



MARKETING MIX STRATEGY IN MAINTAINING BUSINESS EXISTENCE FOR EXPATRIATES DURING THE COVID-19 PANDEMIC

by

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ABSTRACT

Tourism is an industry with strong links to other sectors as tourism can be characterized as a combination of phenomena and interrelationships through interactions with tourists, business suppliers, destination governments and destination communities. Much likely to what is happening around the world, Bali's tourism industry is also in decline due to the coronavirus pandemic. The impact is being experienced by Small and Medium Enterprises (SMEs) in the tourism services industry across various sectors, with the tourism sector itself has been experiencing losses of around Rp9.7 trillion monthly. This study was conducted at Parklife-Family Hub Bali, Canggu using a random sampling method with all customers as respondents. The analytical technique used in this study is Structural Equation Modeling (SEM) by using Partial Least Squares (PLS) approach with Smart PLS 3.0 program tool. Data analysis revealed that the variables of People, Physical Evidence, Price, Process, Product, and Advertising have a positive and significant impact on the company's existence, while the Location has a negative and non-significant impact on the business existence means that it does not play an important role in the existence of firms.

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1. INTRODUCTION

Indonesia, as a tropical tourist destination with natural resources, has been hit hard by the decline caused by various travel restrictions imposed by many countries in an attempt to curb the spread and transmission of the Covid-19 virus around the world. As what is happening all over the world, Bali's tourism industry is also in decline due to the coronavirus pandemic. This impact is being experienced by Small and Medium Enterprises (SMEs) in various sectors of tourism services industry. In order to maintain business and economic existence, tourism industry stakeholders have also proposed concrete steps to address ongoing issues in order to survive in the market. Data from the Central Statistics Office (Kemenparekraf) show that the numbers of international tourist arrivals have dropped significantly during the pandemic. The number of foreign tourist visits to Indonesia in 2020 was 4,052,923, a significant decrease of 74.84% compared to 16,108,600 visits in 2019. Meanwhile, Bali's economic growth rate was negative (1.14%) in the first quarter of 2020, but continued to decline to negative (10.98)% in the second quarter of 2020. This slow growth was due to a sharp drop in income from Bali's main sector namely tourism. Since the pandemic started in May 2020, the number of foreign tourists visiting Bali has dropped by 99.97%. Bali loses about Rp9.7 trillion each month from the tourism sector alone. As of May 25, 2020, up to 71,313 formal sector workers have been laid off and 2,570 have lost their jobs, according to data from the Bali Labor and Natural Resources Department. In the era of globalization, economic players/ enterprises have to face increasingly tough business competition by taking strategic steps for business continuity. The advent of the Covid pandemic, which has hit nearly the entire world, has paralyzed the joints of life in many areas, such as the economy and education (Rosmadi, M.L.N. (2021). There are government regulations that apply distance learning or online school rules to schools, especially

children, to stop the spread of the virus in the community. School learning is done in a virtual process by using gadgets. On the other hand, this has a negative implication that children are closed to human relationships in the world and interaction with outsiders since activities in nature and interaction among children of the same age are very essential. Suryana, S. (2019) states that soft-skills are abilities which is related to emotional intelligence, personality, social, negotiating, communication skills, as well as the ability to build relationships with others, adaptability, professionalism and mindset. These things mean that Parklife Family Center Bali has implemented competitive policies and strategies to promote its products and services according to its target market (expatriates), and is highly competitive due to government restrictions on travel and outside activities during the pandemic period. Kusumastuti, A.D. (2020) mentioning that the competence among entrepreneurs are also becoming more competitive, so business strategies need to be formulated when deciding on marketing strategies. Additionally, there are several sectors that are becoming business opportunities during the pandemic. One of them is the food and beverage industry which culinary tourism is one of the economic sectors that can resist the economic crisis since it is the main need for local community (Istiatin, 2021). Food is a very basic need for humans as it affects their existence and survival. As the culinary business grows in popularity, food and beverage industry players are implementing marketing mix strategies to achieve their marketing objectives, especially in the context of the highly competitive situation during pandemic in which the concept of marketing mix is a vital marketing tool to the business success. With the rapid development of technology due to online activities during the pandemic, executing promotions have become more effective and efficient through the implementation of marketing mix strategy by the business stakeholders (Christine, 2017 Year).

2. LITERATURE REVIEW

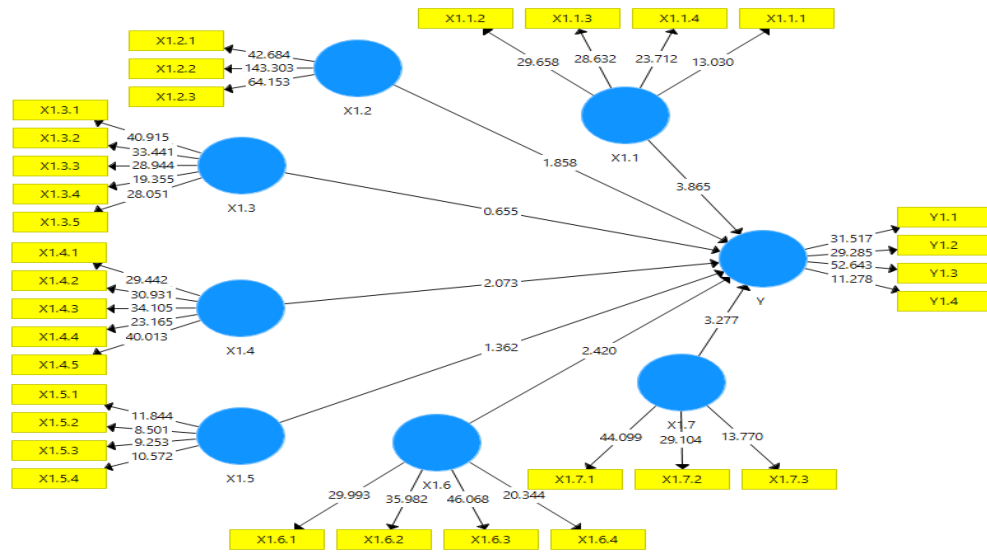
According to Fajriani (2018:42-44), marketing is a socioeconomic process based on individual and group needs by creating exchanges to achieve maximum satisfaction. A marketing strategy is the marketing logic used by a business unit to achieve its marketing goals. Marketing strategies consist of specific strategies related to markets, marketing mix goals, and levels of marketing spend (Wahyudi, 2013: 304). A company's marketing strategy must adapt to changes in the competitive environment. A company determines which customers to serve (segmentation and targeting) and how to serve them (differentiation and positioning). Therefore, corporate managers must select the most suitable market segment to serve (segmentation), determine the desired target market to enter, differentiate it, and position their products in superior markets (Nana Herdiana Abdurrahman, 2015:16). Parklife Family Center Bali's market segmentation concerns expatriates with small families who may or may not be highly productive as digital nomads. The company then designs an integrated marketing mix to generate the desired response in the target market. With a credible marketing strategy, the company designs an integrated marketing mix that can determine a company's success in pursuing maximum profit. Known as the 7P marketing mix concept, this strategy utilizes all internal marketing tools: products, prices, promotions, locations, people, processes, and physical evidence. According to Kotler & Armstrong (1997), a marketing mix is a controllable set of tactical marketing tools that a company combines to achieve a desired response in its target market.

3. RESEARCH METHOD

This survey was conducted at the Park-Life Family Hub on Jl. Raya Uma Buluh No. 15, Canggu, Kec. North Kuta, Badung Regency, Bali. The timing of the study is based on the period from the beginning of the pandemic to the present (2021-2022) by using random sampling technique. The sampling criteria for this study were consumers who had purchased different products from Park-Life Family Hub at least twice transactions with the total of 100 respondents. The data collection technique used is a closed-ended questionnaire to respondent clients using a Likert scale. The analytical technique used in this study is Structural Equation Modeling (SEM) with Partial Least Squares (PLS) method by smart PLS 3.0 program.

4. RESULTS AND ANALYSIS

Hypothesis testing is performed using p-tests (p-values) for each path of influence between variables. PLS uses simulations to perform statistical tests for each hypothetical relationship. Testing for problems with bootstrapping also aims to minimize data anomalies in the study. Bootstrap test results from the PLS analysis are shown in Figure 1 and Table 1.



Source: primary data processed, 2022

Figure 1. PLS boss analysis result Bootstrapping

Hypothesis tests are performed using the t-statistic and examine the p-values. If the t-statistic is the t-table value (1.96) or 0.05 with p-value < 1.96, then Ho is rejected and the study hypothesis is accepted. Table 5.9 shows that location has a negative and insignificant effect on the business existence, while people, physical evidence, prices, processes, products and advertising have a positive and significant effect on it.

Table 1. Hypothesis test results

	Original Sample	Sample mean	Standard Deviation	T Statistic	P Value
People -> Eksistensi Bisnis	0.074	0.077	0.058	1.291	0.001
Physical Evidance -> Eksistensi Bisnis	0.199	0.197	0.059	3.345	0.001
Place -> Eksistensi Bisnis	-0.067	-0.067	0.091	0.754	0.451
Price -> Eksistensi Bisnis	0.198	0.205	0.073	2.722	0.007
Process -> Eksistensi Bisnis	0.214	0.214	0.093	2.292	0.022
Product -> Eksistensi Bisnis	0.356	0.357	0.102	3.507	0.000
Promotion -> Eksistensi Bisnis	0.230	0.218	0.114	2.028	0.043

Source: primary data processed, 2022

With a correlation coefficient of 0.074, a t-statistic value of 1.291, and a p-value of 0.001 less than the probability value or $0.001 < 0 > 0.05$, people have positive and significant influence on the existence of the company. In other words, the better the location a company owns, the less likely it is to exist, but in this case, the location metric in the marketing mix doesn't have much impact on the company's existence. This does not affect the business survival of the company. The price falls below the probability value $0.007 < 0.05$ has a positive and significant effect on the existence of the company. This means that the better price level offered, the greater the commercial viability. This process has a correlation coefficient value of 0.214, a t-statistic value of 2.292, a p-value of 0.022, and a probability value of less than or equal to 0.022, which has a significant positive impact on business existence. 0.05. In other words, the higher the comfort provided, the higher the presence level of the business. The product correlation figure is 0.356, the t-statistic is 3.507, and the p-value is 0.000, which is less than or $0.000 < 0.000 < 0.05$ has a large positive impact on the company's existence. This means that the better the product offered, the higher the commercial viability. Promotion has a significant positive impact on the company's existence with a correlation coefficient value of 0.230, a t-statistic value of 2.028, and a p-value of 0.043, less than or $0.043 < 0.043 < 0.05$ than the probability value. 0.05. In other words, the better the promotion made, the higher the presence level of the business. Meanwhile promotion is a tool for inviting, persuading and influencing consumers to consider, purchase and

consume products offered by companies and marketers. Promotion is used as a marketing communication medium to describe the brand as a tool for building relationships with customers (Kotler & Keller, 2006).

CONCLUSION

Based on the research result, and corroborated by research previously conducted by Siagian A.O. & Cahyono, Y. (2021), the variables people, physical evidence, price, process, product, and promotion have a positive and significant impact on the existence of a business. The study shows that employee have a great impacts on customer satisfaction, which in turn impacts company existence. In addition, Taali, (2018) and Tejantara et al., (2018), Kusuma & Suryani, (2017) found that aesthetic appearance factors had a significant impact on consumer interest in visiting a place. Besides, products are also used as a basis that can have an impact on consumption (Pomeroy, 2017). Products can be exploited by utilizing product mix and attributes to persuade consumers to make a purchase. Within the framework of consumer behavior, the product is one of the indicators in searching, purchasing, using, and evaluating products (Schiffman & Kanuk 2004). Furthermore, Hanaysha, J.R. (2017) also points out that if promotion is a tool for building relationships with consumers, it plays an important role in creating consumer desire to visit. On the other hand, however, it was found that the location variable has a negative and insignificant effect on existence, meaning that it does not play an important role in the existence of firms.

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