

CHAPTER I

INTRODUCTION

1.1 Background

The tourism industry is one of the fastest growing industry in the world nowadays. It has contributed a total of 8,811 billion US Dollars to the gross world product in 2018 (Economic Impact, 2019). With its varying components and sectors, plenty of countries in the world competes to create an intriguing tourism program as to obtain as much regional income as much as possible, including Indonesia.

The tourism sector in Indonesia has been improving, with data from Statistics Indonesia that shows a number of 12,270,097 visits from foreign tourists entering the country within the period of January to September 2019, which is an augmentation of 2,63% in numbers as compared to the same period in the previous year (Berita Resmi Statistik, 2019). Putting domestic tourists into consideration mean that the total number of touristic activities taking place across country is even greater than the recorded data. The tourism industry itself cannot be separated from its supporting sectors especially the accommodation business.

Being an essential part of the tourism activities means that the business of accommodation has become crowded in competition, especially in the capital city. As of 2018, there exists 325 starred hotel establishments in the DKI Jakarta province (Fadhlullah, 2018). With that number of hotel establishments and other accommodation services, it can be assumed that each establishment must be able to convince the market that their brand provides the service most suitable to accommodate their needs during their stay in order to be a strong competitor. In order to grab market interest, a brand must be able to show a positive image so that it stays to be a part of the possible choices for potential customers and also to convince their current customers to return.

Every establishment has their own way of approach concerning marketing strategies, however, the goal of marketing activities itself is to reach their targeted market and create a ripple effect that will influence them into desiring the marketed products. It had been defined that the word marketing itself means an activity that

produces worth for clients and the community which will then develop a firm bond that in exchange secures merit from the clients (Kotler, Bowen, & Makens, 2014).

The process of marketing involves a wide range of aspects and is always evolving. It was first proposed by E. Jerome McCarthy in the 1960s that marketing mix involves four aspects, but Masterson and Pickton (2014) agreed that Bernard Booms and Mary Jo Bitner's incorporation of another three concepts are essential to bear with the distinguishing characteristics of the modern day service products. Present within both the first and updated marketing mixes, it is without doubt that promotional aspects are and have always been relevant throughout the years. Promotions has its own variables under the concept of promotion mix with one of them being advertisements. Kotler explained that "advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor" (Kotler, 2003, p. 590). It can be understood that a single advertising material should be able to present its relevance and be impact towards different layers and groups of its audience, hence it being impersonal. In the 21st century, strategies and methods of advertising have developed in ways to suit the habits of the population. Presently, social media platforms and internet advertisements are seen multiple times each day as companies compete with one another to create greater engagements with their desired audiences through digital marketing.

As a part of the digital marketing innovation, not only do companies use social media as an advertising platform but they also utilize the function and interactivity of their personal web domain. This is due to the fact that websites gives the possibility of holding more information of the company while also providing an easy method of purchase for clients. Newsletters are also often broadcasted through e-mails as well, from addresses obtained from databases. With the relevant presence of the internet, marketers are given options to decide to which segment their advertisements are desired to be shown to. The active audiences on the internet comes from varying groups and backgrounds adds to the benefit of digital marketing being cost efficient and wide reaching.

According to a survey conducted by Indonesian Internet Service Providers Association in 2018, 171.17 million Indonesians use the internet every day, which

is 64.8% of the country's population that same year (Penetrasi & Profil Perilaku Pengguna Internet Indonesia, 2018). With this number of audience, the possibility of triggering one's awareness of a certain brand is augmented shall companies opt to reach out using online marketing strategies, noticeably since at the present time, customers receive a greater freedom to browse through catalogues, articles and other forms of information with the vessel of various digital media.

The existence of these platforms intrigue marketers to put out their company brand to generate engagements with potential customers that traffic popular and habitually utilized media. The value of an advertisement's content is extremely critical, however, without the proper publication, the effort would be in vain as the advertisement needs to reach its audience. The purpose of advertising is to give knowledge to consumers regarding a product or service and convince new and existing customers to purchase it (Durmaz, 2011). Being both wide reaching and efficient, it is not a surprise that digital advertising has become the go-to method of campaigning products and services as it is highly profiting for both the platforms and the marketer. For example, at the end of the second quarter of 2019, it was reported that the social media giant Facebook earned \$16.6 billion in advertisement revenue and an augmentation of 8% in daily users with Indonesia as one of the biggest contributors (Gesenhues, 2019). The augmentation proves that advertising clients are satisfied with the engagements that their advertised content received. At the same time, it translates to the fact that social media users are frequently presented with promotional materials while they are online.

The relevance of social media platforms are so great that if placed on a funnel, the social media platform Facebook would be sitting at the top, above search engine Google and online retailer Amazon, with posts of mutual friends prompting jealousy and plants suggestions to users of what to purchase or do (Galloway, 2019). Facebook has conquered one of the most used social media which is Instagram. Its user ranges from the youths to the elderlies coming from different social backgrounds. The social media platform which was first established in 2010 now has more than one billion active users each month and over than 500 million daily story activities (Our Story, n.d.). Its growing user base is the home of humongous advertising opportunities. Instagram has plenty of features that allow

marketers to post about the products and services that they are selling both through organic posts and paid posts.

Although the media, both offline and digital, provides platforms for marketers to advertise their products, whether or not these advertisements are able to trigger consuming interests depends on the audiences' perceptions. However, there exists perceptual errors which was defined by (Mergan, 2018) as the mental idea of depending on easy routes to creating decisions. How audiences see translate the information they see is essential in the present day, as it was stated by Zhao (2018) that audiences, which was previously defined as the receiver and viewer of information, can easily shift as an information provider on social media platforms.

Therefore, the success of an advertisement will be seen if the audience finds it in accordance to their knowledge and well translated into their thoughts. As an industry that involves the people from all over world as their possible market, hotels must already understand their objective of marketing, especially digitally.

In general, chain hotel companies all over the world have their own web domains which users can browse through a list of their properties. The main web domain is also commonly linked to other sub-domains that might include regional websites or social media pages. The appeal and functionality of the web pages contribute to the interest and likeliness of choosing a brand. It was found in a study that a website's caliber will alter the clients' interest of procurement while being interconnected by their view of confidence in the brand as an important arbiter (Chang, Kuo, Hsu, & Cheng, 2014). Nowadays, it is easy for potential customers to reach a web domain by first looking up the company's profile on Instagram which has other direct contact information including number, address and e-mail. With an attractive and informative Instagram posts, it will be easier for the audience to grasp what a company is all about especially from its visual aspects. These strategies have also been implemented by companies in and hotel brands in Indonesia.

The digital marketing strategies of starred hotels in Indonesia may be considered to be contemporary due to the global connectivity that the internet has allowed. It is also aided by the existence of global hotel chain brands that sets a bar for other local establishments. These foreign brands have been nestling in Indonesia, especially in tourism destination regions such as Jakarta, Bali, and Java,

since times of the New Order period (Subakti, 2016). One of the brands that have entered Jakarta since the 20th century is Hyatt.

Hyatt first started in 1957 with the purchase of a motel next to the Los Angeles International Airport and since then has been expanding and releasing new brands coming to a total of 700 hotels in 56 countries up to February 2020 (Hyatt History, n.d.). Alila is one of Hyatt's brand in its Boundless luxury portfolio. Alila has seven properties in Indonesia but only one in Jakarta, which is Alila SCBD Jakarta.

Alila SCBD Jakarta is located in South Jakarta exactly in the Sudirman Central Business District. Like other branches of the brand, it has an active Instagram business account with over than 2000 followers since its first post that was updated in May 2019. Its Instagram account has a link that directs users to Alila SCBD Jakarta's web page. Even though Alila SCBD Jakarta has a fair amount of followers, its post engagement such as likes and comments are still relatively low.

The author is intrigued to learn how the public audience perceives Alila SCBD Jakarta's image based on the hotel's social media posts and whether or not Alila SCBD Jakarta has succeeded in presenting their desired brand image through Instagram.

1.2 Problem Identification

Based on the background of study as described above, the problems are identified as follows:

1. Alila SCBD Jakarta's Instagram photos might not represent the image that the hotel aims to portray.
2. The audience might have a different perception towards Alila SCBD Jakarta

1.3 Research Questions

Based on the problem identification stated above, the questions raised in this research are as follows:

1. What is the audiences' perceived brand image of Alila SCBD Jakarta based on its Instagram photos?
2. How successful is Alila SCBD Jakarta's Instagram photos in portraying its desired image?

1.4 Purpose of Study

Based on the research questions stated above, the purpose of this study are as follows:

1. To understand how the audiences perceive Alila SCBD Jakarta's image based on their Instagram photos.
2. To determine how successful Alila SCBD Jakarta's Instagram photos in directing the audience towards their desired brand image.

1.5 Study Limitations

In order to ensure the direction and focus of this research, the writer has set the limitations of study as follows:

1. Photos in Alila SCBD Jakarta's Instagram account.
2. Audiences who has never stayed in or visited Alila SCBD Jakarta.

1.6 Benefit of Study

By researching the particular topic, the benefits of this study are as follows:

1. Benefit for the hotel

Understanding the image that is perceived by the public will help the hotel in finding strategies in order to direct the audiences' focus to their intended concepts and plan a strategy so that their desired message can be delivered properly in the near future.

2. Benefit for the author

The author will be able to understand the importance of social media, particularly Instagram in representing a brand image.

3. Benefit for the university

The possibility of conducting further research on the subject with different cases or variables.

