

Development Return on Investment in Hospitality Industry Based on Website

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Keywords: ROI, Enhanced ROI, Websites, Hotel.

Abstract: In Indonesia, a web-based business has become a natural thing, but investing using information technology is still rare. Without using a clear basis for calculation, the majority of businesses lay in Indonesia provides judgement that the use of information technology in business is a complicated thing to do, wasting money, and not important. Therefore, it takes a special technique for assessing the investment in information technology. One of the easiest techniques is using Enhanced ROI (Return on Investment). The purpose of this research is (1) Obtaining a picture / description about the growth of the hospitality industry in Bandung, which uses e-commers. (2) Identify driving factors and obstacles in the implementation of ROI models development of the hospitality industry in Bandung, which uses e-commers. (3) Formulate a strategy to implement a development model ROI, 4) The application of the model development Enhanced ROI. (5) Trial ROI model development in the hospitality industry in Bandung, which uses e-commers. (6) Develop a ROI model in the hospitality industry in Bandung, which uses e-commers.

1 INTRODUCTION

In the era of globalization that is as sophisticated as the current spread of information will be more easily and quickly by using media based on information technology, not least the information about the business. Shopping items online has started bustling in various groups, from children, teenagers, and adults. Consumers no longer have to deal with having to visit the product directly, they can reach the product wherever and whenever he wants. By using online media, businesses not only bring these products closer to the internal market, but also was able to bring to the world market. In this way, use of information technology investment in the business is considered to be an easier way and lucrative investment than offline by holding direct sale to a customer by a salesman. Business in Indonesia is indeed a matter of course, but it is unfortunate invest using information technology (IT) are still rare. According to McLeod and Schell (2008) Management Information System is a computer-based system that provides information for some users of the needs similar. Such information is available in the form of periodic reports, special reports, and outputs from the simulation of existing

information. Without using a clear basis for calculation, the majority of businesses lay in Indonesia Provides judgement that the use of information technology in business is a complicated thing to do, wasting money, and not important. Procurement of information technology investment company considered a kind of website can create swell spending and declining profits. The above judgment is not entirely wrong, and not entirely true. Procurement of information technology investment that is not appropriate will indeed cause swelling loss of business, but also vice versa investment right information technology can help businesses in developing their business advantage.

In this globalization era, the population of Internet users in Indonesia is increasing rapidly. Tourism and hospitality industry is always there in the first row to take advantage of the latest technology, including using the Internet as the main tool for promotion and increase sales role in the hospitality industry. E-commerce plays an important role in the hospitality industry. The emergence of e-commerce in the hotel industry creating an urgent need with a simple solution is to focus on speed and accuracy of the benefits of using the website or social media. Management of e-commerce and website is one of the

main tools to promote and increase sales in the hospitality industry.

Based on BPS's data on the number of inns and hotels in Bandung can be seen that Bandung has adequate provision of accommodation services to accommodate tourists who come to Bandung both foreign tourists and domestic tourists by total rooms available as much as 16.150 rooms. With these conditions, the city of Bandung as one of the busiest cities in West Java is good for business, education and tourism has demonstrated its readiness in the process of development of tourism industry in Indonesia. The increasing market potential of e-commerce in Indonesia, become a reason for the importance of utilizing e-commerce in the hotel industry, because it can be a solution for consumers to book hotels without being confined by space and time and the majority of tourists use the Internet and social media to make hotel reservations.

Different to investment in general that pivot on tangible benefits, such investments online, many pivot on intangible benefits. Therefore, it takes a special technique for assessing the investment in information technology. One of the easiest technique is to use a method Enhanced ROI (Return On Investment). Enhanced ROI is a valuation technique based on the theory of information technology investments Economic Information

Enhanced ROI ever used in a study conducted by Chandra (2012) in the retail industry at Jumbo Supermarkets Manado illustrates that the use of enhanced ROI in the assessment of investment in information technology is an effective technique. The same is done by Hendri Sopryadi at the College of ABC illustrates that e-learning is an effective project to improve services to students.

Based on the phenomenon of the increase in the potential of internet users in Indonesia, but the use of investing using information technology (IT) are still rare. Without using a clear basis for calculation. So researchers interested in studying about ROI Model Application Development in the Hospitality Industry Website Based on the Hospitality Industry in Bandung.

2 LITERATUR REVIEW

2.1 Definition and Benefits of E-Commerce

Based on the marketing mix, promotional products can be made through e-commerce. According Varmaat (2007) E-commerce or electronic commerce

stands (in the electronic trading), is a business transaction that occurs in the electronic networks, such as the internet. Anyone who can access a computer, has a connection to the internet, and have a way to pay for goods or services they buy, can participate in e-commerce and According Wong (2010) understanding of electronic commerce is the purchase, sale and marketing of goods and services through electronic systems. Such as radio, television and computer network or internet.

E-commerce has some merit, be it organizations, companies and society itself, following some of the benefits of e-commerce (Suyanto, 2003). For organizations ecommerce owners can expand the market place to the market of national and international, can easily find more customers, suppliers better and business partners that best matches from all over the world, lowering the cost of manufacture, processing, distribution, storage, and search information using the papers, and the time between capital outlay and acceptance of products and services.

For consumers, e-commerce allows customers to shop or conduct transactions 24 hours a day throughout the year from almost any location, providing more choice to customers, they can choose a variety of products from many vendors, provides products and services that are not expensive to customers with how to visit many places and conduct quick comparisons, customers can receive the relevant detailed information in seconds, not days or weeks and the benefits to the community, e-commerce allows people to work in the house and not have to leave the house to shop. This results in lowering the density of traffic flow and reduce air pollution streets, allowing people in third world countries and rural areas to enjoy the variety of products and services that will be difficult they get no e-commerce.

2.2 Financial Performance Measurement

According to Sutrisno (2009) "the company's financial performance is an achievement achieved by the company in a certain period that reflects the level of the company's health."

The final result of the process of financial recording is, the financial statements. The financial statements are a reflection of the achievements of the company's management at a certain period. "To understand the condition of the company, the necessary analysis of the company's financial statements" (Suad and Enny, 2006).

The factors that affect the company's financial performance by Susan (2006) are:

2.2.1 Liquidity Performance

"Liquidity is the ability of companies to repay all short-term obligations at maturity" (Susan). Measurements contained in liquidity are as follows:

- Current Ratio;
- Quick Ratio;
- Cash Ratio;
- Working Capital to Total Assets Ratio.

2.2.2 Leverage Performance

"Leverage shows how much the company needs funds financed by a loan" (Susan, 2006). Measurements contained in leverage that is, as follows:

- Total Debt to Total Assets Ratio;
- Total Debt to Total Equity Ratio;
- Time Interest Earned Ratio;
- Fixed Charge Coverage Ratio;
- Debt Service Coverage Ratio.

2.2.3 Performance Activities

"Activities that is, to measure the performance of asset utilization effectiveness in generating sales of an enterprise" (Susan, 2006). Measurements contained in that activity, as follows:

- Total Assets Turnover;
- Receivables Turnover;
- Receivables Collection Period;
- Inventory Turnover;
- Average Day's Inventory.

2.2.4 Performance Activities

"Activities that is, to measure the performance of asset utilization effectiveness in generating sales of an enterprise" (Susan, 2006). Measurements contained in that activity, as follows:

- Gross Profit Margin (GPM);
- Operating Profit Margin (OPM);
- Net Profit Margin (NPM);
- Return On Asset (ROA);
- Return On Equity (ROE);
- Return On Investment (ROI);
- Earning Per Share (EPS);

2.2.5 Performance Market Value

"The performance of the market value used to measure the extent to management's ability to create a market value that exceeds the cost of capital" (Susan, 2006: 64). Measurements contained in market value are as follows:

- Price Earning Ratio (PER);
- Price to Book Value (PBV).

From the above it can be concluded that the financial ratios reflect certain aspects. Financial ratios are very helpful to facilitate the analysis of financial performance used by internal and external parties in decision-making.

2.3 Profitability

One of the goals of the company is to benefit as much as possible. Thus, to determine a company's profits have been achieved or not, the need for a measuring instrument. It stretches in line with the statement Arfan and Teddy (2009) "profitability is the company's main objective in generating a return on capital that had been planted by the investor or owner of the company."

Profitability measurement tool is as follows:

2.3.1 Gross Profit Margin (GPM)

"This ratio indicates the company's ability to generate gross profit (because the value is taken numerator is the gross profit) on sales" (Alexandri, 2009).

2.3.2 Operating Profit Margin (OPM)

"This ratio describes what is commonly called" pure profit "earned on any income received from sales made" (Syamsuddin, 2007).

2.3.3 Net Profit Margin (NPM)

NPM calculates the extent to which the company's ability to produce a net profit at the level of certain sales. Profit margins are high indicates the company's ability to generate high profits at a certain level of sales. "In general, a low ratio indicates inefficiency of management" (Susan, 2006).

2.3.4 Return on Assets (ROA)

"This ratio measures a company's ability to generate profits based on the level of certain assets" (Susan, 2006).

2.3.5 Return On Equity (ROE)

"This ratio measures a company's ability to generate profits based on the share capital of certain" (David and Kurniawan, 2010). According to James and John (2009) "Return On Equity (ROE) is the ratio of net income to total capital, which measures the rate of return on the investment made by the investor."

2.3.6 Return On Investment (ROI)

"This ratio shows the company's ability to generate net profit by its assets" (David and Kurniawan, 2010).

2.3.7 Earning Per Share (EPS)

"EPS describe the amount of benefits to be obtained for each share," (Susan, 2006). From the above statement, then the company's profitability is efficiency in using its assets and capital to generate profits. The better a company manages its capital and assets, the profit generated will be increase well.

3 METHODOLOGY

The method used in this research is quantitative The research was conducted in 2017. The location and object of the study was conducted in the hospitality industry in Bandung City. Sampling is done by purposive sampling method. Respondents selected were respondents who had the following characteristics: (1). hotel business actors, (2). know clearly about the variables studied. Qualitative research usually uses non probability sampling (including in the purposive sampling) (Arikunto, 2010; Riduwan, 2010).

Based on its purpose, this research is descriptive. Through this type of descriptive research can be obtained a description of how the effectiveness of the ROI enhancement approach in the hotel industry in Bandung and what are the driving factors and inhibition arising from the ROI in the hotel industry of Bandung with Enhanced ROI method.

4 RESULTS AND DISCUSSION

In the city of Bandung has a lot of spread-star hotels as previously described. On the statistical data recorded that the number of hotels in Bandung each year has increased as follows:

Table 1: Total Lodging / Hotels and According to the classification in Bandung.

Classification	Total of Hotels				
	2015	2014	2013	2012	2011
5 th stars Hotels	9	10	9	9	9
4 th stars Hotels	32	28	26	25	24
3 th stars Hotels	41	40	35	30	29
2 th stars Hotels	25	25	25	25	22
1 th stars Hotels	10	9	9	10	10
1 th Melati Hotels	275	65	59	59	57
2 th Melati Hotels		83	77	75	67
1 th Melati Hotels		122	117	107	85
Total	392	382	357	340	303

Source : BPS

From Table 1.1 it can be seen that the growth in the number of hotels in the city experienced a significant increase, from 2011 to 2012 increased 37, from 2012 to 2013 increases 17. In addition other data according to the Indonesian Hotel and Restaurant Association (IHRA), West Java, the number of five-star hotel in Bandung was as follows:

Table 2: Total Member Lodging / Hotels and According to the classification in Bandung.

No.	Classification	Total of Member
1	5 th stars Hotels	10
2	4 th stars Hotels	26
3	3 th stars Hotels	66
4	2 th stars Hotels	38
5	1 th stars Hotels	11
6	1 th Melati Hotels	22
7	2 th Melati Hotels	29
8	1 th Melati Hotels	145
Total		347

Source: Association of Hotel's and Restaurant of Indonesia.

From both the data then obtained by the difference in the number of five-star hotel. This happens because the hotel registration as a member in the set is voluntary while the statistical data is the data collection shall be conducted by the city government.

Based on the description of the hotel classification and the number of hotels that are not less then the consumer is confronted by many diverse choices, therefore, various kinds of ways to be able to market of hospitality services in order to attract consumers,

especially the tourists as the main target market. Backed by the development of Internet technology (IT), hospitality promotion now also experiencing significant growth which promotions are made through the website, with consumer expectations are easier to reach out and get information about hospitality as you wish. In other words, the website is expected to provide added value and revenue for the hotel itself.

In tune with previous studies, entitled ROI in social media: A look at arguments, Fisher (2009) stated that social media is a place that has the potential to interact with customers and establish how they think because customers are more valuable to the company than just purchases made in early, so companies need to be able to give a very important factor for the impact that may provide future customers through social media. The other reason is that without realizing it, everyone especially the competitors can certainly start to do it first. Meanwhile, according to Mohammad (2013) in the Enhanced Framework for Building Successful Website for Informative Companies (2013) that no doubt when companies use the internet as a medium to sell their goods due to several reasons such as cost effectiveness, reach more customers, identify customer needs, comfort for customers, and communicate with customers.

Supported by the results of a survey conducted by Lonely planet quoted okezone.com shows that the largest percentage of 16% is occupied by the predilection of young people in the development of a website to check for flight or hotel for six hours. That they do this voluntarily to seek information from the results of the recommendations they get via instagram, of course, it can also indicate that the enthusiasm of young people for technology and social media today are very high. Therefore, it can be a great opportunity for the hospitality business to further spread its wings to reach consumers wherever they are. So the hope of increasing hotel revenue can be achieved.

5 CONCLUSIONS

Technological developments in the current era of globalization led to the business world are also involved with all the ease and speed in terms of information dissemination. Therefore, consumers no longer have to mess with having to visit the product directly, they can reach the product wherever and whenever he wants. By using online media, businesses not only bring these products closer to the

internal market, but also was able to bring to the world market.

One business that may be able to apply digital marketing or digital promotions, namely the hospitality business. As happened in the city of Bandung, with the increasing number of star hotels and five-star hotel occupancy demand higher business growth led to the better-star hotel. Therefore, especially the hospitality businesses are expected to take advantage of this opportunity to increase ROI (Return On Investment) as the financial performance in order to measure the earnings of companies in the form of assets.

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