The influence of TripAdvisor application usage towards hotel occupancy rate in Solo

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Abstract. TripAdvisor.com is an android-based media application that is currently a guide, and reference for tourists in finding information about hotel services. Through TripAdvisor, guests can stay at certain hotels. Written reviews can make opinions and pictures of a hotel. The use of this application makes the hotel business increasingly competitive among 150 hotels in the city of Solo. Therefore the purpose of the study is to determine the level of hotel occupancy against the use of the TripAdvisor application. TripAdvisor has a position as a reference for the tourism industry in raising the hotel rank rating. Through TripAdvisor, tourists can write down their experiences in staying at a hotel. The written review can form an opinion and image for the hotel, as well as a competition in providing the best service. This will affect the decision of tourists to stay at the hotel. This research used qualitative explorative method, and the research location was hotels in Surakarta City. The findings of the research are: First, the increase in hotel occupancy in Solo City cannot be separated from the use of TripAdvisor as a reference for hotel management by responding positively to the reviews of hotel consumers in improving guest services. Second, the use of TripAdvisor by travelers has changed the habits of hotel guests by visiting TripAdvisor before booking hotels and reading reviews before deciding on hotel options, so the hotel management is trying to convince consumers. Third, the positive reviews can increase the conversion rate of hotel occupancy, even if the hotel prices increase. Fourth, the social reputation of a hotel depends on its online reputation, so the hotel can increase its price while maintaining the same occupancy rate.

1. Introduction

Competition in the hotel business in the city of Solo is getting tighter with the addition of new hotels. In line with the development of application technology, making more and more unlicensed guest houses appear, inevitably the market competition is not healthy. In the records of the Integrated Investment and Licensing Services of the City of Surakarta, every year there is an application for a new hotel establishment permit. In 2016, there were 5 hotel establishment permits and in 2017 there were 3 new permits and it is expected to continue to grow. Currently the number of hotels in Solo is 150 (Table 1). The rising of occupancy for some hotels in the City of Solo cannot be separated from the influence of social media that provides a lot of information to tourists. According to a study entitled “Global Travel Intentions Study 2013”, during the holidays, smartphone became the most
popular gadget brought by Indonesian tourists in 76%, followed by camera in 72%, and laptop in 65%. Tourists got a lot of help from the application about the tourism objects [1]. In the beginning, there was only Google Maps as one of the applications providing virtual and online globe map services, so tourists used Google Maps application to find the location of tourist attractions. Then, many developers developed ticket and hotel room booking applications to help tourists in doing tourism activities, such as Traveloka, Pegipegi, and Tripadvisor applications.

Table 1. Number of hotels in Solo.

| Number | Class  | Amount |
|--------|--------|--------|
| 1      | 5 stars| 5 hotel|
| 2      | 4 stars| 15 hotels|
| 3      | 3 stars| 45 hotels|
| 4      | Non-stars| 85 hotels|

Total Amount 150 hotels

The development of android-based applications themed tourist attractions and hospitality, make tourists easier in doing tourism activities [2]. One of them is Tripadvisor.com, a tourism application which is highly known by tourists in the world. Tripadvisor.com becomes the reference of information for the travelers in the world in searching for tourism destinations around the world. Besides, Tripadvisor also takes a role as a reference for the world tourism industry in raising the rating and review of the readers. The world’s largest travel site. Know-better, Book-better, Go-better (www.tripAdvisor.com). It is different from https://www.booking.com , https://www.agoda.com or https://www.trivago.co.id. Tripadvisor has a high level of trust and the decision to choose TripAdvisor is based on; (1) TripAdvisor is used widely and has trusted customer reviews, compared to Trivago, Traveloka, and Pegipegi which do not provide customer reviews; (2) The reviews from TripAdvisor’s customers can be used as a reference by other customers and customers can give reviews by uploading their own pictures, with their desired caption and can be read by many people; (3) As tourism guide made by the direct experience of the customers, in searching for the best hotel and surfing the list of all restaurants and tourism objects in a certain location to find unique place to be visited when on vacation; (4) Helps to find the best place.

One of the travel reviews websites that help people to interact and exchange advices with each other through the internet is Tripadvisor.com, which supports people in the pre-travel phase as well as the post-travel phase, to share experiences, review hotels and tourist destinations, and post photos and videos from their trips. Tripadvisor is the largest travel site in the world, allowing travelers to plan and get the perfect trip (tripadvisor.com). TripAdvisor is a common online media hotel review, written directly by travel bloggers and travel journalists. Therefore, through TripAdvisor one can argue about his experience in a hotel, restaurant and tourist destination. TripAdvisor is also a content website that bridges someone to find information about what they need when traveling. Because of this, the research question posed is “How does the influence of the use of TripAdvisor application to the hotel occupancy rate in Solo?”

2. Method of Study
This study aims to trace the influence of the use of the TripAdvisor application to hotel occupancy rate in Surakarta City, Central Java. The method employed is descriptive qualitative. The research is done through; (1) data collection, (2) data analysis, and (3) presentation of data analysis result.

Research data collection is obtained through; (1) Searching https://www.tripadvisor.co.id/; (2) Interviews with managers or hotel management. This interview is a confirmation of TripAdvisor reviews; (3) Document study of hotels management report to PHRI, Tourism Office, Revenue Office of Financial Management and Regional Asset of Surakarta City related to tax and retribution. For the analysis, content analysis is used as a technique to analyze and understand texts or documents, which attempts to analyze objectively and systematically [3]. While the presentation of data uses descriptive
qualitative, with which the collected data are analyzed and interpreted and then described in the form of research report.

3. Findings and Results

3.1. Tripadvisor Trust Rates for Hotel Customers

The trust level of information from the portals and Tripadvisor application is high enough, so it can grow big as it is today, and become a credible information media for travelers. In the view of GM of PR Syariah Hotel, Paramita Indah Sari, managing hotels nowadays means more than just placing hotels in OTA (Online Travel Agency), but responding to hotel customers that is increasingly becoming more difficult. Things that were not even considered as challenges now become a serious threat to hoteliers. Among the many new challenges, understanding the ratings of TripAdvisor becomes something that is much needed by modern hotelier. The fact that modern hotel rivalry also involves TripAdvisor as a reasonably influential factor is the reason why it becomes important.

Most of small hotels believe that by putting their hotel on OTA, it is enough to win the competition. The modern hotel competition requires us to be pro-active in providing as much as possible information to potential customers. Website that is not optimal will be bad for prospective guests. When the information they need is not enough, many guests will cancel the transaction [4]. So, to provide validation through the Internet means more than just to provide an enough amount of information on the hotel website, and also to upgrade online presence like the facilities provided by Trip Advisor [5]. With the provided facilities, tourists have a new habit to always seek for validation of information from the internet before traveling, and TripAdvisor becomes a guide for the travelers.

3.2. The Influence of Tripadvisor Application To Hotel Occupancy Rate

Based on the hotel room occupancy rate data released by Central Bureau of Statistics (BPS=Badan Pusat Statistik) Solo, the occupancy of starred hotels in Solo in December 2017 grew 9.5% compared to the same period the previous year. The hotel occupancy rate is 68.39% higher than the occupancy in December 2016 which was recorded at 58.89%. Achievement at the end of the year was also higher than the previous month (November 2017) in 62.53%.

| Hotel Classification | December 2016 (%) | November 2017 (%) | December 2017 (%) | Improvement of Nov-Dec 2017 (%) |
|----------------------|-------------------|-------------------|-------------------|--------------------------------|
| One star             | 60.30             | 57.74             | 59.41             | -0.89                          |
| Two star             | 47.13             | 52.60             | 66.11             | 1.98                           |
| Three star           | 58.64             | 59.89             | 65.14             | 6.50                           |
| Four star            | 67.23             | 69.63             | 73.63             | 6.40                           |
| All star             | 58.89             | 62.53             | 68.39             | 9.50                           |
| Non-star             | 35.09             | 33.08             | 35.22             | 0.13                           |

Table 2. Here are the data of occupancy rate of hotels in Solo City.

From the BPS data, it can be seen that two-star hotels experienced the most significant growth of occupancy rate. From the average 9.5% of occupancy rate, two-star hotels get 18.98%, three-star hotels 6.5%, while four-star and above hotels 6.40%. One star hotel down 0.89%. (Espospedia: Hotels in Soloraya in Figures, accessed January 16, 2018). The increase in the occupancy rate of two-star hotels cannot be separated from the performance of the hospitality industry that maximizes information technology through Trip Advisor. The entry of Pop Hotel Solo has become one of the reflections of the market segment for two-star hotels in Solo City that maximizes the use of Trip Advisor. Based on the analysis by the Hotel and Restaurant Management Board of Indonesia (PHRI) Solo, Trip Advisor application has changed the behavior of four- and five-star hotel consumers. Some of the four-star hotels that respond to reviews and hotel ratings can boost the market of hospitality industry, including Harris Hotel, Swiss-Belinn, and Ramada Condotel. This can be seen by
the occupancy rate of four star hotels which reached 73.63%, the highest compared to other hotel class. According to Sistho A. Sreshtho, all hotel classes in Solo have a positive performance in making use of information technology through the TripAdvisor application in 2017. PHRI noticed that it was the three and four-star hotels that experienced growth beyond expectations.

According to GM of Fave Hotel Solo, Ika Florentina, BPS data containing growth rates and occupancy rates of two-star hotels mentioned that the market trend of budget hotel is very specific. Budget hotels are considered close to the trend of children of today, who use social media references such as TripAdvisor in determining the choice of hotels beside the existence of leisure activists who want refreshing at the hotel with the economic price as long as they are able to be exist.

4. Analyzes and Discussion

4.1. Digitalization of the Hospitality Industry

Millennial generation not only uses the internet to search for information before traveling. They are accustomed to order plane and train tickets, reserve hotel rooms, and even tickets to various tourist attractions online. It is because online purchases are perceived as more practical, inexpensive and not needing to queue, or be worried about running out of tickets. Social media is currently having a very big influence on the life of millennial society. Social media content makes people have new obsessions for sightseeing and taking photos in cool places. Friends’ pictures in social media give a big influence on the tourism industry and hospitality industry, especially Indonesian consumers who are very fond of social media, and depending much on the recognition of the others. The data from ReviewPro, STR, Travelocity, comScore, and TripAdvisor are combined to show the growing influence of social media [6] that is getting bigger on the process of searching for information by the consumers and also the effects to determine prices, to push occupancy rate, and to increase income.

Reviews on blogs and travelling sites, as well as ratings on various portals become very important for travelers from all over the world. Travelers search for information long before their departure, browsing in the internet to decide tourist destinations, search for hotels, destinations to visit, local food to try, souvenirs to buy, tourist attractions and more. TripAdvisor is now the standard of the hospitality industry. If the review is bad, it is very influential on the existence of the hotel, because the main source or reference for tourists are the reviews on TripAdvisor [7].

According to Arif Mardiyanto, E-commerce Manager of Sunan Hotel, at all times they monitor the reviews on TripAdvisor to make hotel managerial decisions. She is well aware of the importance of TripAdvisor reviews on the resulting sales. Therefore, she is very careful in monitoring the review. According to the authors, there are cases where several hotels are busy in promoting but not paying attention to consumer reviews about the product, and that actually has an impact on the rating decrease that is under 8.5.

Learning from the transportation industry, Uber, Grab, and Go-Jek began to replace car and motorbike rentals as a means of transportation for tourists. The popularity of tour agent such KAHA Tour which was very big is replaced by Traveloka. Travel agents offering tour packages are replaced by online tour packages or individuals who become tour planners. Sky Scanner with its FB Bot replaces the function of travel agent because it can provide travel route recommendations. Because of the digitalization in interaction and response, millennial generation online business becomes a necessity. The presence of digital has shoved away the conventional market. So, the skills for adaptability and innovation in the digital age become the key to business success especially in the hospitality business.

4.2. Popular Reviews in Tripadvisor for Hotels in Solo

4.2.1. Example of Not-so-good Review Experience at Novotel Hotel Solo. I have stayed here several times, but this time it was one of those unpleasant experiences. The worst is when I was going to have breakfast. I came 3 times to the restaurant for just looking for a seat. And I even got that by myself by
occupying a dirty table and not cleaned yet because there was no staff standby. I got to look for the hotel staff to clean it up. The staff has not finished cleaning up my table when there was foreigner sitting. The staff directly greeted the foreigner and kindly offered tea or coffee. Yaela ... it was really bule-minded* (Writers’ note: Bule means foreign people). I who was being served before was ignored just because of foreign people?? 8.30 a.m. there was no food; not sure it was refilled again or not, because I waited until 9.15 and there was no more refill. The service of this hotel's restaurant was awful. It was so far!! Far different from the quality of the other Novotel Hotels. When trying to order room service too, the food in the reality was very far away from the promoted display image. The jacuzzi in the fitness center also did not work. The sauna was broken. When my room’ phone was damaged, it was also not easy to contact the operators. Ah ... questionable as a 4-star hotel. According to my analysis, 3-star is very sufficient. Not sure if it will be my next choice or not if go to Solo again [8].

4.2.2 Examples of Good Review Experience at Sunan Hotel. My big family comes from Solo, since a few years ago, The Sunan Hotel has been a favorite place for us to stay. The hotel building was actually quite old but still well-maintained. The food was pretty good. Father and mother and my children, when we were being lazy to go out, we usually ordered room service. The choice besides international and traditional menu, there was also dim sum. The staffs were friendly, from the receptionist-restaurant and room keeper, maybe because the Manager in Charge was also humble. The last experience when I previously came, coincidentally the hotel was busy because there were some events from agencies in the City of Solo, when arriving at the lobby door all the employees were not there at all, but the manager swiftly took the trolley, dropped bags from the vehicle we were riding and also delivered the our stuff to the room.

Honestly I was amazed; there was rarely a manager of big hotel who was willing to do all that. He seemed to understand that all PICs were also busy and he was willing to step in to do his staff’s work. Two Thumbs Up for the Manager; he can be a good example for all employees [9].

MGHWorld's research revealed that the review ratings on TripAdvisor have meaning more than just a rating. The study revealed that 95% of customers are influenced by online reviews. In addition, the higher the rating is on the TripAdvisor popularity index, the more direct bookings can be done. The importance of ratings in TripAdvisor in the hospitality industry can be seen from the fact that 67% of potential customers are likely to cancel a booking if they see 1 to 3 bad reviews on TripAdvisor [10]. The finding of this study is quite rational. The higher the rating of a hotel is, the possibility of a hotel to appear in the major rankings is also greater. In the TripAdvisor ranking system, ten best hotels will be displayed as destinations in the TripAdvisor page for the city. Like the ranking of ten 2-star hotels in the city on the date of February, 25, 2018 namely Pop Hotel, Red Planet, Grand Amira, Laksana, Lampion, Binary, Margangsa, Garden Saint, and Sarila.

Trends in the utilization of social media like TripAdvisor by tourists are in line with the findings of Chris K. Anderson [3] that the use of social media influences the hotel occupancy rates. Firstly, guests more often visit TripAdvisor before booking the hotel room. This report shows that most travelers use TripAdvisor to help find the information about hotels and before deciding the hotel choice travelers read the reviews in TripAdvisor. Secondly, the increase in the TripAdvisor users reviews on hotels in OTA (Online Travel Agents) channels can give a positive effect on room requests [11]. A high review value may elevate the conversion rate, even if the price increases. The positive effect of the increase in user review values can offset the negative impact on occupancy rates that are usually caused by higher prices. Third, along with the increase of social reputation of a property, its overall performance will also increase. A stronger online reputation can improve the hotel's ability to set prices, so the hotel can raise the price while keeping the same occupancy rate. This price increase will result in higher revenue and increased performance.
5. Conclusion
Today, TripAdvisor.com is widely used as information reference for the travelers in the world in searching for tourist destinations around the world. Besides, TripAdvisor also plays the role as a reference of the world tourism industry in raising the rating of the hotel. Also, hotel management in Solo City makes TripAdvisor as reference in giving services to customers. The use of the TripAdvisor application by the hotel management in Solo City has encouraged the growth of occupancy rate by 9.5% occupancy in 2017. With details as follow: Two-star hotels 18.98%, three-star hotels 6.5%, and four-star hotels upwards 6.40%. One-star hotels get decreased by 0.89%.

The increase in hotel occupancy cannot be separated from hotel management that maximizes information technology through TripAdvisor. The TripAdvisor app changed the behavior of hotel guests. The response of the hotel management towards the reviews can raise the rating of the hotel and can boost the occupancy rate. Therefore, the trend in the use of TripAdvisor by tourists is because; (1) the habits of hotel guests to visit TripAdvisor before booking a hotel and reading reviews before deciding on a hotel option; (2) positive reviews can raise the conversion rate, even if hotel prices increase; (3) the increasing of social reputation of a hotel property is highly dependent on online reputation, so hotels can increase prices while maintaining the same occupancy rate.

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