The Effect of Advertising and Price Discounts on the Interest of Tourists to Stay at Hotel (Staycation) During the Covid-19 Pandemic with Health Risk Perception as Moderating Variable

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Abstract

This study aims to analyze and determine the significance of the effect of advertising and price discounts on interest in staying at hotels (staycation) during the Covid-19 pandemic, and to determine the role of health risk perception in moderating the relationship between advertising and price discounts on interest of tourist in staying at hotels in Lombok Island. The type of research used is causal research. The population in this study is the people of the island of Lombok aged between 20 to 60 years old and above. The number of sample taken was as many as 131 people. Purposive sampling technique was adapted to determine the sample, and data was analyzed using SEM-PLS (Structural Equation Model – Partial Least Square) analysis on the SmartPLS version 2.0 application. The results showed that advertising and price discounts had a significant effect on people's interest to stay at hotels in Lombok, however health risk perceptions did not moderate the effect of advertising and price discounts on interest in staying. Therefore, future researchers can conduct further research on the subject by considering various factors and also on different research areas.

Keywords: Advertising; Price Discount; Interest on Staying; Health Risk Perception

Introduction

Since the Covid-19 pandemic was announced as a global pandemic, the tourism sector has been one of the sectors that have been severely affected. This pandemic condition has resulted in a decrease in the number of tourist visits to Lombok Island, which has an impact on the decline in the occupancy rate of hotel rooms in Lombok Island. This pandemic situation makes hoteliers unable to expect much from either foreign or domestic tourists, thus encouraging hoteliers to build new strategies to survive. One of the strategies carried out by the hotel is the promotion strategy of vacation packages by staying at a hotel or what is commonly known as a staycation.

The staycation program targets local people who want to take a vacation during the pandemic to help them overcome boredom due to working from home or school from home for too long without having to go on vacation outside the area (Raywhite, 2021). By looking at these opportunities, it is not
surprising that many hoteliers are currently competing to make promotions through advertising and price discounts to attract local people to vacation by staying at a hotel (staycation).

In this study, the definition of interest to stay adopts the notion of purchase intention. According to Kotler & Keller (2009), purchase intention is a consumer behavior that appears in response to objects that indicate the customer's desire to make a purchase. The condition of a person's buying interest can be influenced by several factors, including environmental factors and marketing stimuli (Assael, 2002). Various marketing stimuli were carried out by several hotels in Lombok island in order to attract people's interest to vacation in hotels (staycation), including promotions through advertisements and price discounts.

Doing a staycation at hotel during the Covid-19 pandemic can lead to perceptions of health risks for tourists. For example, tourists may suppose they are infected by the Covid-19 virus because hotels are accommodation facilities that are used interchangeably with other people, be it hotel room use, bed linen, towels, cutlery and so on. Kozak et al (2007) stated that health risk is the number one risk that most tourists think about when visiting a tourist destination or hotel (Kozak et al., 2007). According to Brewer et al (2007), individuals who feel at risk of contracting the disease, will take action to prevent this risk by avoiding travel. Golets et al (2020) stated that health risk perception variables, namely perceptions of disease severity, probability of contracting, and estimated duration of the pandemic are the most influential factors on weak travel intentions in 2020 and 2021.

Perception of risk plays an important role in shaping health-related behavior in controlling infectious diseases. Public perceptions of health risks can influence individual behavior, including in travel activities. Based on various theories and research results that have been stated above, it shows that tourists' perceptions of health risks affect a person's intentions and decisions to travel, so it is suspected that the perception of health risks will be able to weaken the influence of advertising and price discounts on tourists' interest in doing a staycation in the Covid-19 pandemic situation.

This study is also based on the inconsistency of the results of previous studies regarding the perception of health risks. Bae and Chang (2021) stated that perceived health risk had a significant effect on Untact's tourist behavioral intentions in Korea. Rittichaiinuwat and Chakraborty (2009) stated that the perception of the risk of travel due to terrorism and disease outbreaks led to a decrease in tourist visits to Thailand. Different results were obtained from a research conducted by Utama and Setiawan (2020) which found there was no relationship between increased health risks and the intention to travel during the Covid-19 pandemic in Greater Jakarta. Likewise, research conducted by Suardana (2017) found that risk perception was not significant as a moderator of the relationship between trust and tourist behavioral intentions.

**Literature Review and Hypotheses Development**

**Consumer Behavior**

Schiffman & Kanuk (2007) define consumer behavior as a science that describes how individuals make decisions by utilizing the resources they have (money, time and effort) to meet their consumption needs. Meanwhile, Swastha and Handoko (2000) define consumer behavior as individual activities in obtaining and using goods and services, including in making decisions on the preparation and determination of these activities. Consumer behavior analysis is somewhat very complex because there are many variables that influence it and there is a tendency to interact with each other. Furthermore, Swastha and Handoko (2000) explain that a realistic analysis of consumer behavior not only observes the obvious and easily observable factors, but also the unobservable or hard-to-observe processes that accompany the buying process.
The Effect of Advertising on Interest in Staying

According to Kotler and Armstrong (2012), advertising is any form of non-personal presentation and promotion ideas, goods or services by a particular sponsor. Adisaputro (2010) defines advertising as any paid form of non-personal presentation and promotion of ideas for goods or services by an identified sponsor. Buying interest can be influenced by two factors, namely the environment and marketing stimulus (Assael, 2002). There are many ways that a company uses to carry out marketing stimuli, including through products, prices, promotions and places. One of the common promotional activities carried out by companies is through advertising. Advertising does not only provide information about a product to consumers but is also intended to influence the feelings, meanings, beliefs and attitudes of consumers about a product.

A research conducted by Winata and Nurcahya (2017) proves that advertising messages have a positive and significant influence on buying interest. It states that if advertisements are made attractive, effective and are able to convey messages well, it can increase buying interest of the consumers. A good advertising will allow consumers to make a purchase as their buying interest comes from searching for information related to the product and the benefits of the product itself. A research conducted by Karim (2013) proved that advertising, price perception and service quality partially and simultaneously have a positive effect on repurchase interest among Airy Rooms’ users in Yogyakarta.

Based on several previous studies, the following hypotheses can be formulated:

\[ H1: \text{Advertising has a significant effect on interest in staying at hotel (staycation) during the Covid-19 pandemic.} \]

The Effect of Price Discounts on Interest in Staying

In addition to advertising, promotional activities in stimulating marketing are by using a price discount strategy. Kotler and Armstrong (2008) define price discount as a direct price reduction of a purchase within a certain period of time. The efforts to attract consumer’s buying interest can be in the form of applying a price reduction or what is often called a discount. The word discount becomes an interesting thing for buyers. Sellers or producers perceive discounts as a form of sales promotion that is fairly simple because it is only a reduction in the price of products purchased by consumers and is temporary (Boyd et al, 2010). The existence of discounts is certainly a good effort of the producers which is expected to be a separate trigger in increasing buying interest of the consumers so that consumers are willing to make transactions on products offered by producers.

A research conducted by Sundalangi et al.(2014) states that product quality, advertising attractiveness, and price discounts simultaneously and partially have a significant effect on people's buying interest. This research is supported by research conducted by Putra (2016), which states that discounts have a significant effect on buying interest. This is in line with the results of subsequent research by Alkatiri et al. (2017), which states that the attractiveness of advertising and price discounts significantly affect consumers’ buying interest either partially or simultaneously. Thus, based on previous researches, a hypothesis can be formulated as follows:

\[ H2: \text{Price discounts have a significant effect on interest in staying at hotels (staycation) during the Covid-19 pandemic.} \]

Moderation of Health Risk Perception

The Covid-19 pandemic has created a high perception of health risks for the public. According to Golets et al (2020), the health risk perception variables, namely the perception of disease severity, probability of contracting, and estimated duration of the pandemic are the most influential factors on weak travel intentions in 2020 and 2021. Individuals who feel at risk of contracting the disease, will prevent this risk by avoiding vacations (Brewer et al., 2007). Perception of health risk is a key factor
influencing the decision-making process of tourists. They tend not to visit a destination which they perceive has a high level of health risk (Williams & Baláž, 2013). Health risk can be interpreted as the risk of an unwanted event that interferes with the health of a person or group of people within a certain period of time. (Utama & Setiawan, 2020)

Bae and Chang (2021) have found that risk perception shows a significant influence on tourists’ behavioral intentions. A research conducted by Rittichainuwat and Chakraborty (2009) related to the perception of travel risks due to terrorism and disease outbreaks in Thailand, shows that terrorism attacks and disease outbreaks caused a decrease in the number of tourist visits to Thailand. Many different factors can reduce consumer interest in traveling which in turn weakens consumer interest in staying at hotels, one of which is disease outbreaks. Research by Bae and Chang (2021) has proven that the perception of risk shows a significant influence on behavioral intentions. Based on several theories and previous research, it can be concluded that the perception of health risks, especially those that can threaten the safety of a person's life, for example the current Covid-19 pandemic situation can weaken the interest of tourists to travel, including interest in staying at hotels. Based on this, the following hypothesis can be formulated:

H3: Perceptions of health risks can weaken the influence of advertising on people’s interest in staying at hotels (staycation) during the Covid-19 pandemic.

H4: Perceptions of health risks can weaken the effect of price discounts on people's interest in staying at hotels (staycation) during the Covid-19 pandemic.

**Conceptual Framework**

**Research Methods**

This research is a quantitative research which includes causal associative approach. A quantitative approach is used to identify all the concepts that are the objectives of the research (Malhotra, 2009). The population in this study is the people who live in Lombok Island. The number of samples in this research is 131 people which were determined by using purposive sampling technique. The sample criteria is people who have heard, seen, or received information related to promotions carried out by hotels in Lombok island and are between 20 years old to 60 years old.

The type of data used in this research is quantitative data. Sources of data used in this study are primary data and secondary data. The data collection technique used in this research is a questionnaire. The data collection tool used in this study was a questionnaire with a Google form application.
Data analysis in this study uses SEM (Structural Equation Modeling) based on covariance, namely PLS (Partial Least Square) on PLS application version 2.0. The PLS can be used to confirm theory (Ghozali, 2014). The PLS model contains two measurement elements, namely the structural model or commonly called the inner model and the measurement model, or the outer model. The inner model describes the relationship between latent variables in a model. The outer model describes the relationship of latent variables with each indicator (Hair et al., 2013).

Results of The Study

This study collected responses from 131 respondents. As this study used an online questionnaire form (Google form), all questions can be set "mandatory" to be filled, so that respondents had to answer all the questions asked. The characteristics of respondents are as follows: female respondents are 48% while male respondents are 52%, with the majority of respondents aged between 30-39 years old (41.4%). Complete data can be seen in Table 1.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td>Male</td>
<td>67</td>
<td>52%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>63</td>
<td>48%</td>
</tr>
<tr>
<td>Age</td>
<td>20-29 years old</td>
<td>23</td>
<td>17.8%</td>
</tr>
<tr>
<td></td>
<td>30-39 years old</td>
<td>53</td>
<td>41.4%</td>
</tr>
<tr>
<td></td>
<td>40-49 years old</td>
<td>33</td>
<td>25.5%</td>
</tr>
<tr>
<td></td>
<td>50-59 years old</td>
<td>19</td>
<td>14.6%</td>
</tr>
<tr>
<td></td>
<td>&gt;60 years old</td>
<td>2</td>
<td>10.7%</td>
</tr>
<tr>
<td>Domicile</td>
<td>Lombok island</td>
<td>131</td>
<td>100%</td>
</tr>
</tbody>
</table>

Measurement Model Test Results (Outer Model)

The measurement model (outer model) was used to examine the construct’s validity and the instrument’s reliability. According to Abdillah et al (2015), the outer model or measurement model describes the relationship between groups of indicators and their latent variables. Based on the AVE value and communality, all indicators of this research variable were declared to meet the requirements of convergent’s validity. The AVE and communality value of all variables are above the cut-off value of 0.5. Items are declared to meet the requirements of convergent validity if the AVE and communality values are > 0.5 and the outer loading is > 0.6. (Hair et al., 2013)

<table>
<thead>
<tr>
<th>Code</th>
<th>Variable</th>
<th>Outer Loading</th>
<th>Cronbach’s Alpha</th>
<th>Composite reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td></td>
<td>0.874</td>
<td>0.922</td>
<td>0.799</td>
<td></td>
</tr>
<tr>
<td>IKL_1</td>
<td>The advertisements displayed by the hotel caused an urge in me to stay at the hotel during the Covid-19 virus pandemic</td>
<td>0.881</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IKL_2</td>
<td>The content, visual appearance and ad design displayed by the hotel regarding the offer to stay during the Covid-19 pandemic has an appeal</td>
<td>0.879</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IKL_3</td>
<td>I am interested in staying at hotel during the Covid-19 pandemic after seeing the advertisement displayed by the hotel.</td>
<td>0.920</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Price Discounts**

DHA_1 The price discount given by the hotel during the Covid-19 virus pandemic is very interesting. 0.887
DHA_2 The amount of discount given by the hotel during the Covid-19 pandemic gave me the impetus to stay at the hotel 0.899
DHA_3 The period of the price discount program given by the hotel during the Covid-19 virus pandemic is quite long 0.897
DHA_4 The price discount given by the hotel during the Covid-19 pandemic applies to all room types 0.822

**Health Risk Perception**

PRK_1 Staying at hotel during the Covid-19 pandemic would be dangerous to my health 0.859
PRK_2 I feel at high risk of contracting the Covid-19 virus while staying at hotel during the Covid-19 pandemic 0.937
PRK_3 I feel less confident to stay at hotel during the Covid-19 pandemic 0.887
PRK_4 I feel very vulnerable to contracting the virus if I stay at a hotel during the Covid-19 pandemic 0.908
PRK_5 I'm worried about staying at a hotel (staycation) during the Covid-19 pandemic 0.928
PRK_6 Staying in hotel during the Covid-19 pandemic will make me stress or make my stress worse 0.797

**Staying Interests**

MME_1 I am interested in having a vacation at a hotel (staycation) during the Covid-19 pandemic 0.880
MME_2 I want to have a vacation at a hotel (staycation) during the Covid-19 pandemic 0.891
MME_3 I tend to refer others to a hotel vacation (staycation) during the Covid-19 pandemic 0.784
MME_4 I am willing to recommend to others for a vacation at a hotel (staycation) during the Covid-19 pandemic 0.885
MME_5 Staying at a hotel (staycation) is my main choice for a vacation during the Covid-19 pandemic 0.889
MME_6 Vacationing by staying at a hotel (staycation) during the Covid-19 virus pandemic is more attractive to me 0.934
MME_7 I'm always looking for information about offers on stay packages (staycation) from various hotels during the Covid-19 pandemic 0.907
MME_8 I asked people who have done a staycation during the Covid-19 pandemic for information regarding that matter 0.871

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**Structural Model Test Results (Inner Model)**

After the measurement evaluation (outer model) is fulfilled, it is necessary to evaluate the structural model (inner model). The following are the results of the evaluation of the structural model in this study.
The path coefficient or the weight of the influence of the advertising variable (code IKL) on the Interest to Stay (code MME) is 0.698, the weight of the influence of the price discount variable (code DHA) on the interest to stay is 0.109.

The PLS Structural Model can be assessed by looking at the R-square value of each endogenous variable as the predictive strength of the structural model. R-square values are 0.75; 0.50 and 0.25 which can be concluded that the model is strong, moderate and weak (Ghozali, 2016). Based on the figure 2 above, the R-square value is 0.613, meaning that the variation in the value of the interest to stay variable can be explained by the variation in the value of Advertising, Price Discount by 61.3%. This also means that the predictive ability of the model is categorized as moderate.

Hypothesis Test Results

If the value of t-statistics is higher than the value of t-table, it means that the hypothesis is supported. For the 95 percent confidence level (alpha 5%), the t-table value for the two-tailed hypothesis is ≥ 1.96 (Jogiyanto, 2009). The results of the structural model test can be seen in the image below:

The Effect of Advertising and Price Discounts on Interest in Staying

For the first hypothesis (H₁), the study obtained a t-stat of 15.896 or more than the required value of 1.96, so the conclusion taken is to accept H₁. This means that advertising has a significant effect on stay interest. For the second hypothesis (H₂), the t-stat is 2.082 or more than the required value of 1.96, so the conclusion taken is to accept H₂. This means that price discounts have a significant effect on stay interest.
The Effect of Advertising and Price Discounts on the Interest of Tourists to Stay at Hotel (Staycation) During the Covid-19 Pandemic with Health Risk Perception as Moderating Variable

For the third hypothesis (H₃), obtained t-stat value is 0.759 which is less than the required value of 1.96, so that the decision taken is to reject H₃. This also means that the perception of health risk does not moderate the effect of advertising on interest in staying. For the fourth hypothesis (H₄) obtained t-stat is 0.531 which is less than 1.96, so the decision taken is to reject H₄. This means that the perception of health risk does not moderate the effect of price discounts on interest in staying.
<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Effects</th>
<th>t-stat</th>
<th>Conclusion</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₃</td>
<td>IKL → PRK → MME</td>
<td>0.759</td>
<td>H₃ is rejected</td>
<td>PRK Non-moderation</td>
</tr>
<tr>
<td>H₄</td>
<td>DHA → PRK → MME</td>
<td>0.531</td>
<td>H₄ is rejected</td>
<td>PRK Non-moderation</td>
</tr>
</tbody>
</table>

**Discussion**

The results of data analysis on the advertising variable are in the attractive category. Research findings reveal that advertising has a significant effect on staying interest. This means that the more attractive the advertisements displayed, the stronger the people's interest in staying at the hotel, and vice versa. The dominant indicator of advertising in this study is to attract attentions, this is an important factor for hoteliers so that the advertisements displayed can be made as attractive as possible in order to attract attentions of anyone who sees it. Attractive ads are certainly supported by content, visual appearance and ad design as well as the location or advertising media used.

The results of data analysis on the price discount variable are also in the attractive category. Then statistical test shows that price discounts have proven to have a significant effect on interest in staying at hotels (staycation) during the Covid-19 pandemic. The more attractive the discounted price given, the stronger someone's interest in staying at the hotel. The results of the study show that price discounts are able to encourage consumer’s interest to stay at hotels even during the Covid-19 pandemic.

Based on the analysis conducted, it is stated that the perception of health risk can’t moderate neither the effect of advertising nor the price discounts on staying interest. This means that the perception of health risks does not weaken the influence of advertising or price discounts on interest in staying during the Covid-19 pandemic. Based on several reviews, respondents stated that a staycation at a hotel during Covid-19 pandemic is a safer vacation solution compared to crowded tourist attractions. A staycation is also considered useful for eliminating boredom and increasing the body's immune system. The stress during the pandemic makes people need a stress relieving activity, or at least a refreshment after their stressful daily routine.

Perception of risk plays an important role in shaping health-related behavior in controlling infectious diseases. Public perception of health risks can influence individual behavior, including in choosing travel activities. Perception of risk is very positively related to the act of anxiety. The lower the level of anxiety or risk experienced by the individual, the stronger the influence on the behavioral intention of tourists (Suardana, 2017). Nevertheless, the perception of health risk does not moderate (weaker) the effect of advertising and price discounts on public interest in staycations, because staycations are considered as one of the travel activities that have a low level of risk during the Covid-19 pandemic and apart from vacations, staycations are also used by certain group of people as a place to work to get rid of boredom due to working from home.

**Conclusions**

Advertising has a significant effect on interest in staying at hotels during the Covid-19 pandemic. This means that the more attractive the advertisements displayed, the stronger the public's interest in staying in hotels (staycation) during the Covid-19 pandemic. Advertisements have a greater influence on interest in staying at hotels during the Covid-19 pandemic than price discounts. Price discounts have a significant effect on interest in staying at hotels during the Covid-19 pandemic. The more attractive the amount of discounted price given, the stronger the public's interest in staying at the hotel (staycation) during the Covid-19 pandemic. The results of this study indicate that the price discount provided by the hotel can attract public’s interest for a staycation at the hotel and its influence is not weakened by the...
perception of health risks during the Covid-19 pandemic. Health risk perception does not moderate (doesn’t weaken) the effect of advertising and price discounts on interest in staying at hotels (staycations) during the Covid-19 pandemic, because staycations are considered as one of the travel activities that has a low level of risk during the Covid-19 pandemic. People tend to look for a vacation spot that is safer and has minimal interaction with people and applies good health protocols, so a staycation at a hotel during the Covid-19 pandemic is considerably the right choice.

References


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