

DEVELOPING MARKETING STRATEGY OF PT ANGKASA DWI UTAMA TO AMERICA

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ABSTRACT

PT. Angkasa Dwi Utama, our company has two subsidiaries convinced backpackerjalanjalan.com and tour and travel of Putra Hadi. As we know traveling increasingly in demand by many people and society, but foreigners who are have travelling hobbies, our company can provide tours to several countries in Asia but our company is more concerned to travel in Indonesia. Indonesia has many beautiful spots around the country, but these spots are not published well to the other country. Because of that we use online media for promotion of our business and the hidden beautiful spots in Indonesia, we use website, facebook, twitter, etc.

This company have good management systems and interesting tour and travel packages, but this company are not doing promotion well. This company is have great potential to be better, so our team try to help this company selling the product abroad specially USA.

The recommended idea from our team is using promotion by social media. We use social media because that is the quickest way to promote it without going to the targeted country. Our team is try to cooperate with another travel agent abroad which is AmericaAsia.com

Our team are very optimistic with this project to help the company being international travel agent. We are hoping that our recommended idea can help the company to get more and more travel agent partnership.

Keywords: *Tour, Travel, International Marketing, Digital Marketing, Partnership, Agencies, Tourism*

1. COMPANY PROFILE

Indonesia is a beautiful destination for the traveler around the world even for the Indonesian people. Indonesia consists of thousands of islands, hundreds of different ethnicities, hundreds of different cultures and languages, and that's why Indonesia chose the slogan "Wonderful Indonesia" for tourism promotion. The famous destination spots for the traveler are Bali Island, Yogyakarta, Lombok Island, Raja Ampat Papua, but there are some secret spots in Indonesia even more beautiful than those places. To go to all the tourism spots in Indonesia is costly and causes not all travelers to be "rich enough" to travel to all those places, so we introduce to you Putra Hadi Tour and Travel.

PT Angkasa Dwi Utama is the parent company of two subsidiaries. The subsidiaries' companies are backpackerjalanjalan.com and Putra Hadi Tour and Travel. Putra Hadi is a tour and travel company for the low-budget traveler or backpacker. Putra Hadi Tour and Travel's head office is located in Green Hills Malang, the hotline is +62822 3362 9442. This company can provide tours to some countries in Asia, but this company is more concerned to provide tours and travel in Indonesia. This company offers different package tours and travel than other companies, the difference is in the documentation for all customers; one of the best parts is using drone documentation.

1.1 Putra Hadi's Vision

This company has a motto: everyone is eligible to have safe, comfortable, and cheap tours and travels, and make your journey the best journey that you can even forget it.

1.2 Putra Hadi's Mission

Discover the new spots for travelers and make a way to go to those places
Mobilize a community-based economy

2. COMPANY READINESS

Readiness level based on CORE (Company Readiness to Export) methods

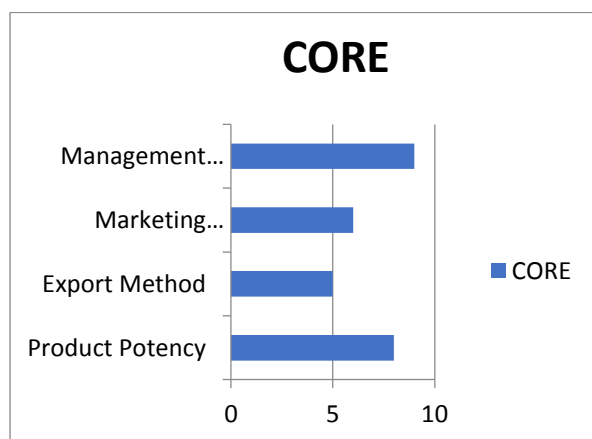


Table 2.1 CORE Analysis

Core Analysis

Management Commitment

Our group assume that the management commitment on this company is very high and is the best core value. The proof that the management commitment is very good is from the testimonial message from the customers that they are really satisfied using the service from the company. That's is from the external of the management and now from the internal of the management, the management provide various media for the consumer contact the management so the consumer know that the management is really care about the customer and did not want to lose even one customer.

Marketing Strategy

The marketing strategy of this company is good but not great, because even they have website, Facebook, Twitter, and instagram the company didn't provide the new innovation about the marketing and that was make that social media looks like very old one.

Export Method

The export method is not really difficult at all for this company, this company just have to bring the foreign people travelling in Indonesia. What our group see this company is not ready for international scale because the website didn't provide an English language, the travel package that the company provide is just from Indonesia to other country or local tourism place the company didn't provide package from the foreign country to travel in Indonesia.

Product Potency

Travelling is not just a hobby but travelling is a need for every people. So our group assume that the potency of the product is high. The next reason is travelling product are really flexible that this product can be customized for every people needs.

3. RECOMMENDED SERVICE IDEA

Our team idea is to promote the East Java tour package. This tour package is contain up to 3 tourism destination which are Sempu Island, B29, Bawean Island. why up to 3 because the traveler is free to choose where they want to go.

First we choose East Java because this province is still have a very great potential about tourism that not many people know, we choose some the unfamous tourism destination so we are not just promote our tour package but we also to promote the new tourism destination so it can increase the income of local resident. Second the foreign tourist in East Java is increased significantly from 23.357 arrival to 26.365 arrival (BPS Jatim), it's a great opportunity to promote the package to the foreign tourist.

4. COUNTRY SELECTION

Some firms—especially smaller ones with limited resources—engage in concentrated marketing. Concentrated marketing involves targeting a very select group of customers. Concentrated marketing can be a risky strategy because companies really *do* have all their

eggs in one basket. The auto parts industry is an example. Traditionally, many North American auto parts makers have supplied parts exclusively to auto manufacturers. But when General Motors, Ford, Chrysler, and other auto companies experienced a slump in sales following the recession that began in 2008, the auto parts makers found themselves in trouble. Many of them began trying to make and sell parts for wind turbines, aerospace tools, solar panels, and construction equipment (Simon, 2009).

In 2015, number of arrivals for Indonesia was 10.4 million. Number of arrivals of Indonesia increased from 5.03 million in 1996 to 10.4 million in 2015 growing at an average annual rate of 4.21 % (Number of Arrivals for Indonesia 2015).

We choose America because in this article conclude that America is the biggest country that the people do travelling (Buol2017). The next amazing facts is the foreign tourist from America to Indonesia is decrease in this years, as we conclude that the American tourist is spent the travel money to different country or spent it domestically. That is our team mission to attract the American tourist spend the money to Indonesia.

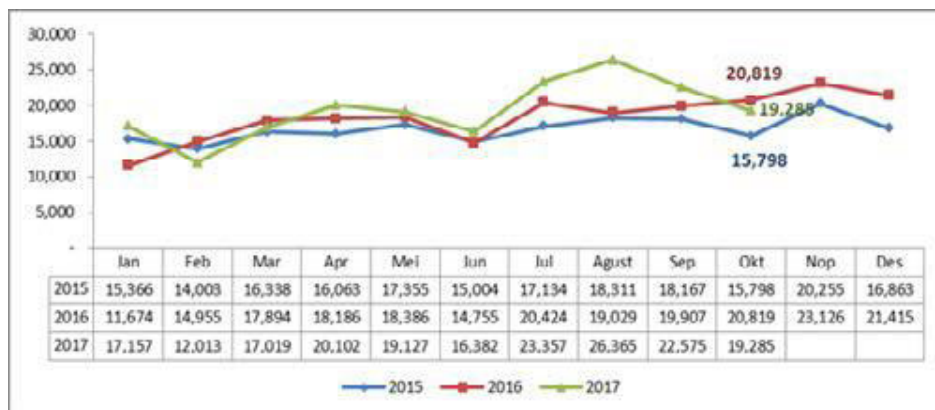


Table 4.1 Foreign Tourism Growth In East Java (BPS Jatim 2017)

5. MARKETING STRATEGY

The marketing strategy is the way in which the marketing function organises its activities to achieve a profitable growth in sales at a marketing mix level (Kotler1997). A marketing strategy may be defined as a plan (usually long term) to achieve the organisation’s objectives as follows:

By specifying what resources should be allocated to marketing.

By specifying how these resources should be used to take advantage of opportunities which are expected to arise in the future.

Identifying, Planning, Organising

Marketing strategy would consist of the following:

Identifying markets and customers needs in those markets.

PT. Angkasa Dwi Utama targeted customers in America. The company choose America as a target. America is four season country which are summer, spring, autumn and winter, the american have a need for a vacation in the winter. American usually take the vacation to

tropist country while it's winter at America. The company can solve these needs, our company can provide tour and travel in Indonesia.

Planning products which will satisfy the needs of these markets.

The company provides a tour and travel package "East Java Hidden Paradise". This tour and travel packages destination are Bawean Island, Sempu Island, B29. Traveller can choose the destination based on their needs. Bawean Island provides calm and warm spot. Sempu Island provides romantic and natural spot. B29 provides cool and beautiful spot.

Organising marketing resources, so as to match products with customers in the most efficient and effective way possible, ie, so as to maximise customer satisfaction and the organisations profits or sales revenue at the same time".

Pricing Strategy

Price management is a critical element in marketing and competitive strategy and a key determinant of performance. Price is the measure by which industrial and commercial customers judge the value of an offering, and it strongly impacts brand selection among competing alternatives (Shipley and Jobber, 2001). Apart from world-class product development, pricing is key to success. Pricing is vital in attracting and capturing demand. Pricing is also fundamental in optimizing your product's true worth out there in the real market place (Yeoman and McMahon, 2004).

Several studies have been done on pricing strategies, each giving it different approach, use different methodology and hence resulting to varied findings. For example, Paul and Ivo (2013) related price strategies and price setting practices by use of survey method and hypothesis testing on 95 respondents, showed that price strategies and price setting are related because strategies are implemented through price setting practices. Howard and James (2013) based their study of the effect of decision context on perceived risk in pricing strategies on attribution theory where more than 100 business managers were used and findings suggest that when uncontrollable environmental factors dominate pricing managers tend to select pricing strategies with external orientations to deflect risk away from themselves personally

What we use for the pricing strategy is Value-based pricing. We used Value-based pricing because our company want the customer to try this product, if the customer already experienced this product they can recommend this product to the others. This is a key concept for a relatively new product within the market, because without the correct price, there would be no sale.

Distribution Channel

Like most industries, being a part of the tourism industry requires you to have industry specific knowledge to create and run a successful business. Understanding the distribution systems, recommended rates of commission, and the roles of various booking agents is essential for a successful business. This section has been designed to aid you in your understanding of the tourism industry.

To explain it simple, there are two ways of reaching potential customers:

DIRECTLY - You can target visitors directly through advertising, brochure distribution, website, social media, client referrals and so on.

INDIRECTLY - Another way to promote your business is through a third party (indirectly) by using tourism distribution channels such as retail travel agents, wholesalers and inbound tour operators. (TourismCouncilAustralia2017)

We choose to use directly and indirectly distribution channel. Indirectly distribution methods are using Facebook ads and advertisement on Expedia website, foreign tourism in America can book the vacation directly using the website of Putra Hadi Tour & Travel. Directly distribution method we are cooperate with tour and travel agent at America. The travel agent is America Asia Travel Center Inc., our team are try to contact the company and offer our package to them.

Promotion

It has been established in literature that only consumers with repeat purchases are profitable (Nagar, 2009). It is not every repeat purchase that is connected to consumer's commitment of a brand. However, consumer's commitment is important for a repeat purchase. Therefore, business operators need to develop marketing programmers that will not only reinforce customer's commitment but also encourage repeat purchases. A part of the functions of sales promotions not only to reinforce commitment of consumers but to encourage repeat purchases. Effects of sales promotion on consumer behavior have been widely studied in literature (Nagar, 2009). Sales promotion has effects on various aspects of consumer's purchase decisions such as brand choice, purchase time, quantity and brand switching (Nijs, Dekimpe, Steenkamps and Hanssens, 2001); consumers' sensitivity to price (Bridges, Briesch and Yim, 2006)

Our team use social media to promote this tour and travel package. The social media which are YouTube, Instagram, Facebook. We use social media promotion because it's reliable and cheap promotion. The promotion content are documentation of the previous customer and give discount at special days.

Our idea is to create advertisement on expedia website and on facebook pages. We choose to advertise in expedia because the most American people use expedia to book the flights and hotel to stay, expedia is the leader market for travel accomodation in North America (Alexa.com2017). We choose facebook because it's very cheap to advertise in facebook and we can set the target audiences from age, hobby, job, etc. So it's really efficient and effective to use facebook advertisement, and we know that American people is number one visitor at facebook.

6. EXPORT PROCESS

Tourism Marketing Abroad, directed to bring in as many foreign tourists as possible, through the promotion and management of focused market segments, including: (1) improving the image of Indonesian tourism; (2) developing tourism marketing strategies and communications according to regional market focus (Southeast Asia, Asia Pacific, Europe, Middle East, America and Africa); (3) enhancing the promotion of thematic tourism products (natural, cultural, artificial tourism) in the market focus.

Some of the strategic activities of foreign tourism marketing development:

Branding wonderful Indonesia as the World's Main Tourism Destination through electronic, digital / non digital media and social media for overseas market such as Discovery Channel, Fox, MNC, Google Indonesia, Trip Advisor, Amazing Race;

Formulation of Message Contents Integrated Tourism Promotion between National, Provincial, and District/City.

Tourism marketing with method BAS, DOT and POS (Ministry of Tourism Indonesia 2017)

Our team use the same strategy to internationalization the product abroad. The Strategy is Branding Advertising Selling (BAS). First branding this tour package to Wonderful Indonesia, the package name format is changed to Hidden Paradise East Java by Wonderful Indonesia. Second is advertising in social media, tour accommodation website in USA, advertise google ads. The last is Selling this tour and travel package by join festival, exhibition in target country.

7. EXPORT RISK

A fundamental worldwide issue is to critically assess how potential holiday seekers perceive the concept of risk and safety as related to tourism. It is particularly essential in the actual political and socio-economic situation when travelers are facing an increasing risk when they travel away from their usual place of stay. Today, the probability of risk that an individual will be a victim of terrorism, international conflict, health hazard or natural disaster is very considerable. If the tourism industry is going to be successful, a thorough understanding of international tourists' perceptions of risk and safety is required. Ensuring safety is therefore a prerequisite and the minimum for the basic operations of the tourism industry. As a result, the issues of risk and safety within the tourism industry justify attention and research.

The five major risks associated with tourism are "terrorism" (Richter, 2003), "war and political instability" (Sonmez, Apostolopoulos, & Tarlow, 1999), "health" (Richter, 2003), "crime" (Dimanche & Lepetic, 1999), and "cultural and language difficulties" (Basala & Klenosky, 2001). "These risks are of growing importance in the global tourism environment and present threats not only to tourists but also host societies and the tourist's home nations" (Richter, 2003).

Many researchers make a clear distinction between safety and security but some tourism and hospitality researchers do not. It is important to know that tourism security and safety are not alike to other forms of security and safety. Due to the unique characteristics of the service industry in which the tourism industry forms part, some researchers have come up with a new definition; 'Rather than divide safety from security, some tourists' experts merge these two notions into one overall term, "tourism surety", (Tarlow, 2007b). Assuring people of safety and security at destinations is an essential condition for tourism growth (Cavlek, 2002).

8. RECOMMENDATION

A travel agency is a business that operates as the intermediary between the travel industry (supplier) and the traveller (purchaser). Part of the role of the travel agency is to market

prepackaged travel tours and holidays to potential travellers. The agency can further function as a broker between the traveller and hotels, car rentals, and tour companies (Goeldner & Ritchie, 2003). Travel agencies can be small and privately owned or part of a larger entity.

Putra Hadi Tour and Travel is a small travel agency in Malang. This agency still can be improved to become the international travel agency. Our team recommendation for the companies are keep update advertisement at social media, make the priority member card for loyal customer. The budget for advertisement must be larger by the year. Priority member card is using for the company listing the loyal member, so the company can give special services to the loyal member.

9. CONCLUSION

Putra Hadi Tour and Travel must improve the business, specially from internal. Putra Hadi Tour and Travel still not competitive with other tour and travel company. The company must improve their social media, website, and the tour package. So in 5 years this company can provide good service and packaging standard international. This company can imitate the marketing method of the other company in the same sector, the other company can be bigger because of their relations with the consumer and that was the main point of service industry. We are hoping this journal can help the company to go International. This journal can be the first step to make the company go bigger and sell the service international. Last but not least, if this journal cannot be applied by the company, this journal can give the newest data of the real condition on this sector.

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