customer relationships.
5. Direct Marketing. Direct Marketing is a direct link with individual target customers to get their immediate response and build long-term relationships with them.

Word of mouth recommendation is one factor that really influences a person's interest to buy a certain product or service (Hasan, 2013). Kotler and Keller (2012) define Word of Mouth (WoM) as a person-to-person communication that provides information and shares experiences of a certain product, brand, or service to another person or group. According to Hasan (2013), sales promotion has several benefits as follows:

1. Communication: A sales promotion can attract attention and lead customers to be interested in a product or service.
2. Incentive Promotion: Sales promotions can incorporate a number of freedoms, encouragement or a contribution that give values to customers.
3. Invitation: invitation is a sales promotion done with a direct call which leads to buy the product right now.

RESEARCH METHODS

This research is a descriptive qualitative, since this research analyzed data by describing it as it should be without any intention to make general conclusion or generalization (Sugiyono 2012: 207).

The sources of primary data were gathered by employing semi-structured interview, while the sources of secondary data were gathered by documenting literatures, research journals, scientific articles, the Internet, and company's planning internal data (Bungin, 2013: 133; Moleong, 2011: 112). Sangadji and Sopiah (2010: 188) and Neuman (2013) explain that purposive sampling method can be used to select informants with the following criteria:

1. Boutique hotel expertises, Director of Sales with boutique hotel management experience for more than five years.
2. Travel agents that exist and are trusted by the community that are able to direct or manage tourism groups, because in generally, tourists do not book hotel on their own but are chosen by travel agents .
3. Domestic and foreign tourists as customers with experiences of staying at four different boutique hotels.

Table 1. Profile of Informants

No	Name	Address	Occupation	Status of Informant	Informant Code
1	PL	Bali	Regional Director of Sales CG	Boutique hotel expertise	PB
2	NN	Surabaya	CEO FT	Travel agent	NN
3	PS	Surabaya	Chief Accounting	Customer and fan of boutique hotel admirer	PS

Source: Data Processed, 2018

Table 1 shows the informants' data who were interviewed. Initial of their names was chosen for privacy matter. Triangulation source was used for research data validity and reliability, where the recording of interview as data was transcribed to simplify the process of data processing and get the informants' approval for data validity. Data reliability test was done continuously until the researchers were sure that the data gathered were enough and reliable (Sugiyono, 2014; Emzir 2010).

Method of data analysis used in this research was from Miles and Huberman's qualitative data analysis which is performed interactively and lasted continuously until completion, through data collection, data reduction, data presentation, and conclusion (Sugiyono, 2014: 338 -345).

Discussions

Advertising

Ads (advertisements) are all paid forms from non-personal presentations and promotion of ideas, goods or services through a clear sponsor. Ads functions to provide information and raise value of commodities it advertises. Recently, the changing era has made ads shift from offline media to online media, as confirmed by the opinion of informants in this research.

"10, 15 years ago, marketing strategy was mostly in form of... well... mass media advertisements, even TV commercials, and street ads using billboards" (...) Social media in the world of digital marketing world is just one part actually. Indeed this is a pretty big part because we will be much related to, ehmm ... reseller or followers or liking" (...) so it can be in form of, ehmmm ... Instagram, Instastory, Facebook, and other forms: (PB)

This opinion is almost similar with the opinion from travel agent informant who stated that many current ads preferred to use social media such as Instagram to inform the product to customers through endorser.

"Ehmm Basically promotional strategies can be ...yes, it can be through advertising, maybe in newspapers, in magazines, on the radio". (...) Through Instagram. So there can be some influencers to be endorsed to share about the hotel" (NN)

Customer informant also stated his opinion that if he got information from magazines or flyers, he would confirm the information from other social media such as hotel website, instagram, and facebook.

"Magazines lifestyle, travel, in-flight magazines, social media, and sometimes the news coverage" (...) I was informed by advertising, and then sometimes we checked it on social media or website. I made a decision after reading the reviews from past customers" (PS)

Boutique hotel is a very special and a thematic hotel; its ads can be placed in magazines, newspapers, and others. However, due to technological development and smartphone, people

nowadays prefer their gadget more to newspapers and magazines, so the advertisement trend today is on social media.

From the informants' opinions, it can be concluded that ten years ago, advertising was done on magazines, newspapers, magazines and television. However, these channels are left and social media as new channels are selected such as instagram, instastory, facebook, website, and other media. Considering the influence of past customers reviews, it will be much better if the advertising in the future also uses social media as its channels, such as instagram, instastory, facebook, twitter, website, and many more.

Sales Promotion

Sales promotions are short-term incentives and ventures to encourage purchases and increase sales of products or services. Based on the interview with informants, they agreed that sales promotion does not need to pay attention to the price if it can show the advantages of the boutique hotel, the value is either in the field of themes or events held.

“So, usually sales promotions of boutique hotel center more on its value” (...) “Customers do not really care about the discount, even though it is still interesting for them, right”. (PB)

From the results of interviewing the travel agent informant, sales promotion activities must continue creating attractive programs such as discounts which are considered quite effective if provided with free meals or room upgrade to attract customers.

“Ehmm ... maybe what I think is quite effective is like this, when the customer stays for five nights but he is allowed to pay for four nights only, or when he gets free upgrade like when he books standard room but then the room is upgraded to a one level up room, that's the example. Or it can be like this: boutique hotel is usually located unstrategically; make it difficult for customers to find food. So the hotel management can give free dinner or something similar, like that.” (NN)

In addition to that, the customer informant said that promotional programs that attract their interest are programs which are related to the uniqueness of the hotel concept and events held by the hotel to make the family able to experience an enjoyable stay in the hotel.

“Promotion that is able to tell the uniqueness of a concept owned by the hotel... Elegantly uttered and able to sell”... (...) “Maybe promotional activities that can add to the pleasant experience of the hotel visit” (...) “For me, it will be better if the hotel provide promotional activities for families and children, therefore those families and children will be eager to try the activities and experience in that boutique hotel. Take my experience as an example. My family and I once participated in a boutique hotel's activities like picking apples and strawberries. Another example can be like visiting tourist attraction near the hotel by rickshaw or gig. There are so many other fun promotional activities. Probably, one of them is dinner package with a typical menu which is very relevant. Package of activities with family is also interesting to be considered, so besides the hotel concept's uniqueness and design, positive and fun experiences can be created”. (PS)

Sales promotions are short-term incentives and ventures to encourage purchases and increase sales of products or services. Therefore, it can be concluded that sales promotion must be based on value, not on the price alone. However, the boutique hotel must pay attention to the price condition and highlight the hotel theme as integrated in the activities they hold for the customers.

Due to its specificity, boutique hotel is quite different than general hotel. The hotel management usually already structures a special concept of a hotel from the start. The hotel's sales promotion must then follow that special concept. For example, if this boutique hotel theme is about lifestyle, disco, its sales promotion can be put in lifestyle disco magazine. The content of social media selected for the promotion (website, blogger, vlogger, or others) must also about lifestyle and disco.

In the future, besides sales promotion that is in line with the boutique hotel concept, other kinds of sales promotion that can be done for this hotel can be in form of activities for families and children. In addition to that, other promotions like dinner package, free room upgrade, or others can be considered, therefore not only the uniqueness of the hotel's concept and design that is promoted, but also the positive and fun experiences for the customers are created.

Publicity

Public relation has to be done by the company with aim to build relationships between the company and the public in order to create a positive image of the company. Based on the results of interviewing the boutique hotel expertise on publicity, it is revealed that publicity is advised to use online media and endorser as well.

"The most important thing is that the events made by boutique hotel publicity, ehm, well, will involve many media, so, well, what I mean as media here is online media, more online media than offline media. Ehmm...usually, when boutique hotel wants to make an event, it is often gathering events" (...), "Those who are invited are bloggers" (...) "And then influeners, yes. Vloggers are possible too, since today, where there's a blogger there's also a vlogger. Another guests invited are celebrities who have accounts that endorse some products so they have many followers. Indeed, the guests invited that those who have many followers, for example, above two million followers, so this boutique hotel is willing to spend more for... ehm... to hold events for these people". (PB)

The travel agent informant's opinion related to the publicity was more on the empowerment of society with social program.

"Not all boutique hotels ever do this, well, ehmm, maybe hotel publicity such as CSR to its the surrounding environment so maybe". (NN)

From the informants' accounts, it can be concluded that today, events held by boutique hotels as their publicity to the society more involve social media, such as influencers with many followers, endorsed celebrities, bloggers and vloggers.

Personal Selling

Personal selling is personal representation done by company marketing salespersons with aim to create sales and customer relationship. The results of interviewing boutique hotel expertise regarding personal selling are displayed furthermore.

"That (personal selling) is still significant although in this era almost all people will use social media, ehmm... social media sales will always have ehmm...significant role in... in brand awareness and brand maintenance of a boutique hotel. Why I say this, because this kind of sales is, well, a real face of a boutique hotel. So when we talk about boutique hotel, we actually talk about its personalization as its most prominent aspect." (...) "So when a boutique hotel sales comes to a travel agent, he or she must have a special way to talk, to negotiate, a different way with a sales person who sells big hotel with thousand rooms". (PB)

Additionally, the travel agent informant stated as follows:

"Personal selling can be in form of the sales visitation to travel agents. We often accept visitation from hotel sales, and they sometimes make friends with our frontliner staffs, so this may be in form of personal approach" (...) "We are also invited sometimes by the hotel. If the hotel is in a similar location with us, we are invited to the hotel for showing purpose, but if the hotel is in other area, we just come to their representation office or branch, not the hotel itself. There, we are given presentation about the hotel, something like that." (NN)

From these accounts, it can be concluded that social media sales have a significant role in brand awareness and brand maintenance of a boutique hotel company. Nevertheless, sales visit to company or travel agent still exists in this social media era. Personal selling done by boutique hotel is different from chain hotel in general. One of the most notable differences is its personalization. Sales is the face of the boutique hotel itself. When a boutique hotel sales come to a travel agent, he or she must have personal way to talk about the hotel, to negotiate, and to sell the hotel which is different from a sales who sells big hotels with hundreds or thousands of rooms.

Direct Marketing

Direct Marketing is a direct link with individual customers as target in order to get their immediate response and build long-term relationships with them. The followings are the results of interviewing the informants. The boutique hotel expertise's opinion related to direct marketing is as follows:

“But of course, I talk about price is that the rates informed on the hotel website are similar with the rates informed on online travel agent website. It means that the end goal of a boutique hotel management is to make potential customers book the hotel room not via travel agent, but via the hotel website itself. Again, the ultimate goal is to make those people book room on the hotel's own website.” (PB)

From the interview result, the travel agent informant stated as follows:

“Ehmm ... there is usually with SMS Blast, yes that is what I am familiar with. It is supposed to hit the targets taken from customers' database, usually left in the hotel”. (...) “From the person who contact by phone, the number can be recorded to make a database to make sure that the promotion reach more appropriate target”. (NN)

The costumer respondent added,

“Maybe social media marketing is very appropriate with boutique hotel strategy, because this is a soft sell but hit the right target”. (...) “Generally by facebook, instagram, twitter, and probably many more”. (PS)

From the opinions, it can be concluded that social media marketing is recently very appropriate with the promotion strategy of a boutique hotel. The purpose of a boutique hotel's direct marketing management is to make potential customers do the hotel booking on the hotel website. Meanwhile, SMS Blast is still done as a direct marketing hotel although as not as often as before.

Word of Mouth (WoM)

Kotler and Keller (2012) describe Word of Mouth (WoM) as mouth-to-mouth communication that provides information and shares experience of using a product, brand, or service to other individuals or groups. Regarding this, opinion of the boutique hotel expertise is displayed as follows.

“So for example, they come to our hotel then they directly explain their service and products that we provide in our hotel, then they upload, or update information about our hotel, and so it is... their stories are shared on their social media and spread to their close friends. So, ... later, we get input from people who are... Well, people refer this as Word of Mouth.” (PB)

The opinion from the travel agent informant is displayed below,

“I have seen such thing on Instagram. There are some influencers who are endorsed to share about the hotel, which is indeed similar with Word of Mouth”. (...) “The influencers, for example, those who have many followers so they can influence other people too”. (NN)

While according to the customer informant;

“For me, references and reviews from customers are very vital, because they bring assurance for the quality of their real experience”. (PS)

From those accounts, it is concluded that Word of Mouth is vital, where references and reviews assure potential customers to try the hotel. Particularly, the Word of Mouth from the influencers with many followers is vital. According to Kotler and Keller (2012), Word of Mouth (WoM) is person-to-person communication that provides information and shares experience of a product, brand or service to other individuals or group. Word of Mouth is vital and affects to the references and reviews which will assure the potential customers to try the hotel, especially for Word of Mouth from the influencers with many followers. Today, Word of Mouth is mostly communicated through social media.

Conclusions

This research is directed to answer the question about how to plan a boutique hotel promotion. To answer this question, a descriptive qualitative approach is chosen in order to explore the existing phenomenon deeper. The object being researched is a boutique hotel since this kind of hotel has its own specificity reflected in the theme, building design, interior, and service concept compared to other general hotels.

A well-planned promotion planning which is in line with the hotel characteristic will bring good impact to the sustainability of the boutique hotel. Therefore, promotion planning that will be held must consider several promotion attributes such as advertisement, sales promotion, publicity, personal selling, direct marketing and word of mouth.

Promotion via advertisement can be done through online and offline media, although mass media advertisement such as magazines, newspapers and television are left behind and online media advertisement is popular. Considering this, advertisement program can use online advertisement on social media to promote the boutique hotel specificity such as theme, building design and its service. In addition to that, sales promotion program can also be done by paying attention to hotel rates for customers who book via website or online travel agent like Agoda. Online media can also support publicity through programs and events held by the hotel, also to trigger Word of Mouth from the customers to share their experience. Also, online promotion program can do personal hotel program to the right target customers.

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