

Marketing Strategy of Trans Lampung Utama Ltd. after Raden Inten II Lampung Airport Becomes an International Airport

Husni¹, Mahrinasari MS², Ernie Hendrawaty³

^{1,2,3} Master of Management, Lampung University, Indonesia.

E-mail: ¹ hoesni_t@yahoo.com, ² pr1nch1t4@yahoo.com, ehendrawaty@gmail.com

Abstract

This study aims to see the factors that affect the marketing strategy of Trans Lampung Utama Ltd. service products after Raden Inten II Airport has been an international airport. The frequency of flight traffic, passenger volume, and other economic impacts arise as the cause of Raden Intan II Airport becomes an International Airport is a very strategic issue that might be a business opportunity for transportation companies. This study used a descriptive research design to analyze the appropriate alternative marketing strategies for Trans Lampung Utama Ltd. after Raden Inten II Airport becomes an international airport. The data were taken from a direct interview from the Directors and managers and periodic reports including financial reports, operational reports, RKAP (Work Plan and Budget) and realization of RKAP (Work Plan and Budget) and other publications relevant to this research. The research analysis used the SWOT analysis approach, QSPM (Quantitative Strategic Planning Matrix), and Grand Strategy. The results show that the work plan contained in the RKAP of Trans Lampung Utama Ltd is suitable to the results of SWOT analysis, QSPM (Quantitative Strategic Planning Matrix), and Grand Strategy of Trans Lampung Utama Ltd. This proves that the strategies resulted from the analysis can be applied in the company's business development.

Keywords: Marketing Strategy, SWOT Strategy, QSPM, and Grand Strategy

1. Introduction

To provide adequate transportation services, Trans Lampung Utama Ltd. has developed the business to several business segments outside of public transportation. This business strategy aims to improve the company performance. One of the biggest market segments owned by Trans Lampung Utama Ltd. is in the airport area, thus, the sustainability of Trans Lampung Utama Ltd. business operations depends on the sustainability of airport business operations, especially the aviation business. As proof, when the airplane ticket prices in mid-2019 was raised resulted a significant decrease of the passengers departing from and coming to Raden Intan II Airport in May 2019, a decrease of flight frequency and this also had an impact on Trans Lampung Utama Ltd. performance. Based on data from the Lampung Province Transportation Development Statistics for January - December 2019, from 80,000 passengers in January to December 2019, there was a tendency to decrease the volume of passenger arrivals to Raden Inten II Airport. This condition has a chain impact on the transportation service industry which has routes to and from Raden Inten II Airport, especially the Trans Lampung bus and taxi fleets.

Before the implementation of the first international flights, the volume of passengers in the first and second quarters was consistently at less than 2,000 passengers per month. However, after the first international flights were implemented, the number of users of Trans Lampung transportation services to and from Raden Inten II Airport increased in the third and fourth quarters with more than 2,000 passengers per month. The increase is predicted to be dominated by flights with the aim of Umrah and Hajj pilgrimage trips. The frequency of flight traffic, passenger volume and other economic impacts that arise as a result of Raden Intan II Airport that becomes an International Airport is a very strategic issue that must be taken and converted into an opportunity by the company. Based on the experience of Trans Lampung Utama Ltd. which has organized the inaugural international flight and the first Umrah flight at Raden Inten II Airport, has become sufficient capital to participate in advancing the regional economy, especially in the airport business sector. Strategy formulation that is in line with other strategic issues is an absolute must to increase the company's economies of scale. Based on this description, this research will discuss about how the strategy of Trans Lampung Utama Ltd after Radin Inten II Airport has been an international airport and what is the suitable marketing strategy for Trans Lampung Utama Ltd after Radin Inten II Airport becomes an international airport.

2. Theoretical Framework

According to David (2011), Strategic management could be defined as the art and science in formulating, implementing, and evaluating cross-functional decisions that an organization might be possible to achieve the goals. In addition, the strategic management process consists of three stages: strategy formulation, strategy implementation, and strategy evaluation. According to Alamsyah, et al (2020), the strategy formulation consist of the input stage, the matching stage, and the decision stage. One of the analytical tools that can be used for a strategic approach is the Analysis of Strengths-Weaknesses-Opportunities-Threats (SWOT). SWOT analysis is a tool to analyze the company's internal and external perspective to produce a strategy (Luis, E. et.all, 2019). In addition, it could also use the Quantitative Strategic Planning Matrix (QSPM) approach. QSPM is a technique that shows objectively the best alternative strategy (Zulkarnain, et al. 2018). QSPM is designed to determine the relative attractiveness of a viable alternative strategy by examining the main external and internal factors that characterize or influence the company (Meredith, E. et. Al. 2018).

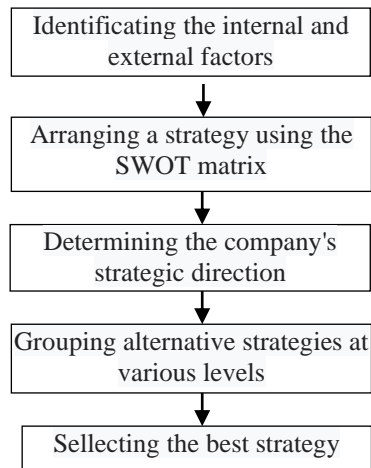
The success of company is largely determined by the producer accuracy in providing a target consumer satisfaction, where a marketing effort is subject to the consumers aimed as the target market, so that the marketing strategy is important to formulate to control the factors that exist in the business environment. According to Philip Kotler (1998: 57), he states that market-oriented strategic planning is a managerial process to develop and maintain an organization's goals, expertise, and resources based on the changeable market opportunities to form and perfect the company businesses and products so that they meet the profit and growth target.

3. Research Methodology

This study used a descriptive research design to analyze the selection of appropriate alternative marketing strategies for Trans Lampung Utama Ltd. after Raden Inten II Airport becomes an international airport. Research data were taken from direct interviews of Directors and managers, and

periodic reports including financial reports, operational reports, RKAP and realization of RKAP and other publications relevant to this research. The following are the research stages in this study which are illustrated as follows, Yang Lijie (2019).

Figure 1. Research stages



Source: *A Workable Strategy-Formulation Framework*, 2019

4. Result and Discussion

4.1 Internal Factor Analysis

The analysis of company's internal factors has been identified through interviews of several employees and the company's stake holder at manager level. The aspect of analysis of the company's internal factors includes marketing, human resources, and operation and marketing aspect. The following is the evaluation result table of internal factors.

Table 1. Internal Factor Evaluation Results

No	Internal Factor	Weight	Rating	Score
S1	Having a sufficient fleet number	0,19	4,00	0,76
S2	All transportation service products are covered by the accident insurance	0,14	3,00	0,43
S3	The business objective has a united mission with the local government in the	0,19	4,00	0,76
S4	Having a sufficient experience in the land and air communications business	0,19	4,00	0,76
W1	The operating license is limited to the transportation of the agglomeration area	0,10	2,00	0,19
W2	Limited capital	0,05	1,00	0,05
W3	Having no technology in the internal control	0,05	1,00	0,05
W4	The use of the internet in promoting products is still low	0,10	2,00	0,19

No	Internal Factor	Weight	Rating	Score
			Total	3,19
			Total	3,90

4.2 External Factor Analysis

Analysis of the company's external factors has been identified through interviews of several employees and company's stakeholders at manager level. The aspect of analysis of the company's external factors includes new competitors, substitute products, competitive business class, and political and economic conditions. The results of the observations are presented in the external factor evaluation table as follows:

Table 2. External Factor Evaluation Result

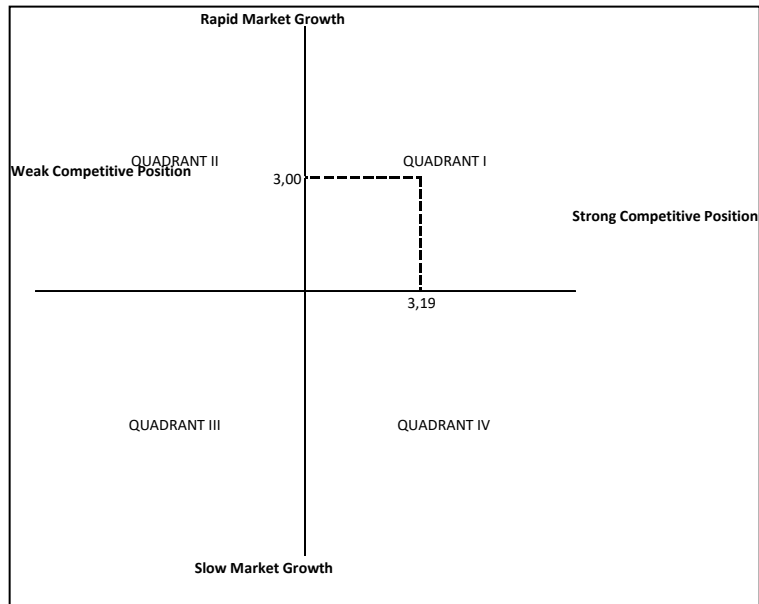
No	External Factor	Weight	Rating	Score
O1	Determination of Raden Inten II airport as an international airport	0,20	4,00	0,80
O2	The increase of market potential for air transportation service users	0,15	3,00	0,45
O3	Commitment of the Provincial Government of Lampung decides Lampung as the full 2020 Hajj embarkation	0,20	4,00	0,80
O4	All-digital lifestyle transformation	0,15	3,00	0,45
T1	The direction of company development is influenced by the political policies of the Regional Government	0,10	2,00	0,20
T2	The demand for transportation services is very elastic	0,05	1,00	0,05
T3	Increasing competitors of city bus transportation services at low prices	0,05	1,00	0,05
T4	The development of online transportation is growing rapidly	0,10	2,00	0,20
Total				3,00
Total IFE				3,10

4.3 Grand Strategy Matrix

From the IFE and EFE evaluations, a company strategy level was formulated by using a Grand Strategy Matrix with the following results:

From the results of Grand Strategy Matrix analysis above, it can be seen that the quadrant position is in quadrant I. This condition indicates that the company's competitive position in a business environment has a rapid market growth

Figure 2. Grand Strategy Matrix Analysis



4.4 SWOT Analysis

The following is an analysis of the SWOT matrix of Main Trans Lampung Ltd:

Table 3. SWOT Analysis

SWOT	<u>STRENGTHS (S)</u>	<u>WEAKNESSES (W)</u>
	<ol style="list-style-type: none"> 1. Having a sufficient fleet number 2. All transportation service products are covered by the accident insurance 3. Having a sufficient 	<ol style="list-style-type: none"> 1. The operating license is only for the transportation of the agglomeration area 2. Capital Limitation 3. Some of the fleets and

<p><u>OPPORTUNITIES (O)</u></p> <ol style="list-style-type: none"> 1. Determination of Raden Inten II airport as an international airport 2. The increase of market potential for air transportation service users 3. Commitment of the 	<p><u>STRATEGY SO</u></p> <ol style="list-style-type: none"> 1. Synchronization of business operations in line with the governmental communications program 2. Expanding business in the airport business sector 	<p><u>STRATEGY WO</u></p> <ol style="list-style-type: none"> 1. Conducting operational cooperation in business development 2. Listing of online-based product offers through e-marketplaces and
<p><u>THREATS (T)</u></p> <ol style="list-style-type: none"> 1. The direction of company development is influenced by the political policies of the Regional Government 2. The demand for transportation services is very elastic 3. Increasing competitors 	<p><u>STRATEGY ST</u></p> <ol style="list-style-type: none"> 1. Encouraging/initiating BUMD (Municipally owned corporation) management arrangements by Local Governments in accordance with GCG (Good Corporate Governance) 2. Implementing a discount 	<p><u>STRATEGY WT</u></p> <ol style="list-style-type: none"> 1. Cooperating with applicators in implementing online transportation applications 2. Expanding market segmentation

Based on the SWOT matrix above, it shows that the company can formulate an alternative strategy as follows:

- a. Synchronization of business operations in line with the governmental communications program (Strategy A)
- b. Expanding business in the airport business sector (Strategy B)
- c. Conducting operational cooperation in business development (Strategy C)
- d. Listing of online-based product offers through e-marketplaces and social media (Strategy D)
- e. Encouraging/initiating BUMD (Municipally owned corporation) management arrangements by Local Governments in accordance with GCG (Good Corporate Governance) (Strategy E)
- f. Implementing a discount strategy for consumers who make repetitive purchase (Strategy F)
- g. Cooperating with applicators in implementing online transportation applications (Strategy G)
- h. Expanding market segmentation (Strategy H)

4.5 QSPM

The QSPM matrix is presented in table 4:

Strategy	Strategy C		Strategy H		Strategy A		Strategy B		Strategy D		Strategy E		Strategy F		Strategy G		Strategy H	
	AS	TAF	AS	TAF	AS	TAF	AS	TAF	AS	TAF	AS	TAF	AS	TAF	AS	TAF	AS	TAF
	4	0,780	4	0,780	4	0,780	4	0,780	4	0,780	4	0,780	4	0,780	4	0,780	4	0,780
	3	0,439	3	0,439	3	0,439	3	0,439	3	0,439	3	0,439	3	0,439	3	0,439	3	0,439
	2	0,195	2	0,195	2	0,195	2	0,195	2	0,195	2	0,195	2	0,195	2	0,195	2	0,195
	1	0,049	1	0,049	1	0,049	1	0,049	1	0,049	1	0,049	1	0,049	1	0,049	1	0,049
	3	0,439	3	0,439	3	0,439	3	0,439	3	0,439	3	0,439	3	0,439	3	0,439	3	0,439
	4	0,780	4	0,780	4	0,780	4	0,780	4	0,780	4	0,780	4	0,780	4	0,780	4	0,780
	3	0,439	3	0,439	3	0,439	3	0,439	3	0,439	3	0,439	3	0,439	3	0,439	3	0,439
	4	0,780	4	0,780	4	0,780	4	0,780	4	0,780	4	0,780	4	0,780	4	0,780	4	0,780
	1	0,049	1	0,049	1	0,049	1	0,049	1	0,049	1	0,049	1	0,049	1	0,049	1	0,049
	2	0,195	2	0,195	2	0,195	2	0,195	2	0,195	2	0,195	2	0,195	2	0,195	2	0,195
	2	0,195	2	0,195	2	0,195	2	0,195	2	0,195	2	0,195	2	0,195	2	0,195	2	0,195
	1	0,049	1	0,049	1	0,049	1	0,049	1	0,049	1	0,049	1	0,049	1	0,049	1	0,049
		6,098																5,805
		4																6

No	Internal/External Factors	Strategy A			Strategy B			Strategy C			Strategy D			Strategy E			Strategy F		
		AS	TAS	TAF	AS	TAS	TAF	AS	TAS	TAF	AS	TAS	TAF	AS	TAS	TAF	AS	TAS	TAF
S1	Having a sufficient fleet number	4	0,84	3	0,41	4	0,76	3	0,43	3	0,500	3	0,474	3	0,500	3	0,474	3	0,474
S2	All transportation service products are covered by the	3	0,47	3	0,41	3	0,42	3	0,43	3	0,500	4	0,842	3	0,500	4	0,842	3	0,474
S3	The business objective has a united mission with the local government in the transportation affair scope	4	0,84	4	0,74	3	0,42	4	0,78	4	0,889	3	0,474	4	0,889	3	0,474	3	0,474
S4	Having a sufficient experience in the land and air	3	0,47	4	0,74	4	0,76	4	0,78	3	0,500	3	0,474	3	0,500	3	0,474	3	0,474
W1	The operating license is limited to the transportation of	1	0,05	1	0,04	1	0,04	1	0,04	1	0,056	1	0,053	1	0,056	1	0,053	1	0,053
W2	Limited capital	1	0,05	1	0,04	2	0,19	1	0,04	1	0,056	1	0,053	1	0,056	1	0,053	1	0,053
W3	Having no technology in the internal control	2	0,21	3	0,41	2	0,19	1	0,04	1	0,056	1	0,053	1	0,056	1	0,053	1	0,053
W4	The use of the internet in promoting products is still low	2	0,21	2	0,18	1	0,04	2	0,19	1	0,056	1	0,053	1	0,056	1	0,053	1	0,053
O1	Determination of Raden Inten II airport as an	4	0,84	4	0,74	4	0,76	4	0,78	4	0,889	3	0,474	4	0,889	3	0,474	3	0,474
O2	The increase of market potential for air transportation	3	0,47	4	0,74	4	0,76	4	0,78	3	0,500	4	0,842	3	0,500	4	0,842	3	0,474
O3	Commitment of the Provincial Government of Lampung	4	0,84	4	0,74	4	0,76	3	0,43	4	0,889	3	0,474	4	0,889	3	0,474	3	0,474
O4	All-digital lifestyle transformation	2	0,21	3	0,41	3	0,42	4	0,78	3	0,500	4	0,842	3	0,500	4	0,842	3	0,474
	The development of online transportation is growing	1	1	9		9			0										
T1	The direction of company development is influenced by	2	0,21	2	0,18	2	0,19	2	0,19	2	0,222	1	0,053	2	0,222	1	0,053	2	0,211
T2	Permintaan jasa transportasi sangat elastis	1	0,05	3	0,41	2	0,19	2	0,19	1	0,056	2	0,211	1	0,056	2	0,211	1	0,053
T3	The demand for transportation services is very elastic	1	0,05	1	0,04	1	0,04	1	0,04	1	0,056	2	0,211	1	0,056	2	0,211	1	0,053
T4	Increasing competitors of city bus transportation	1	0,05	1	0,04	2	0,19	2	0,19	1	0,056	2	0,211	1	0,056	2	0,211	1	0,053
	TOTAL		5,07		0,27		0,19		0,19		5,778		5,789		5,778		5,789		5,789
	PRIORITY		5		1		3		2		8		7		8		7		7

From table 4, it can be seen that the priority alternative strategies have been weighted and ranked as follows:

Priority 1 Strategy B Expanding business in the airport business sector

- Priority 2 Strategy D Listing of online-based product offers through e-marketplaces and social media
- Priority 3 Strategy C Conducting operational cooperation in business development
- Priority 4 Strategy G Cooperating with applicators in implementing online transportation applications
- Priority 5 Strategy A Synchronization of business operations in line with the governmental communications program
- Priority 6 Strategy H Expanding market segmentation
- Priority 7 Strategy F Implementing a discount strategy for consumers who make repetitive purchase
- Priority 8 Strategy E Encouraging/initiating BUMD (Municipally owned corporation) management arrangements by Local

4.6 Discussion

After knowing the alternatives and priorities for each strategy, then an assessment is carried out according to the work plan that has been determined in the RKAP of Trans Lampung Utama Ltd. in 2020.

Table 5. Suitability of the Work Plan in the RKAP of TLU Ltd. with Analysis Results Strategy

No	RKAP of TLU Ltd in 2020	Analysis Results Strategy	Suitability
1	Airport business development through Umrah charter flight products	Expanding business in the airport business sector	suitable
2	Use of endorsment services for product promotion on social media	Listing of online-based product offers through e-marketplaces and social media	suitable
3	Government asset management collaboration with Angkasa Pura II	Conducting operational cooperation in business development	suitable
4	Collaboration with Grab in bus ordering information through the grab bus application	Cooperating with applicators in implementing online transportation applications	suitable
5	Improved transportation services based on the routes assigned by the Government	Synchronization of business operations in line with the governmental communications program	suitable
6	Development of subscription transportation service products	Expanding market segmentation	suitable

No	RKAP of TLU Ltd in 2020	Analysis Results Strategy	Suitability
7	Discounts through digital payments	Implementing a discount strategy for consumers who make repetitive purchase	suitable
8	Initiating the regulation of the Pergub BUMD Management based on Government Regulation No. 54 of 2017 to the Government	Encouraging/initiating BUMD (Municipally owned corporation) management arrangements by Local Governments in accordance	suitable

It can be seen in table 5 that the work plan contained in the RKAP of Trans Lampung Utama Ltd suits to the analysis results strategy. This proves that the strategies of the above analysis can be applied in developing the company's business.

5. Discussion

Strategies that can be formulated by Trans Lampung Utama Ltd. based on the company's internal and external factors, including:

- a. Synchronization of business operations in line with the governmental communications program
- b. Expanding business in the airport business sector
- c. Conducting operational cooperation in business development
- d. Listing of online-based product offers through e-marketplaces and social media
- e. Encouraging/initiating BUMD (Municipally owned corporation) management arrangements by Local Governments in accordance with GCG (Good Corporate Governance)
- f. Implementing a discount strategy for consumers who make repetitive purchase
- g. Cooperating with applicators in implementing online transportation applications
- h. Expanding market segmentation

Based on their attractiveness, the available strategic alternatives can be ranked as follows:

- a. Expanding business in the airport business sector
- b. Listing of online-based product offers through e-marketplaces and social media
- c. Conducting operational cooperation in business development
- d. Cooperating with applicators in implementing online transportation applications
- e. Synchronization of business operations in line with the governmental communications program
- f. Expanding market segmentation
- g. Implementing a discount strategy for consumers who make repetitive
- h. Encouraging/initiating BUMD (Municipally owned corporation) management arrangements by Local Governments in accordance with GCG (Good Corporate Governance)

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