Price, Location, and Physical Evidence against Decision of Budget Traveler Stay at Oyo Rajawali Homestay Palembang

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Abstract

Tourism is closely related to the service and hospitality business. The hospitality business began to shift towards technology in 2015. This led to the emergence of various Virtual Hotel Operators, such as OYO. One of OYO's budget hotels in Palembang which is famous for its strategic location, affordable prices, and adequate physical evidence is Rajawali Homestay. This study aims to determine whether the price, location, and physical evidence affect the budget traveler's decision to stay at the hotel. The data used in this study are primary data by distributing questionnaires to all budget travelers who stay at OYO Rajawali Homestay. The number of samples used was 100 respondents. The analysis technique used is multiple linear regression analysis that was previously tested for validity and reliability. The results obtained are the price, location and physical evidence have a positive and significant impact on budget traveler's decision to stay at OYO Rajawali Homestay. The percentage of influence between the three variables on purchasing decisions is 77% of which 33% is influenced by other variables not examined. This research is expected to be a reference to optimize the variables that influence budget travelers' decisions in choosing hotels.

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1 Introduction

Indonesia is one of the cities included in the ten major performance growth of tourism in the world (WTTC, 2019). The natural and cultural wealth is an important component of tourism in Indonesia. Based on the data the Ministry of Culture and Tourism of Indonesia (Chao & Rashid, 2020; Aslan, 2019), tourism in Indonesia occupies the order of the three in terms of acceptance of foreign exchange after the commodity of oil and gas arched and oil palm oil. The total market value of the tourism industry in Indonesia has reached IDR 416 trillion (BPS, 2017). Based on the data above, tourism is an aspect important developed to improve the economy.

Indonesia is often used as the main destination for tourists to take a vacation because of its natural beauty. The number of tourists has also increased from year to year. The increase in the course relates closely to the amount of accommodation that is available. This is used as an opportunity by business people to invest in the hotel business. In the year 2018, the number of hotels in Indonesia reached number 28 230 with the ownership of private as much as 94% (BPS). Adults of this, the industry of hospitality is not just a business that offers a type of accommodation that uses the partial or entire building to provide services of accommodation which is managed by the commercial. (Darma, 2018). With the ease of technology and the presence of technology-literate generation (tech-savvy), the business of hospitality required to evolve to the direction of technology. In the year 2015, the Virtual Hotel Operator began to emerge in Indonesia, one of which is PT. OYO ROOMS.

The Company is founded in May 2013 by an entrepreneur from India, Risabh Gupta. The model of business that is applied is the merger between service hotel and technologies. OYO market segmentation is a non- star hotel and budget hotel. The development of virtual operators is famous more quickly than competitors and proved with their 1000 hotel jasmine who had collaborated with companies such (Gupta, 2020). One of the hotels in Palembang operated by OYO is Rajawali Homestay. The hotel has 26 rooms and is located in Jalan Rajawali 9, Palembang. Type of rooms which is owned by the hotel it is the Standard Single, Standard Twin Room and Standard Double. Price per room which is also fairly cheap, ranging IDR 100.00-300.000.-

The hotel business is also experiencing a renewal of trends with a staycation trend that is usually done by budget travelers. The budget traveler is the person who did travel and put the budget as consideration is important, especially with choosing accommodation and transport. The location of which is strategic (41%), and the number of program cuts prices (39%) is a factor supporting the budget traveler to carry out the purchase. In the year 2019, the occupancy Rajawali Homestay reached figure 71% by total rooms sold as many as 256 per month. After the trend of budget traveler began to emerge, occupancy hotels have experienced a decline which is quite significant because of the increase in the price of the rooms of the hotel. Business into difficulty in the set price that is appropriate to keep selling the rooms below average and provide a lot of things (Kao *et al.,* 2003; Jang, 2019; Al *et al.,* 2004).

Many guests were complaining about the shortage of places parking at the time wanted to check-in at the. It much causes the guests to cancel the booking. The guests also frequently complained about the cleanliness of the lobby that less attention so that impact to inconvenience the guests and are reluctant to go back again to the hotel. According to Zulfison (2020), the factors that influence the decision of purchase is the location which is located, the facilities are good, the ability of power seller, level of price, advertising and promotion, classification of goods. Based on the description in the above, researchers are interested to research the variable price, location, and facilities physically against variable decision to stay. Populations were studied in the research this is a budget traveler who stays at OYO Rajawali Homestay Palembang.

Problem Formulation

The problems that were raised in the study are among others: 1). How much does the price affect the budget traveler's decision to stay at OYO Rajawali Homestay Palembang Palembang?; 2). How much influence does the location have on the budget traveler's decision to stay at OYO Rajawali Homestay Palembang?; 3). How much influence does physical evidence have on the budget traveler's decision to stay at OYO Rajawali Homestay Palembang?. 4). How big influence price, location, and amenities physically against the decision of budget traveler to stay at OYO Rajawali Homestay Palembang is the same?. Purpose: 1) To prove the effect of prices on the budget traveler's decision to stay at OYO Rajawali Homestay Palembang. 2). To prove the influence of location on budget traveler's decision to stay at OYO Rajawali Homestay Palembang. 3). To prove the effect of physical evidence on budget traveler's decision to stay at OYO Rajawali Homestay Palembang. 4). To prove the effect of price, location, and facilities physically are the same against the decision of budget traveler to stay at OYO Rajawali Homestay Palembang.

Literature Review

According to Kotler & Armstrong (2002) understanding the marketing mix (marketing mix) is a marketing mix is the set of tactical marketing tools that the firm blends to produce the response it wants in target markets. Price according to Kotler (2001) is the amount of money that is redeemable for a product or service. Price is the determining factor that influences the purchase choice. Location is an aspect important in channel distribution, the location of which both can guarantee the availability of access that is quick, which can attract most of the big customers and sufficiently strong to alter the pattern shop (Utami, 2006). According to Lapian et al. (2015) says that the facility is providing the tools they need physically to provide convenience to the guests in carrying out his activities or activities so that the needs of the guests can be met (Magner *et al.,* 1995; Lootsma *et al.,* 1990; Akselsson *et al.,* 2007).

2 Materials and Methods

The design of the study is the study of causal because it aims to examine the relationship because of the result between variables independent Pricing, and Facilities Physical against variable dependent Decision Purchase. The variable "who" used in this study is the independent variable and the dependent variable. Variables (Independent Variable) (X) are the price (X 1), location (X2), facilities for the Physical (X3), and Variable Bound (Dependent Variable) (Y) is the Decree of Purchase (Y). The scale of measurement that is used is the scale of Likert. The research method is through the distribution of questionnaires to 100 budget traveler guests who stay at OYO Rajawali Homestay. Retrieval of samples in research is going to use the technique of Non-Probability Sampling is Purposive Sampling. The use of this technique is based on several considerations, namely guests who have stayed at OYO Rajawali Homestay with a

3 Results and Discussions

Results of Multiple Linear Regression Analysis

Table 1
Dependent Variable Decision of Budget Traveler
Coefficients[a]

Model	Unstandardized Coefficients		Standadized Coefficients	t	Sig.
	B	Std Error	Beta		
(Constant)	-1,596	0,478		-3,336	0,001
Price (X1)	0,124	0,016	0,577	7,967	0,000
Location (X2)	0,054	0,021	0,236	2,589	0,011
Physical Evidence (X3)	0,276	0,023	0,812	11,935	0,000

Source: Data from the questionnaires were processed using SPSS

Based on the results of the output of SPSS on the table at the top of the visible value of coefficient regression in value unstandardized Coefficients "B", so that the obtained equation regression linear multiple as follows:

$$Y = -1,596 + 0, 124 X 1 + 0, 054 X 2 + 0, 276 X 3$$

From the results of the regression equation, each variable can be interpreted as follows:
1) A value constant of -1.596 has a sense that if all the variables are free (X) the price, location, and amenities Physical worth 0 (zero) and not there is a change, then the predicted Decision Budget Traveller will be worth -1.596. It is showing indications of the beginning of that third variable freely give contributions are very significant to the variable bound to Y, because of its presence (the value of X is not 0) is very necessary to

generate value Y is worth positive, which in general, the value of the variable Y (Decision Budget Traveller) is not maybe negative.

2) The value of the coefficient of the regression Price (X 1) at 0, 124 have the sense that if the variable price experienced an increase of one or even both, while variable -free more constant, then the predicted Decision Budget Traveller will experience an increase also amounted to 0, 124.
3) The value of the coefficient of the regression location (X 2) at 0, 054 have the sense that if the variable location is experiencing an increase of one or even both, while variable -free more constant, then the predicted Decision Budget Traveller will experience an increase also amounted to 0, 054.
4) The value of coefficient regression Physical evidence (X 3) at 0, 276 have the sense that if the variable Physical evidence experienced an increase of one or even both, while variable -free more constant, then the predicted Decision Budget Traveller will experience an increase also amounted to 0, 276.

Table 2
Results of Determination Coefficient (R-square) Test
Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	0,878[a]	0,770	0,763	0,35328

Source: Data from the questionnaires were processed using SPSS

a) Predictors : (Constant), Physical Evidence (X3), Location (X2), Price (X1)
b) Dependent Variable: Decision of Budget Traveller

Based on the SPSS output above, it is known that the coefficient of determination or R square of 0.770 or 77%. It is demonstrated that the variable price, location, and Physical evidence are simultaneously giving effect to the Decree of the Budget Traveler in OYO Rajawali Homestay Palembang by 77%, while the rest of 100% - 77% = 33 % is the influence or contribution of a variable other is not examined in outside research. Meanwhile, to determine the effect of each variable is free to the variable bound by the partial then carried out by way of the value of beta X zero-order on the results of SPSS output as follows:

Table 3
Results of Partial Determination Coefficient Test
Coefficients[a]

Model	Standardized Coefficients	Correlations
	Beta	Zero-order
Price (X₁)	0,577	0,113
Location (X₂)	0,236	0,367
Physical Evidence (X₃)	0,812	0,762

Source: Data from the questionnaires were processed using SPSS

a) Dependent Variable: Decision of Budget Traveller

Here are presented the results of the effect is partially between variables free of the variable bound with formula beta X zero order:

1) Price Variables = 0, 577 x 0, 113 = 0, 065 or 6.5 %
2) Location Variable = 0, 236 x 0, 367 = 0, 087 or 8.7 %
3) Physical evidence Variable = 0, 812 x 0, 762 = 0, 619 or 61.9 %

From the results of the calculations in the above, note that of the total contribution is together that was given by 77 % turned out at 61.9 % given by the variable Physical evidence, the variable location gives the effect of 8.7%, and 6.5 %

other is given by Price variable, so it appears that Physical evidence makes the most dominant contribution to Budget Traveler Decisions.

Table 4
Result of Significance Test (Test F)
ANOVA[a]

Model	Sum Of Square	df	Mean Square	F	Sig
Regression	40,178	3	13,393	107,305	0,000[b]
Residual	11,982	96	0,125		
Total	52,160	99			

Source: Data from the questionnaires were processed using SPSS

    a.   Dependent Variable: Decision of Budget Traveller
    b.   Predictors: (Constant), Physical Evidence (X3), Location (X2), Price (X1)

Based on table results of output SPSS at the top, note the value of F_{count} was obtained by 107.305 and p-value (sig.) = 0,000. With $\alpha = 0.05$, df 1 = 3, and df 2 = (nk-1) = 96, then on to the F_{table} = 2.699. Due to the value of F_{count} more substantial than F_{table} (107.305 > 2,699) and the value of significance 0.000 <0.05 then Ho rejected and Ha accepted, meaning that it jointly price, location, and facility impact significantly on the Decision Budget Traveler at OYO Rajawali Homestay Palembang.

Table 5
Results of Testing Hypotheses in Partial (t-test)
Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-1,596	0,478		-3,336	0,001
Price (X1)	0,124	0,016	0,577	7,967	0,000
Location (X2)	0,054	0,021	0,236	2,589	0,011
Physical Evidence (X3)	0,276	0,023	0,812	11,935	0,000

Source: Data from the questionnaires were processed using SPSS

    a)   Dependent Variable: Decision of Budget Traveller
    b)   Effect of Price (X_1) on Consumer Decisions (Y)

Variable Price on Decision Budget Traveler amounted to 7.967 and the value of the p-value (Sig.) Amounted to 0,000. Due to the value of t_{count} more substantial than the value of t table (7.967 > 1.985) and the value of significance 0.000 <0.05 then Ho rejected and Ha accepted, meaning that it partially Price affect positively significant to the Decision of Budget Traveler in OYO Rajawali Homestay Palembang.

Effect of Location (X_2) on Consumer Decisions (Y)

Variable locations on decision Budget Traveler amounted to 2,589 and value p-value (Sig.) Amounted to 0.0 11. Due to the value of T_{count} more substantial than the value of t table (2.589 > 1.985) and the value of significance 0.0 11 <0.05 then Ho rejected and Ha accepted, meaning that it partially Locations influence positively significant to the Decision of Budget Traveler in OYO Rajawali Homestay Palembang.

Effect of Physical evidence (X_3) on Consumer Decisions (Y)

Variable Physical for decision Budget Traveler amounted to 11.935 and the value of the p-value (Sig.) of 0, 000. Due to the value of t_{count} more substantial than the value of t table ($11.935 > 1.985$) and the value of the significance of 0, 000 <0.05 then Ho rejected and Ha accepted, meaning that it was partially Physical evidence influence positively significant to the Decision of Budget Traveler in OYO Rajawali Homestay Palembang.

Discussion Result

The Effect of Price, Location and Physical evidence on Budget Traveler's Decision to Stay at OYO Rajawali Homestay Palembang

Based on the results of the test statistic can be seen through the F test that the whole variable is the price, location, and amenities physical effect is simultaneously against variable dependent that is the decision the consumer. It is also evidenced by the value of the coefficient of determination or R -square of 0.770 or 77% which indicates that the variable price, location, and Physical evidence are simultaneously giving effect to the Decree of the Budget Traveler in OYO Rajawali Homestay Palembang, while the rest of 33 % is the influence or contribution of variable other is not examined in outside research.

The total contribution of each variable that is by 61.9 % given by the variable Physical evidence, 8.7% is given by the variable location, and 6.5 % is given by the variable price, so it looks that the Physical evidence provide contributes the most dominant of the Decision Budget Traveler. The results of this study are consistent with the results of previous studies from Khairina AR (2018), who stated that the variable price, location, and physical quality had a positive influence. A significant impact on purchasing decisions.

The Effect of Prices on Budget Traveler Decisions Overnight at OYO Rajawali Homestay Palembang

Based on the results of the test statistic that can be seen from the test of the hypothesis is partially (f test), variable rates have t_{count} more substantial than the value of t table ($7.967 > 1.985$) and the value of significance 0.000 <0.05 then Ho rejected and Han accepted, it is meant as a partial price influence positively significant to the Decision of Budget Traveler in OYO Rajawali Homestay Palembang. So, getting a good price that is offered by OYO Rajawali Homestay will improve the decision- budget traveler staying at the. The results of the study are following the results of the study prior Imam Santoso (2016), which states that variable the price of a significant positive influence on purchasing decisions.

The Effect of Location on Budget Traveler Decisions Overnight at OYO Rajawali Homestay Palembang

Based on the results of the test statistic that can be seen from the test of the hypothesis is partially (f test), variable locations have the value t_{count} more substantial than the value of t table ($2.589 > 1.985$) and the value of significance 0.0 11 <0.05 then Ho rejected and Ha accepted, meaning that it partially Locations influence significantly positively against Decision Budget Traveler in OYO Rajawali Homestay Palembang. Location OYO Rajawali Homestay is known as a strategic location and close to the center of the crowd. Later on, in terms of access, a location is known for easy and can be easily found. It is what makes the budget traveler decided to stay at the. The results of this study are consistent with the results location variables have a significant positive effect on purchasing decisions.

The Effect of Physical evidence on Budget Traveler Decisions Overnight at OYO Rajawali Homestay Palembang Based on the results of the test statistic that can be seen from the test of the hypothesis is partially (f test), the variable facility physically has the value t_{count} more substantial than the value of t table ($11.935 > 1.985$) and the value of the significance of 0, 000 <0.05 then Ho rejected and Ha accepted, meaning that it was partially Physical evidence influence positively significant to the Decision of Budget Traveler in OYO Rajawali Homestay Palembang. It is demonstrated that in terms of facilities physically is one of the factors that influence the decision of consumers. OYO Rajawali Homestay has cleanliness, completeness, neatness, conditions, and ease in accessing the facilities physically are very good so it makes the budget traveler decided to stay. The results of this study are under the results of research by Virginia Broto, Rudy S. Wenas (2016) which states that physical facility variables have a significant positive effect on decisions the purchase.

4 Conclusion

1) Prices have a positive and significant impact on Budget Traveller Decisions at OYO Rajawali Homestay Palembang.
2) The location has a positive and significant impact on Budget Traveller Decisions at OYO Rajawali Homestay Palembang.
3) Physical evidence has a positive and significant impact on Budget Traveller Decisions at OYO Rajawali Homestay Palembang. Simultaneously Price, Location, and Physical evidence influence positively and significantly to the Decision of Budget Traveller in OYO Rajawali Homestay Palembang.

Suggestions

Based on the results of the analysis and discussion in this study, the suggestions that can be given are:

1) For OYO Rajawali Homestay Palembang
   OYO Rajawali Homestay Palembang is expected to remain to provide a price on rooms, prepare a place parking area and attention to the cleanliness of the area of the lobby so it can improve the decisions of consumers staying at the. It's going to lead to impact positively on the prospective budget traveller in deciding to stay.
2) For further researchers
   For researchers furthermore, expected to research this can be used as a material of reference regarding the price, location, and facilitate physical against the decision of consumers to sample the more widely again. Researchers are aware that the variables that influence the decision of consumers not only the price, location, and amenities physically alone. It is an impact on the percentage of the effect of the three variables that do not reach the figure of 100% cause it's, expected that the researchers further investigate the variable quality of service and brand image.

Conflict of interest statement

The authors declared that they have no competing interests.

Statement of authorship

The authors have a responsibility for the conception and design of the study. The authors have approved the final article.

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