

The Influence of Advertising, Sales Promotion and Personal Selling Toward Purchasing Decision to Hotel Stay in East Java

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ABSTRACT

This study aims to identify the effect of advertising, sales promotion and personal selling on the decision of guests to stay at a hotel in East Java. Data was collected through questionnaires, observation, documentation and literature review from March to July 2022. Data were analyzed quantitatively using multiple and simple linear regression techniques. The results showed that simultaneously, advertising, sales promotion and personal selling have a significant effect on purchasing decisions. However, partially, the Sales promotion variable has no significant effect, while Advertising and Personal Selling have a significant effect on the guest's decision to stay at Hotel Ilona.

INTRODUCTION

The promotion mix is an integrated promotion element, which is utilized by marketers in conveying various information to achieve marketing objectives. The basic types of promotion mix include advertising, sales promotion, personal selling, direct marketing and public relations (Kotler et al., 2014). To survive and become a winner in various business fields competition including in the hospitality industry, marketers are required to be observant in making appropriate and effective promotion efforts, so that the results can help marketing performance.

Batu City is one of the leading tourist destinations in East Java, Indonesia. This city has panoramic views of beautiful and exotic mountains with extraordinary natural wealth supported by cool air, so Batu City is often called “De Kleine of Switzerland” (Dinas Pariwisata Kota Batu, 2020). The large number of tourists coming to Batu City has become a strong magnet for the hospitality industry as shown in the Table 1.

NO	Year	Star-Hotel	Non-Star-Hotel
1.	2018	17	950
2.	2019	18	985
3.	2020	18	948

Table 1. Accommodation in Batu City

The growth of the hotel business in Batu City faltered and even declined during the Covid-19 pandemic which caused several hotel businesses to temporarily close and some even had to close their business permanently. The impact of the Covid-19 pandemic has been enormous for the hospitality industry, especially several cities in Indonesia whose regional income is highly dependent on the tourism sector, including Batu City. Now, the hotel industry has to fight hard to return its revenue, among others by evaluating various marketing efforts including promotion strategies.

Several studies have been carried out previously to test the influence and relationship of the promotion mix on purchasing decisions as conducted by (Martha et al., 2019) who conducted research on the effect of the promotional mix on purchasing decisions for Indihome products in Padang City, (Nangoy & Tambunan, 2018) who conducted research on the influence of advertising and sales promotion on purchase decision of Indovision cable TV provider in Manado City, or research on the effect of the marketing mix on purchasing decisions for services at telecommunications companies in Jordan (Khanfar, 2016), as well as several previous studies on the influence of the promotional mix on purchasing decisions made by (Situmeang et al., 2020); (Sagala et al., 2014); (Sumitra & Nellyaningsih, 2020); (Srivastava, 2017); (Tumbelaka, 2018); (Bezabih, 2021).

This study aims to determine the influence of promotional efforts, especially advertising, sales promotion and personal selling variables on consumer purchasing decisions, using a case study of a hotel in Batu City, East

Java, which was carried out when the Covid-19 pandemic was still ongoing in early 2022.

THEORETICAL REVIEW

Marketing

According to (Kotler & Keller, 2012), marketing is a process by which individuals or groups of individuals obtain what they want or need through exchanging products and value with other parties. In this concept, it can be said that marketing is the art of managing products and markets so that sales or purchases occur, with the aim of satisfying the wants and needs of the market but also to benefit the seller. Sellers must find buyers, identify their wants and needs, design attractive as well as competitive products and services, and promote them effectively.

Advertising

According to Oakley (2009), advertising is an effort of creativity to influence consumer motives in buying certain products and changing or making perceptions of these products in the minds of consumers. Interesting and appropriate advertisements can influence consumer buying behavior. Individual behavior can react and even change quickly due to changes in thoughts. Advertising creates a brand image and can even strengthen it. This brand image can ultimately influence judgment, evaluation, and purchase decision.

Sales promotion

Sales promotion is a short-term promotion technique which aims to encourage customers or market to respond to a new product or to attract customer attention to products that have not received much attention so far (Nakarmi, 2018). Marketers carry out various activities to attract consumers through sales promotions, such as special prices, coupons, discounts, refunds, and others. Offers in sales promotions must be more attractive than existing promotions. An organization should weigh its decision on the merits of sales promotion and cost-effectiveness.

Personal Selling

According to (Kotler & Keller, 2012), personal selling is a form of face-to-face meeting that gives oral presentations to one or more potential buyers with the aim of creating sales. Personal selling can create and maintain good relationships with consumers.

Purchasing Decision

Customer purchasing decisions are a series of choices made by consumers before making a purchase. (Kotler et al., 2014) argues that to understand consumer purchasing decisions, marketers must understand consumer behavior in a buying process. The consumer buying process can be influenced by various stimuli both from within the consumer and from outside, such as the efforts of marketers including various promotional programs, such as advertising, personal selling and sales promotion.

Consumer behaviour

Consumer behaviour in purchasing decisions is the process that consumers use to make buying decision. According to Kotler & Keller (2014), consumer behaviour can be defined as processes and activities individual or group of individuals involved when searching for, evaluating, selecting, buying, and behaving post purchase.

The purpose of this study is to determine the influence of promotion variable namely advertising, personal selling, and sales promotion on guest purchasing decisions, at a hotel in East Java-Indonesia. For this reason, several research hypotheses were compiled as follows:

- H-1: Advertising has a significant effect on guest purchasing decisions.
- H-2: Sales promotion has a significant effect on guest purchasing decisions.
- H-3: Personal selling has a significant effect on guest purchasing decisions.
- H-4: Advertising, sales promotion and personal selling simultaneously have a significant effect on guest purchasing decisions.

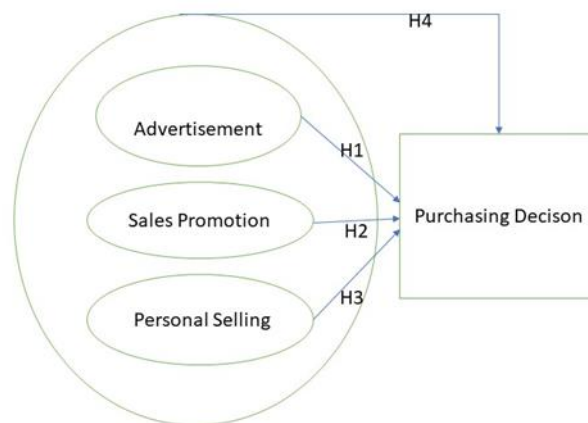


Figure 1. The Conceptual Framework

METHODOLOGY

Sampling

Samples were selected from a number of members of the study population. In practice, it is impossible to collect data from all members of the population because it will affect time, human resources and costs. By taking the right sampling technique, general conclusions can be drawn for a particular population. In this study the number of samples used was ninety one respondents, based on the calculation of the Yamane formula (Sugiyono, 2019), considering the limited time and number of hotel guests during the Covid-19 pandemic.

Data collection

Data collection for this study was taken in March-May 2022, shared directly when guests check-in. The sampling design is probability based, employing a random selection of respondents, taken from hotel guests who are willing and have the qualifications to become potential respondents.

Measures

Instrument Test

Validity reflects that what is stated and implied in the questionnaire is in accordance with the research concept. A study can be said to be valid if the significant value is <0.05 . The reliability of the questionnaire needs to be analysed. The reliability test can be seen in the Item-Total Statistics table by looking at Cronbach's Alpha for each item. Cronbach's alpha must be greater than 0.6 to be concluded to be reliable.

Classical Assumption Test

Classical assumption test as a prerequisite in carrying out multiple regression models, it is necessary to carry out classical assumption tests such as the normality test, multicollinearity & linearity test and heteroscedasticity test. Normality test used to determine whether the data is normally distributed or not. To meet the criteria for multiple regression analysis, the residual values must be normally distributed. In this study the authors used the normal distribution using the Probability P Plot. Multicollinearity is used to determine whether or not the independent variable has similarities with other independent variables in the regression model, because it can cause a high correlation. The multicollinearity test can be identified through the Variance Inflation Factor (VIF) value which cannot be more than 5 and the tolerance value is > 0.1 and < 1 . Heteroscedasticity is used to determine whether there are similarities in the variance of the residual values in the regression model or not. A good regression model should not have heteroscedasticity. This test can be identified through the scatter plot, heteroscedasticity should not form a certain pattern.

Simple and Multiple Regression

Simple regression analysis is a method for analysing the relationship of one independent variable to one dependent variable. While the multiple regression analysis is a method for collectively analysing the relationship of two or more independent variables to the dependent variable (Sugiyono, 2019). This analysis aims to determine how much influence the independent variables Advertising (X1), Sales Promotion (X2), personal Selling (X3), have on Purchase Decision (Y) as the dependent variable, through T-Test and F-Test.

RESULTS

1. Instrument Test

The earliest stage in the statistical test process is to conduct an instrument test to determine whether all statement items used in the research instrument are valid and reliable. The results of the instrument test can be seen in the data in Table 2 and Table 3.

Advertising			
Statement Items	Correlation Coefficient (r)	Sig. (2- tailed)	Criteria
X1.1	0,765	0,000	VALID
X1.2	0,821	0,000	VALID
X1.3	0,789	0,000	VALID
X1.4	0,766	0,000	VALID
X1.5	0,801	0,000	VALID
X1.6	0,706	0,000	VALID
Sales Promotion			
X2.1	0,447	0,000	VALID
X2.2	0,838	0,000	VALID
X2.3	0,868	0,000	VALID
X2.4	0,890	0,000	VALID
X2.5	0,874	0,000	VALID
Personal Selling			
X3.1	0,766	0,000	VALID
X3.2	0,880	0,000	VALID
X3.3	0,808	0,000	VALID
X3.4	0,832	0,000	VALID
X3.5	0,831	0,000	VALID
Purchasing Decision			
Y1	0,773	0,000	VALID
y2	0,788	0,000	VALID
Y3	0,799	0,000	VALID
Y4	0,791	0,000	VALID
Y5	0,706	0,000	VALID
Y6	0,837	0,000	VALID
Y7	0,837	0,000	VALID
Y8	0,736	0,000	VALID
Y9	0,773	0,000	VALID
Y10	0,784	0,000	VALID

Table 2. The Validity Test of Study Instrument
source: data processed by SPSS 25

Based on the data in table 2, the significance value of each indicator for all variables is below 0.05. This means that all statement indicators on the research instrument variable advertising, sales promotion, personal selling and purchasing decisions, are declared valid.

2. Reliability Test

Statement Items	Cronbach's Alpha	Criteria
X1	0,873	Reliable
X2	0,858	Reliable
X3	0,881	Reliable
Y	0,929	Reliable

Table 3. The Reliability Test of Study Instrument
 source: data processed by SPSS 25

The Cronbach's Alpha value in Table 3. shows a result greater than 0.70, so it can be said that the indicators contained in the study variables of advertising, sales promotion, personal selling, and purchasing decisions, are declared reliable.

3. Classic Assumption Test

The classic assumption test is a statistical test that must be carried out as a prerequisite for Regression Analysis. In this study, the classical assumption tests carried out were Normality, Heteroscedasticity, Linearity and Multicollinearity Tests. The results of the classical assumption test are presented in Figure 2-5.

a. Normality Test

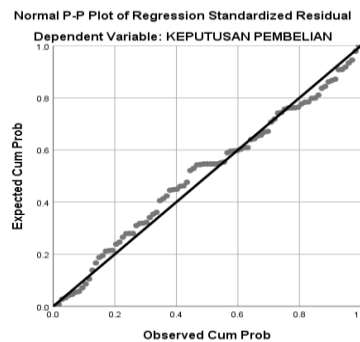


Figure 2. Normality test

Source: data processed by SPSS 25

Based on Figure 2, it can be seen that the data spreads around the diagonal line and the direction follows the diagonal line, it can be concluded that the data is normally distributed.

b. Heteroscedasticity Test

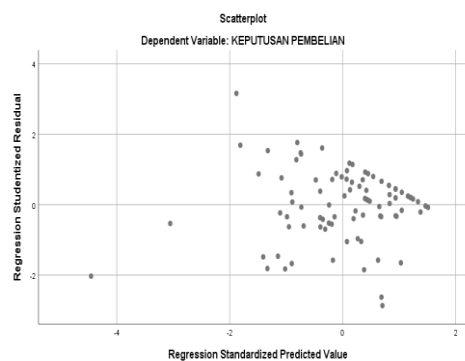


Figure 3. Scatterplot graph

Source: data processed by SPSS 25

The results of the scatterplot graph in Figure 3, it can be seen that there is no clear pattern and the points spread above and below the number 0 on the Y axis, so there is no heteroscedasticity.

c. Linearity Test

The data in Table 5, presents that the linearity significance value of the sales

			Sum of Squares	Df	Mean Square	F	Sig.
PURCHASE DECISION * ADVERTISING	Between Groups	(Combined)	957.103	13	73.623	3.528	.000
		Linearity	758.113	1	758.113	36.331	.000
		Deviation from Linearity	198.990	12	16.582	.795	.654
	Within Groups		1606.744	77	20.867		
	Total		2563.846	90			

Table 4. Linearity Test of X1 against Y

Source: data processed by SPSS 25

The linearity test results in Table 4, illustrate that the significant value of the advertising variable on purchasing decisions is 0.000 or less than 0.05, so it can be interpreted that there is a linear relationship between advertising variables and purchasing decisions in this study.

			Sum of Squares	df	Mean Square	F	Sig.
PURCHASE DECISION * SALES PROMOTION	Between Groups	(Combined)	718.895	14	51.350	2.115	.020
		Linearity	279.394	1	279.394	11.509	.001
		Deviation from Linearity	439.501	13	33.808	1.393	.183
	Within Groups		1844.952	76	24.276		
	Total		2563.846	90			

Table 5. Linearity Test of X2 against Y

Promotion variable on purchasing decisions is 0.001 or less than 0.05, so it can be interpreted that there is a linear relationship between sales promotion variables and purchasing decisions in this study.

			Sum of Squares	df	Mean Square	F	Sig.
PURCHASE DECISION * PERSONAL SELLING	Between Groups	(Combined)	1373.683	10	137.368	9.234	.000
		Linearity	896.277	1	896.277	60.246	.000
		Deviation from Linearity	477.406	9	53.045	3.566	.001
	Within Groups		1190.163	80	14.877		
	Total		2563.846	90			

Table 6. Linearity Test of X3 against Y

Source: data processed by SPSS 25

The results of the linearity test in Table 6, indicate that the significance value of the personal selling variable on purchasing decisions is 0.000 or less than 0.05, so it can be interpreted that there is a linear relationship between personal selling variable and purchasing decision in this study.

d. Multicollinearity Test

Study Variable	VIF	Tolerance
Advertising (X1)	1,382	0,724
Sales Promotion (X2)	1,175	0,851
Personal Selling (X3)	1,316	0,760

Table 7. Multicollinearity Test

Source: data processed by SPSS 25

The results of the multicollinearity test calculations in Table 7, indicate that the Variance Inflation Factor (VIF) value for the advertising, sales promotion, and personal selling variables is less than 5 with a tolerance value for these three variables more than 0.10, so it can be concluded that the multicollinearity test is fulfilled.

Hypothesis Test

The hypothesis test was carried out by T-test and F- test, the results of which are presented in Table 8 and 9.

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	11.371	4.056		2.804	.006
ADVERTISING(X1)	.440	.132	.313	3.345	.001
SALES PROMOTION (X2)	.129	.117	.096	1.107	.271
PERSONAL SELLING (X3)	.869	.191	.415	4.545	.000

Table 8. Results of T-Test

Source: data processed by SPSS 25

The results of the T-test in Table 7 show that the calculated T value of the advertising and personal selling variables is greater than the T table value (1.987), and the significant value of each variable is less than 0.05, so it can be concluded that advertising and personal selling variables, each of which has an independent significant impact on purchasing decisions in this study. However, the significant value of the Sales promotion variable is greater than 0.05 and the calculated T value is less than the T table (1.987), so it can be said that the Sales Promotion variable has no significant impact on purchasing decisions in this case

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1147.512	3	382.504	23.496	.000 ^b
	Residual	1416.334	87	16.280		
	Total	2563.846	90			

Table 9. F-Test Result (Anova-Test)

Source: data processed by SPSS 25

Based on the results of the F test in Table 8, it is obtained that the significance value of the three independent variables simultaneously is 0.000 or less than 0.05 and the calculated F value is 23.496 or greater than the F-table value (2.71), so it can be concluded that simultaneously the advertising variable, sales promotion and personal selling have a significant impact on purchasing decisions.

4. Coefficient of Determination Test (R²)

The determinant coefficient shows how much influence the independent variable has on the dependent variable, as can be seen in Table 10.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.669 ^a	.448	.429	4.03481

Table 10. Result of Determination Coefficient Test

Source: data processed by SPSS 2

Data from table 10 indicate that an Adjusted R square value of 0.429, which means the promotion mix consisting of advertising, sales promotion and personal selling impacts purchasing decisions by 42.9%, the remaining 57.1% is influenced by other variables not analyzed in this study. This shows there are still other factors that need to be taken into account in the consumer decision-making process.

DISCUSSION

This study aims to identify the effect of advertising, sales promotion and personal selling on purchasing decisions at Hotel Ilona-East Java-Indonesia. The results of the hypothesis test can be concluded that the three promotional mix variables consisting of advertising, sales promotion and personal selling simultaneously have a significant effect on purchasing decisions to stay at Hotel Ilona. The results of this study support the opinion of (Kotler et al., 2014); (Soeswoyo & Nurmawanti, 2016) who argue that consumer purchasing decisions are influenced by external factors, one of which is marketing stimuli, namely the promotion mix. Simultaneously, the promotion mix has a positive effect on purchasing decisions, which was also conveyed in several previous studies (Bezabih, 2021); (Nangoy & Tambunan, 2018); (Khanfar, 2016); (Sagala et al., 2014). The influence of the three promotion mix variables in this study is in the medium category, so there are other factors that need further investigation.

This study results of the partial test show that the variables of advertising and personal selling each have a significant effect on the decision to purchase a stay at the Ilona hotel. The results of this study are in line with research conducted by (Tumbelaka, 2018); (Khanfar, 2016); (Sagala et al., 2014). However, the results of the Sales promotion variable hypothesis test did not significantly influence the decision to stay at the Ilona hotel. These results turned out to be the same as the Nangoy (2018) study; Jennifer (2018) who stated that in their research, partial Sales Promotion did not have a positive effect on purchasing decisions. Conversely, several other studies have shown different results, where (Situmeang et al., 2020); (Martha et al., 2019); (Khanfar, 2016); (Sagala et al., 2014); (Soeswoyo & Tumbelaka, 2020) state that the Sales Promotion variable has a positive effect on consumer purchasing decisions.

In research conducted by (Bezabih, 2021), said that integrated marketing communication consisting of advertising, Sales Promotion, Personal Selling and Direct Marketing has a positive effect and is an important factor in supporting the performance of the hotel industry in Ethiopia. There are differences in the results of the influence of each promotion mix variable or integrated marketing communication on purchasing decisions, it needs to be reviewed again whether the efforts made for these variable categories are appropriate? For example, is the offer made on the Sales Promotion attractive? Is the information media used right on target with attractive visuals and language? Is the offer period on the Sales Promotion carried out at the right time? and so on These things need to be evaluated by marketing. If the results of the evaluation turn out that all forms of the Marketing Mix that have been carried out are acceptable, it means that marketing can make which form of the promotion mix is most suitable for the type of business, based on the priority scale that has a major influence on consumer purchasing decisions.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the F-Test and T-Test hypothesis testing, it can be concluded that simultaneously the Advertising, Sales Promotion and Personal Selling variables have a significant effect on consumers' decisions to stay at the Ilona Hotel, East Java. However, the results of the partial test show that the Advertising and Personal Selling variables each have a significant effect on purchasing decisions, while the Sales Promotion variable has no significant effect on consumers' decisions to stay at Hotel Ilona, East Java.

Some operational suggestions that can be made are paying more attention to the advertisements look on social media, providing more attractive offers for loyal customers, and being more responsive in providing information and fostering good relationships through personal selling.

FURTHER STUDY

This research was conducted while the Covid-19 pandemic was still ongoing in Indonesia, so it still had an effect on the number of hotel visitors. The number of respondents in this study is limited. The influence of the three promotion mix variables in this study (Advertising, Sales Promotion and Personal Selling) is in the medium category, so there are still other factors that need further investigation. For further research, direct marketing variables, public relations can be added to the promotion mix, or other marketing stimuli variables such as price, product quality and service can be added.

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