

Pricing and Promotion Strategies for Hotel Room Occupancy Rates at Niagara Parapat Hotel, Girsang Sipangan Bolon District, Simalungun Regency, North Sumatra

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ABSTRACT

This study aims to analyze To obtain information on whether there is a positive and significant influence of partial pricing strategies on room occupancy rates at the Niagara Hotel Parapat. The method used in this study is quantitative descriptive with a purposive sampling technique. The analysis tool used is multiple linear regression. From this study, it is known that from 45 respondents who answered the questionnaire with the results of the study, it was obtained that price has a significant effect on hotel room occupancy rates. This can be seen from the calculated t-value of 5.536 which is greater than the t-table value of 2.022 at a significance level of 5%. Thus, the hypothesis stating that price has an effect on room occupancy rates is accepted. Promotion has a significant effect on hotel room occupancy rates. This can be seen from the calculated t-value of 2.287 which is greater than the t-table value of 2.022 at a significance level of 5%. Thus, the hypothesis stating that promotion has an effect on room occupancy rates can be accepted. Price and promotion have a simultaneous effect on hotel room occupancy rates. This is evident from the significance value (Sig) of 0.000, which is lower than the significance level (α) of 0.05. Thus, the hypothesis that price and promotion jointly influence room occupancy rates is accepted.

Keywords: Price, Promotion, Occupancy Rate

INTRODUCTION

Pricing strategy is an important element in marketing, especially in the hospitality industry (Suardana et al., 2019). Price is central to marketing activities aimed at generating profits or benefits. Pricing is also a significant strategy in influencing customers' purchasing decisions. According to the theory of demand elasticity, changes in price can lead to changes in the quantity of goods demanded (Suwena, 2018). Promotion also plays an important role in hotel marketing strategies. According to the AIDA theory (Attention, Interest, Desire, Action), the main objectives of promotion are to attract attention, increase appeal, create interest, and encourage purchasing behavior (Mustikaningrum, 2020). For hotel promotion, social media such as Instagram, Facebook, and WhatsApp are used. Social media is used to provide information related to Paris Beach and its facilities, including lodging or hotels.

Hotel Niagara provides the best accommodation services for every tourist visiting Lake Toba (Marbun & Simarmata, 2024). This 4-star hotel in Parapat offers a luxurious



and comfortable stay at an affordable price. The facilities provided by the hotel are also very complete, comparable to other 4-star hotels (Kansara & Mishra, 2019). Recreational facilities include a karaoke room, swimming pool, basketball and tennis courts, and a children's playground. The completeness of these facilities makes this hotel suitable as a place to stay for tourists vacationing with their families. The panorama of Lake Toba can be enjoyed at Niagara Hotel, located at Jalan Pembangunan No. 1, Parapat. According to Widanaputra (2009:16), a hotel is defined as a type of accommodation that is commercially managed using part or all of an existing building to provide lodging, food, and beverage services, as well as other services, where these facilities and services are provided to guests and the general public who wish to stay overnight.

Promotion comes from the English word promote, which means to develop or improve. When applied to sales, it means a tool to increase sales turnover. According to Kotler (1992), promotion includes all marketing mix tools, whose main role is to establish persuasive communication.

Irum (2016) states that marketing is an activity carried out by several parties or groups of people (organizations) that are well coordinated, known as producers, with the aim of distributing goods and services to consumers in a targeted manner that satisfies consumers and also benefits the producers. According to Kotler and Armstrong (2008: 1), "Price is the amount of money charged for a product or service, based on the value exchanged by consumers for the benefits of owning or using that product or service."

There are several determining factors that companies need to consider when setting prices, according to Kotler and Keller (2016: 491-492), namely:

1. Understanding product demand and competition The level of product demand and the number of competitors also affect the selling price, so do not determine the price based solely on production, distribution, and promotion costs.
2. The target market to be served or reached. The higher the target set, the more careful the pricing must be.
3. Marketing mix as a strategy
4. New products If it is a new product, the price can be set high or low, but both strategies have their own advantages and disadvantages. Setting a high price can cover research costs, but it can also cause the product to be unable to compete in the market. Meanwhile, with a low price, if there is an error in market forecasting, the market will be too low than expected. Then the costs cannot be covered so that the company may suffer losses.
5. Competitor reactions In an increasingly competitive market, companies must constantly monitor competitor reactions so that they can determine prices that are acceptable to the market and generate profits.
6. Product costs and cost behavior.
7. Policies or regulations determined by the government and the environment

According to Ira and Heru (2017:113), "The room occupancy rate is expressed as a percentage (%) of the ratio of rooms sold compared to the total number of rooms available in the hotel or the total number of rooms that can be sold." Any Setiawati in (Sumarcaya, 2013) mentions the factors that influence the room occupancy rate of a hotel, namely:

1. Hotel location
2. Hotel service
3. Room price
4. Promotion

METHOD

The approach used in this study is quantitative. According to Sugiyono (2020: 16), quantitative research methods can be defined as research methods based on positivism philosophy, used to study a specific population or sample, collecting data using research instruments, quantitative/statistical data analysis, with the aim of testing predetermined hypotheses. Quantitative research has three characteristics in the field, namely that the research is consistent from start to finish, so that the research report titles will be similar. It develops problems that have been found previously. And the problems will be different when in the field because they have been confirmed by the realities found (Nurwulandari and Darwin, 2020).

RESULTS AND DISCUSSIONS

Based on the results of validity and reliability tests, it is known that all items are valid, and the instrument can be used for research without discarding any questions. However, to strengthen the quality of the instrument, Cronbach's Alpha values should be used to determine whether all items are internally consistent.

Table 1. Results of the Reliability Test for Variable X1

Cronbach's Alpha	N of Items
.899	10

Table 2. Results of the Reliability Test for Variable X2

Cronbach's Alpha	N of Items
.948	10

Normality Test

The Kolmogorov Smirnov normality test compares the distribution of data (to be tested for normality) with the standard normal distribution. The application of the Kolmogorov Smirnov test is that if the significance is below 0.05, it means that the data to be tested has a significant difference from the standard normal data, meaning that the data is not normal.

Normality Test

		Unstandardized Residual
N		45
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.16347816
Most Extreme Differences	Absolute	.077

Positive	.058
Negative	-.077
Test Statistic	.077
Asymp. Sig. (2-tailed)	.200 ^{c,d}

Source: Author's Compilation (2025)

In the table above, the Asymp.Sig. (2-tailed) value is $0.200 > 0.05$. The interpretation is that if the value is above 0.05, the data distribution is considered to meet the assumption of normality, and if the value is below 0.05, it is interpreted as not normal. Based on the analysis results, it is concluded that the residuals are normally distributed.

Homogeneity Test

A homogeneity test is conducted to determine whether the data in variables X and Y are homogeneous or not, by comparing the calculated F with the F table.

Model	Sum of Squares	df	Mean Square	F
1 Regression	7.344	5	1.469	48.711
Residual	1.176	39	.030	
Total	8.519	44		

Source: Author's Compilation (2025)

The table above shows that the Fcount value of 48.711 is greater than the F table value (db:339) of 2.46, thus there is no homogeneity between the price and promotion variables and the room occupancy rate.

Heteroscedasticity Test

A good multiple linear regression model is one that is free from heteroscedasticity. The Glejser test is performed by regressing the absolute residual value ($AbsU_i$) against other independent variables. If β is significant, it indicates that there is heteroscedasticity in the model.

Unstandardized Coefficients			Standardized Coefficients			
Model	B	Std. Error	Beta	t	Sig.	
1	(Constant)	.104				
		.311		.334	.740	
	Price	.781	.141	.774	5.536	.020
	Promotiom	.253	.111	.245	2.287	.028

Source: Author's Compilation (2025)

Based on the table above, each variable has a significance value of 0.390, 0.033, 0.020, 0.028, and 0.136, all of which are above 0.01. This means that there is no heteroscedasticity in this model; in other words, all independent variables in this model have the same/homogeneous variance distribution.

Multicollinearity Test

VIF and Tolerance values are strong indicators used to conclude the phenomenon of independent variable intercorrelation. If the VIF value is less than 10 and/or the Tolerance value is greater than 0.1, it can be firmly concluded that there is no multicollinearity problem. Conversely, it can also be firmly concluded that multicollinearity has occurred in the model.

		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolerance
1	(Constant)	.104	.311		.334	.740	
	Price	.781	.141	.774	5.536	.020	.181
	Promotion	.253	.111	.245	2.287	.028	.309

Source: Author's Compilation (2025)

From the tolerance and VIF values in Table 4.8, it can be seen that there is no multicollinearity in the model because all variables have VIF values less than 10. To determine the effect of price and promotion on room occupancy rates, both partially and simultaneously, multiple regression tests were performed using SPSS data processing results.

		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
Model						
1	Constant	.104	.311		.334	.740
	Price					
		.781	.141	.774	5.536	.000
	Promotion					
		.253	.111	.245	2.287	.028

a. Dependent Variable: Room Occupancy Rate

The table above shows that the multiple regression equation model for estimating room occupancy rates influenced by price and promotion is:

$$Y = 0.104 + 0.781X_1 + 0.253X_2$$

From the above equation, several things can be analyzed, including:

- The constant value of 0.104 explains that if the price and promotion values are equal to 0 ($X_1, X_2 = 0$), then the room occupancy rate is 0.104.
- The regression coefficient value of variable X_1 is 0.781, meaning that if there is an increase of 1 unit, the room occupancy rate will increase by 0.781 units, assuming that other independent variables remain constant.
- The regression coefficient value for the meeting facilities variable is 0.253, meaning that if there is an increase of 1 unit, the room occupancy rate will increase by 0.253 units, assuming that other independent variables remain constant.

Partial Testing (t-test)

a. Price variable (X_1)

The research hypotheses are as follows.

H0 : Price has no effect on room occupancy rates.

H1 : Price has an effect on room occupancy rates.

Hypotheses in statistical model form:

H0 : $\beta = 0$

H1 : $\beta_j \neq 0$

The rules for testing hypotheses are as follows.

1) If $-T_{table} \leq t_{Count} \leq t_{table}$, then H0 is accepted.

2) If $t_{count} > t_{table}$, then H0 is rejected.

The t-value based on Table 4.9 is 5.536 and the T-table value is 2.022. These values are compared, resulting in t-value (5.536) > t-table (2.022), so H0 is rejected and H1 is accepted. Based on these results, it can be concluded that price affects the room occupancy rate.

a. Promotion variable (X2) The research hypotheses are as follows.

H0: Promotion does not affect room occupancy rates.

H2: Promotion affects room occupancy rates.

Hypotheses in statistical model form:

H0: $\beta = 0$

H2: $\beta_j \neq 0$

The rules for testing hypotheses are as follows.

1. If $-T_{table} \leq T_{count} \leq T_{table}$, then H0 is accepted.

2. If $T_{count} > T_{table}$, then H0 is rejected.

The t-value based on the table is 2.287 and the t-table value is 2.022. These values are compared, resulting in t-count (2.287) > t-table (2.022), so H0 is rejected and H2 is accepted. Based on these results, it can be concluded that promotion affects room occupancy rates.

Probability Testing

The rules for hypothesis testing are as follows.

If $Sig \leq \alpha$, then Ho is rejected If $Sig > \alpha$, then Ho is accepted

a. Price Variable (X1)

The Sig value for the price variable is 0.000. This value is compared with α (0.05), resulting in $\text{Sig} (0.000) \leq \alpha (0.05)$, so H_0 is rejected and H_1 is accepted. Based on these results, it can be concluded that price affects the occupancy rate of rooms.

a. Promotion Variable (X2)

The Sig value for the promotion variable is 0.028. This value is compared with α (0.05) to obtain $\text{Sig} (0.028) \leq \alpha (0.05)$, so H_0 is rejected and H_2 is accepted. Based on these results, it can be concluded that promotion has an effect on room occupancy rates.

Simultaneous Testing (F Test)

Before conducting the test, hypotheses were designed in the form of research hypotheses and statistical hypotheses. The research hypotheses are as follows.

H_0 : Price and promotion do not simultaneously affect room occupancy rates.

H_3 : Price and promotion simultaneously affect room occupancy rates.

Hypothesis in statistical model form: $H_0: \beta = 0$;

$H_3: \beta \neq 0$

The rules for testing hypotheses are as follows.

1. If $F_{\text{count}} \leq F_{\text{table}}$, then H_0 is accepted
2. If $F_{\text{count}} > F_{\text{table}}$, then H_0 is rejected

F-test					
Model		Sum of Squares	df	Mean Square	F
1	Regression	7.344	5	1.469	48.711
	Residual	1.176	39	.030	
	Total	8.519	44		
	Sig.				.000 ^b

Source: Author's Compilation (2025)

The F_{count} value based on Table 4.10 is 48.711 and the F_{table} value is 2.46. These values are compared to obtain $F_{\text{count}} (48.711) > F_{\text{table}} (2.46)$, so H_0 is rejected. Based on these results, it can be concluded that price and promotion simultaneously affect room occupancy rates. Hypothesis testing can also be done by looking at the probability value. The rule for hypothesis testing is that if $\text{Sig} \leq \alpha$, then H_0 is rejected, and if $\text{Sig} > \alpha$, then H_0 is accepted. Based on Table 4.10, the

Sig value is 0.000. This value is compared with α (0.05), resulting in Sig (0.000) < α (0.05), so H_0 is rejected and H_3 is accepted. Based on these results, it can be concluded that price and promotion simultaneously affect room occupancy rates.

The coefficient of determination (R^2) is useful for determining the extent to which price and promotion influence room occupancy rates. Meanwhile, the coefficient of determination (R^2) is useful for determining the extent to which the dependent variable can be explained by the price and promotion variables. Based on the results of the analysis using SPSS, the following results were obtained.

Model Summary					
Model	R	R Square	Adjusted R Square	Std. error of the estimate	Durbin-Watson
1	.928 ^a	.862	.844	.17364	1.748

Source: Author's Compilation (2025)

1 Based on the table above, it can be seen that the coefficient of determination (R^2) is 0.844. This means that the influence of the price and promotion variables on the room occupancy rate is 84.4%, while the remaining 15.6% is explained by other factors outside the scope of this study.

CONSLUSION

The results of the study show that the price variable has a significant effect on room occupancy rates. Setting the right price that is competitive and adjusted to consumer purchasing power can significantly increase hotel occupancy rates. Conversely, pricing policies that are not in line with market perceptions of value and affordability have the potential to reduce guest interest in staying at the hotel. In addition, the analysis also proves that promotions have a significant effect on room occupancy rates. Effective promotional strategies, whether through digital media, partnerships with online travel agents (OTAs), or direct sales promotions, have been proven to attract potential guests and encourage an increase in hotel room occupancy.

Furthermore, the results of the study show that price and promotion have a significant simultaneous effect on room occupancy rates. This indicates a complementary relationship between the two variables. Competitive prices without effective promotional strategies will not yield optimal results, and intensive promotions without appropriate pricing will not be able to maximize occupancy. In addition, the implementation of appropriate Standard Operating Procedures (SOPs) in various operational aspects such as reservations, room service, pricing, promotions, and guest complaint handling has been proven to increase customer satisfaction and encourage guests to make repeat visits. With consistent implementation of SOPs, hotels can maintain service quality, strengthen their positive image, and build customer loyalty, which ultimately has a positive impact on increasing room occupancy rates.

SUGGESTIONS

Hotel management should implement dynamic and flexible room pricing strategies that adjust to seasonal fluctuations, market competition, and customer segmentation, utilizing revenue management systems or dynamic pricing models to maintain competitiveness and align prices with perceived customer value. At the same time, hotels are encouraged to strengthen digital promotions through official websites, social media platforms, and mobile applications, as well as expand collaborations with online travel agents (OTAs) to reach broader markets. Introducing customer loyalty programs such as exclusive discounts for returning guests and member reward systems can further increase repeat visits. Pricing and promotion strategies should be executed in an integrated manner by combining special rate offers, bundle packages, and seasonal promotions with digital marketing initiatives to attract potential guests more effectively and enhance competitiveness. Furthermore, management must ensure that Standard Operating Procedures (SOPs) for services covering reservations, check-in/check-out, room service, and complaint handling are consistently implemented by all employees. Regular refreshment training is necessary to maintain service excellence, while innovations such as digital check-in systems, application-based feedback platforms, and personalized service delivery can be incorporated to further improve guest satisfaction and hotel occupancy performance.

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