
The importance of local culture in the marketing mix during low season in Bali

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Nyoman Gde Dewa Rucika

PhD candidate, Udayana University, Indonesia

Nyoman Gde Dewa Rucika is a seasoned hotelier with 30 years' leadership experience in the hospitality industry; he has also lectured at the Bali Tourism Polytechnic. He is presently studying for a PhD in tourism at Udayana University.

Faculty of Tourism, Udayana University, Jl. Raya Kampus Unud Jimbaran, Kec. Kuta Sel., Kabupaten Badung, Bali 80361, Indonesia
E-mail: dewarucika@gmail.com



I. Wayan Ardika

Lecturer, Udayana University, Indonesia

I. Wayan Ardika is a lecturer in the Faculty of Tourism at Udayana University. He has previously served as Dean of both this faculty and the Faculty of Humanities at Udayana University. His research interests include heritage and cultural tourism, and his work has been published in both books and journals.

Faculty of Tourism, Udayana University, Jl. Raya Kampus Unud Jimbaran, Kec. Kuta Sel., Kabupaten Badung, Bali 80361, Indonesia



A.A.P. Agung Suryawan Wiranatha

Head of the Centre of Excellence in Tourism, Udayana University, Indonesia

A.A.P. Agung Suryawan Wiranatha is the Head of Centre of Excellence in Tourism, Udayana University. His professional interests include tourism, agricultural technology and environmental sciences. He has undertaken extensive tourism research in Indonesia, and given presentations at many tourism workshops and conferences. His work has been published in both books and journals.

Faculty of Tourism, Udayana University, Jl. Raya Kampus Unud Jimbaran, Kec. Kuta Sel., Kabupaten Badung, Bali 80361, Indonesia



Made Budiarsa

Head of Tourism Doctoral Study Programme, Udayana University, Indonesia

Made Budiarsa is Head of the Tourism Doctoral Study Program at Udayana University. His professional interests include food and beverage services and linguistics. He has previously served as Director of Academic Affairs for the Udayana University Postgraduate Programme.

Faculty of Tourism, Udayana University, Jl. Raya Kampus Unud Jimbaran, Kec. Kuta Sel., Kabupaten Badung, Bali 80361, Indonesia

Abstract Tourism in Bali has suffered greatly from the impacts of COVID-19. To address this problem, this paper proposes strategies to reinvigorate the sector. Specifically, it aims to determine the appropriate marketing mix for tourism during the low season. Research for the study was conducted with expert focus groups from April 2020 to October 2020.

Following analytical hierarchy process analysis, the study finds that the promotion of local culture should play a greater part in the marketing mix. The authors therefore recommend that the regional government reschedule cultural events, such as the Bali Arts Festival, to the low season, as this should attract tourists interested in Bali's unique local culture. The suggestion that local culture should play a greater role in the marketing mix may be extended to tourism destinations worldwide, as leveraging unique selling points is more cost-effective than strategies based primarily on discounts.

KEYWORDS: local culture, marketing mix, Bali, tourism, low season, analytical hierarchy process

INTRODUCTION

The tropical island of Bali occupies an area of 559,468 hectares, or about 0.29 per cent of the Indonesian archipelago, stretching 153 km long and 112 km wide. Known as the Island of the Gods, as well as the Island of a Thousand Temples, Bali not only benefits from beautiful scenery but also possesses a unique and well-preserved culture steeped in religious ritual, with the local religion firmly embedded in almost every element of Balinese life.

Tourism is a key sector in this fast-growing province and one of the main contributors to the local economy. The industry, however, is highly vulnerable to seasonal fluctuations. During the high season, the buoyancy of the tourism industry drives economic growth in numerous other sectors; during the low season, however, many businesses find themselves having to discount their wares heavily, simply to stay in business.

The problem is exacerbated by the oversupply of hotels in the province. In 2017, Bali had 66,277 star-rated hotel rooms and 58,617 non-star-rated hotel rooms,¹ not to mention villas, inns and boarding houses. In 2019, Bali received 10,545,039 domestic tourists and 6,275,210 foreign tourists, who stayed, on average, approximately four days² and eight days,³ respectively. Based on these figures, the average occupancy rate of hotels and other accommodations in Bali reaches only 59.56 per cent and 33.03 per cent for

star-rated hotels and non-star-rated hotels, respectively.³

To address this oversupply, companies need a better understanding of the different types, characteristics and levels of tourist spending in order to adjust their marketing mix and make it more productive.⁴ This in turn requires a better understanding of tourists themselves.

Tourists may be categorised in a variety of ways. According to Kotler and Keller,⁵ the main variables are geographic segmentation, demographics, psychographics and behaviour. This kind of segmentation is very useful when it comes to identifying the most appropriate marketing mix. For example, geographical segmentation is important as outbound tourism will differ from one country to another, depending on local factors such as seasonality, among others.⁶

Cultural tourism accounts for a sizeable proportion of Indonesia's tourism, especially in the province of Bali, which has benefited from national and regional legislation to support the role of local culture in tourism.

The present research examines how the local culture in Bali provides a basis for tourism. It explores how Balinese culture could be better integrated into the marketing mix in order to reduce the impact of the low season on the local economy. By developing more sustainable tourism, the province could maximise profit for the tourism sector, and thereby reduce the economic impact of the

low season — and in turn, the likelihood of damaging price wars.

As this paper will argue, businesses in the tourism sector must endeavour to compete not solely on the basis of price, but also to target the right market with the right product, at the right time and price, via a marketing mix strategy with Balinese culture at its core. Indeed, the integration of local culture in tourism development can provide economic, physical and socio-cultural benefits to the locale in question.⁷

Local culture can serve as a unique selling point for a destination, and in this respect, the present research is of potential interest to other tourism destinations as it provides strategies for developing the role of local culture in the marketing mix. This is important because it is difficult for tourist destinations to differentiate themselves when so many have largely interchangeable shopping, beach or nightlife offerings.

METHOD

The research for this study was conducted in Bali Province between April 2020 and October 2020. The authors conducted focus group discussions and in-depth interviews with expert sources during which they discussed the marketing mix for tourism offerings in Bali.

All participants were experts with more than ten years' experience in the field of tourism in Bali, and were selected via purposive sampling. Participants included representatives from online travel agencies as well as government, academic and industry representatives with significant experience in the tourism sector. These participants were selected because they were considered to understand the various target markets in each country, and would be able to interpret the research results.

Specifically, the persons involved in the focus group discussions and subsequent interviews included representatives for: the

Chinese market (Chairman of the Bali Liang Association); the Japanese market (Chairman of Bali Rasa Sayang); the Indonesian market (Chairman of Cinta Bali); the Indian market (Chairman of Bali Namaste); the US market (Director of Agoda Indonesia); the Australian market; the European market; the Russian market; the Asean market; the South Korean market; the Balinese government (Head of the Bali Tourism Office); an academic from the field of tourism marketing (Director of Bali Tourism Polytechnic); and local industry (Executive Director of PHRI Bali and Denpasar).

Discussions with the participants were conducted using interview guides and questionnaires. To give each individual the opportunity to express their opinions, each group contained only 7–10 people.⁸

To ascertain whether local culture should be a key component of the marketing mix, policy priorities were determined using the analytic hierarchy process (AHP) method, using tourist numbers for the period 2010–2019, obtained from the Bali Provincial Tourism Office. To facilitate decision-making, Expert Choice Software v.11.5 for Windows was used.

Qualitative and interpretive descriptive methods were then used to analyse the participants' comments.

RESULTS

Determining marketing mix via the analytical hierarchy process

The initial stage of the AHP method entails weighting the importance of each criterion under consideration in order to make pairwise comparisons. The weighting value for each criterion was based on the geometric mean of the weightings assigned by the focus group participants.⁹

Based on the outcomes of the focus group discussions (see Figure 1), the three most important strategic goals (in no particular order) were identified as local culture, technology and health protocols.

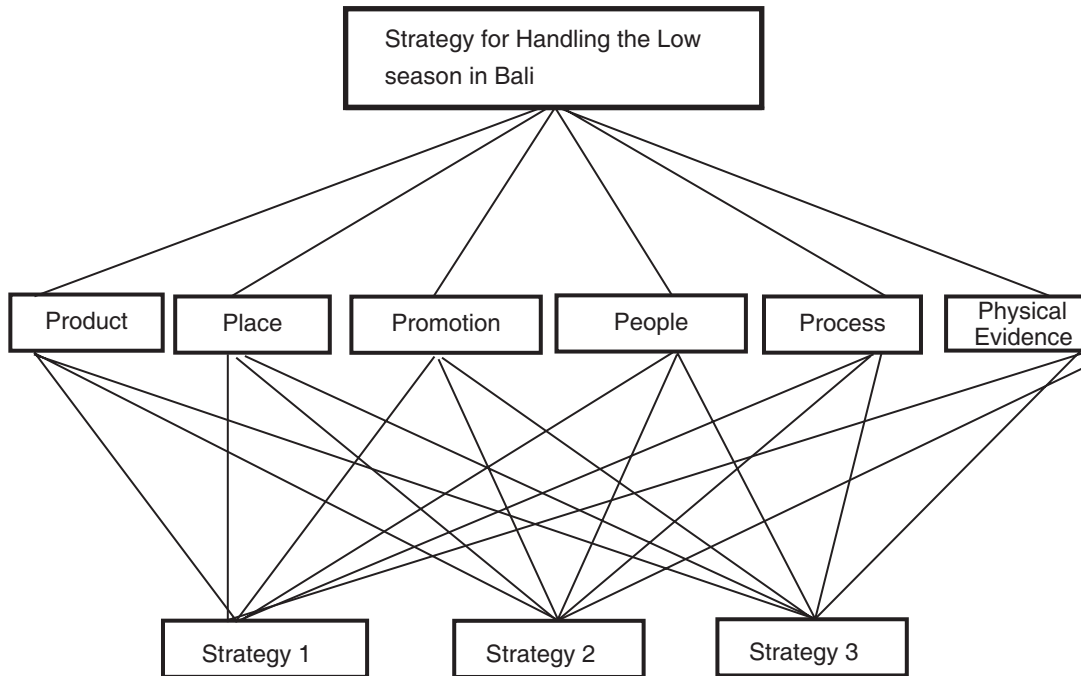


Figure 1: Research hierarchy structure
 Source : Primary data by researcher, 2020

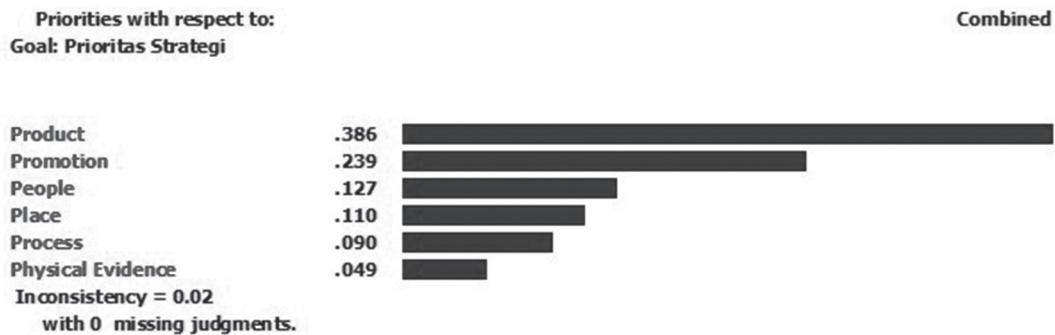


Figure 2: Paired images between criteria
 Source: Primary Data Processed, 2021

By identifying the eigenvector value of the different criteria in the marketing mix, it is possible to determine the importance of each: the greater the eigenvector value, the greater priority the criterion should have in the marketing mix.

In descending order of priority, the criteria ranked as follows: product (0.386), promotion (0.239), people (0.127), place (0.110), process (0.090) and physical

evidence (0.049) — see Figure 2. The consistency ratio value for the weighted criteria was 0.02. Where the consistency ratio value is equal to or less than 0.1, this indicates that the results of the pair-wise comparisons may be considered consistent and hence that they are acceptable.

Having prioritised the criteria, the next step is to identify how best to balance them in the marketing mix.

Product

As shown in Figure 3, health protocols have the highest score of 0.538, followed by use of technology (0.252) and local culture (0.210). This means that when it comes to product mix, more priority should be given to health protocols than technology trends and the local culture and heritage. The inconsistency ratio of 0.00776 is considered to be consistent as it is equal to or less than 0.1.

Promotion

As shown in Figure 4, in the area of promotion, technology scores highest (0.442), followed by health protocols (0.336) and local culture (0.222). This means that

the use of technology is the priority, but that due to the ongoing pandemic, more attention should be given to promoting the province’s health protocols than the local culture. The inconsistency ratio of 0.00076 is considered to be consistent as it is equal to or less than 0.1.

People

As shown in Figure 5, in the area of people, local culture scores highest (0.490), followed by health protocols (0.270) and technology (0.241). This means that that the strategy should focus more on local culture, followed by raising awareness about health protocols and then the use of technology. The inconsistency ratio of 0.00406 is considered

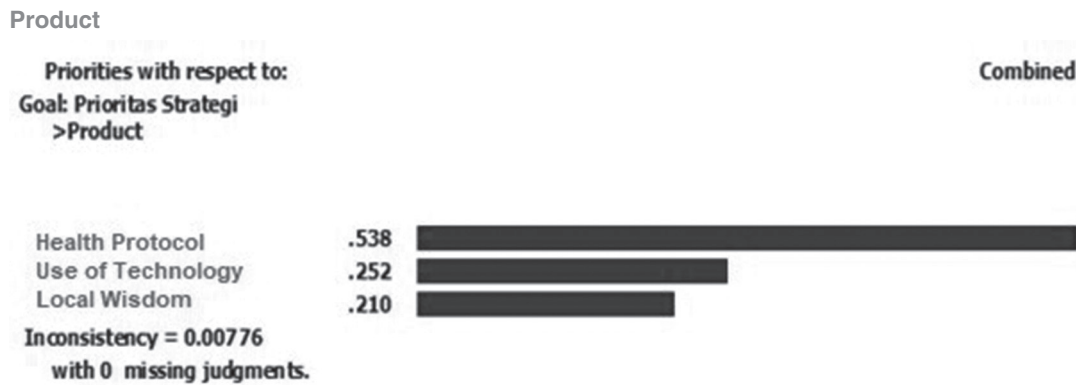


Figure 3: Paired images between criteria product and alternative strategies

Source: Primary Data Processed, 2021

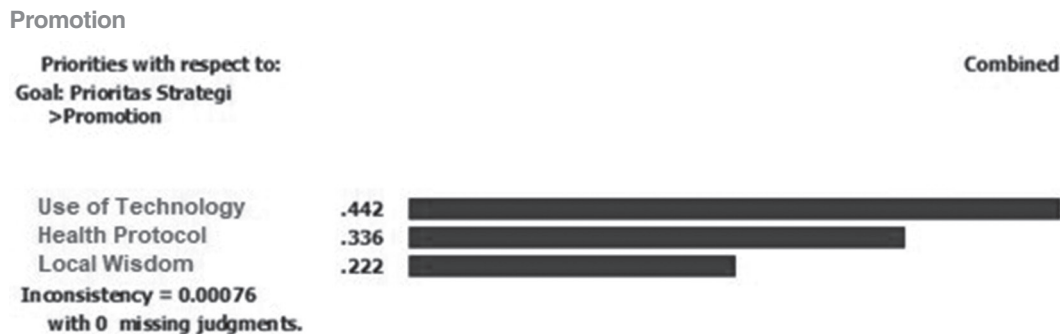


Figure 4: Paired images between the criteria of promotions and alternative strategies

Source: Primary Data Processed, 2021

People



Figure 5: Paired images between the criteria of people and alternative strategies

Source: Primary Data Processed, 2021

Place

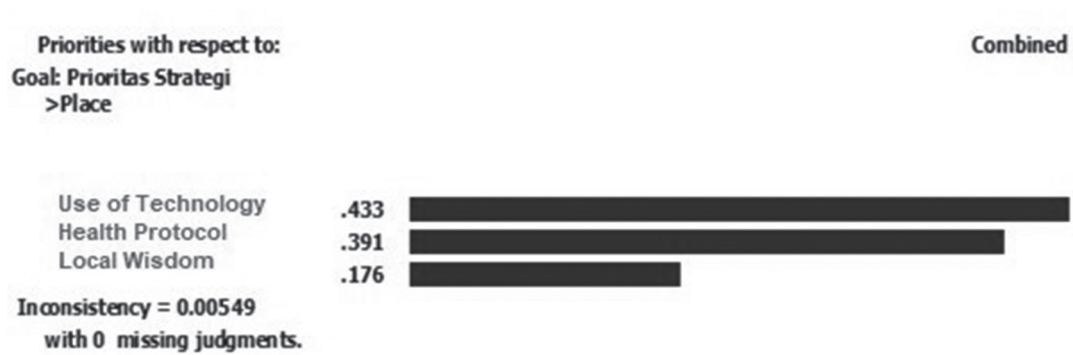


Figure 6: Paired images between the criteria of place and alternative strategies

Source: Primary Data Processed, 2021

to be consistent as it is equal to or less than 0.1.

Place

As shown in Figure 6, in the area of place (in this case the distribution channel), technology scores highest (0.433), followed by health protocols (0.391) and local culture (0.176). This means that the use of technology is the highest priority, but that raising awareness about health protocols should take priority over local culture. The inconsistency ratio of 0.00549 is considered to be consistent as it is equal to or less than 0.1.

Process

As shown in Figure 7, in the area of process, health protocols scores highest (0.612),

followed by use of technology (0.240) and local culture (0.148). In this area, health protocols should be the main priority, followed by the use of technology and then the local culture. The inconsistency ratio of 0.00003 is considered to be consistent as it is equal to or less than 0.1.

Physical evidence

As shown in Figure 8, in the area of physical evidence, health protocols scores highest (0.674), followed by the use of technology (0.186) and local culture (0.139). This means that the greatest priority should be given to raising awareness about health protocols, followed by the use of technology, and then local culture. The inconsistency ratio of 0.01 is considered to be consistent as it is equal to or less than 0.1.

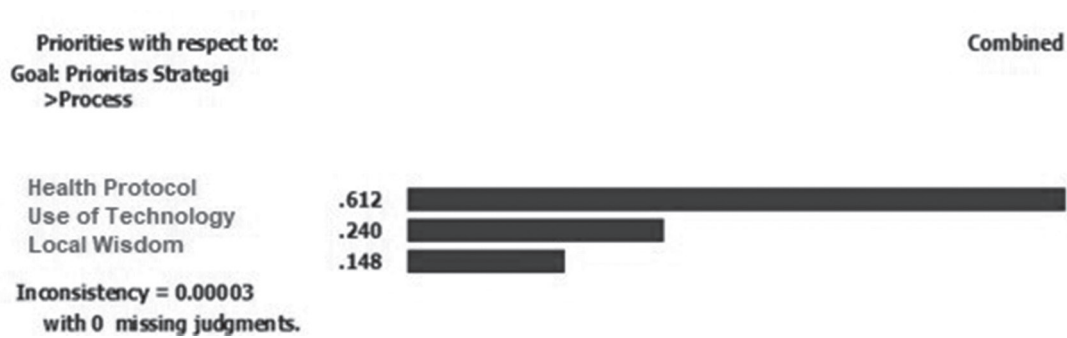


Figure 7: Paired images between the criteria of process and alternative strategies

Source: Primary Data Processed, 2021

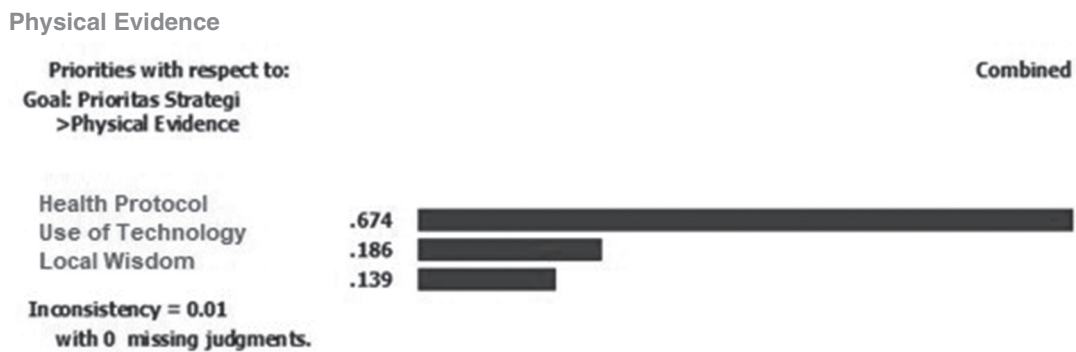


Figure 8: Paired images between the criteria of physical evidence and alternative strategies

Source: Primary Data Processed, 2021

DISCUSSION

The results of the above analysis indicate that all AHP processes from the above marketing mix are consistent with a consistency ratio of ≤ 0.1 . The analysis also confirms that the strategy priorities for each marketing mix rank as follows:

- *product*: health protocols, technology, local culture;
- *promotion*: technology, health protocols, local culture;
- *people*: local culture, health protocols, technology;
- *place*: technology, health protocols, local culture;
- *process*: health protocols, technology, local culture; and

- *physical evidence*: health protocols, technology, local culture.

Given the ongoing pandemic, it is no surprise to see that the category of health protocols has been accorded such priority. Likewise, technology now plays such a fundamental role in people’s everyday lives that it is only prudent to recognise this.

Bali’s culture and heritage, however, represent a unique selling point for the province, so their role in the marketing mix — especially during the low season — must be explored further.

Furthermore, with respect to the criterion of people, the weighting of alternative strategies prioritises local culture over health and technology protocols. In this

respect, service providers can all play a role in promoting Bali's unique local culture to customers.¹⁰

Culture-based tourism is highly important in Indonesia, especially in the province of Bali, which has benefited from regional and national regulations to protect the island's culture and heritage. With this in mind, it is crucial that those working in the tourism industry — at all levels — recognise the economic importance of local culture and embed it into their service offering, as this will provide a competitive advantage over similar destinations. This could be reinforced by integrating a cultural aspect into the government's licensing system, while the industry could implement standard operating procedures and ongoing professional development for employees.

The implementation of sustainable criteria will result in positive feedback from consumers, as can be seen from online review sites, such as TripAdvisor and the like. This in turn will have a positive impact on incoming tourism, which is of particular importance during the low season.

Indonesia's cultural heritage is central to its tourism offering. As a destination that is especially rich in unique cultural capital, Bali would do well to highlight its local culture in every aspect of its marketing mix.

The local culture in Bali is a unique selling point and should flow through all product offerings. The people of Bali are ambassadors for the local culture and their contribution to the perpetuation of that culture is manifest in the work they do and the services they provide. Culture is also disseminated through dedicated channels such as travel agents and operators, who earn their living by promoting the cultural aspects of the island. Service, in general, should celebrate the uniqueness of Balinese local culture through such greetings as '*Om Swastyastu*' and '*Panganjali*'. At the same time, it is vital to make provision for the preservation of cultural artefacts and buildings. Other options include benchmarking with other

destinations with strong cultural tourism, such as Hawaii, Thailand and the like. In turn, Bali could share best practices with other destinations looking to differentiate their tourism offering.

CONCLUSIONS AND SUGGESTIONS

This study has demonstrated that local culture is one of the three main criteria to prioritise when marketing Bali as a tourist destination. As such, it is recommended that all stakeholders in the Balinese tourist industry put the local culture at the heart of what they do. For instance, the government could help embed the local culture in the service sector by updating licensing conditions to require staff to attain a certain level of cultural knowledge or to adopt certain cultural practices in their day-to-day work, while hotels could update their uniforms to better reflect aspects of the island's heritage. At the same time, the government could reduce the economic impact of the low season by rescheduling cultural events such as the Bali Arts Festival in order to attract tourists during what has traditionally been the low season. This would help curtail the price wars that currently characterise this time of year.

In short, putting island culture at the heart of its tourism offering would provide a unique selling point for Bali that it could use to differentiate itself from competing destinations and encourage tourism in what has traditionally been its low season.

This strategy could be adopted by tourist destinations in other countries, as all nations have a cultural heritage that will have developed over centuries. For inspiration, countries should look to their stories, songs and festivals that have been passed down from generation to generation.

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