

FIND THE BEAUTY IN INDONESIA WITH ONGIS TRAVEL

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ABSTRACT

Ongis travel is a tour operator which is located in Malang City, the hospitality that Ongis Travel offered as a guide to accompany your journey down the sights of interest in Malang City, East Java and beyond. Ongis Travel hope that visiting as a rarely activities will be more than just fun; therefore it is our pleasure to professionally make your sightseeing experience into recording a memorable footsteps. Malang City has a variety of charm in their tourism that is interesting to be explored. In this city Ongis Travel has been born and has been groing up by guiding domestic or foreign tourist. In the spirit of Ongis Travel services, we capture every moment of exquisite happiness. Therefore, the decision of choosing Ongis travel is a privilege worth.

Ongis Travel marketing are up to date and they are using all kinds of social media like Instagram, website and Facebook. Ongis Travel update their tour in videos and post it on YouTube which the edit of the video, camera quality is too good to be compared with other tour and travel in Malang City. However, Ongis Travel post all of their marketing in Indonesian language so the foreign customers cannot actually understand it.

Recomended Service Idea for Ongis Travel is to make a promotion using digital marketing that will be written or spoken in English language and Team 16 will make a business proposal regarding partnership with other tour and travel agency or agent in Europe and United State. In the business proposal there will be written both law regarding the agreement that both parties wanted. This proposal will be signed and approved in legal international business law.

The distribution channel that has ben chosen by Team 16 are Tour and Travel Agency in USA and Europe, and Tour and Travel Agent. The partnership will be beneficial for both parties because Ongis Travel, Tour and Travel Agencies and Tour Agents will exchange customer, Indonesian traveler that wanted to travel to Europe or USA will be given to Tour and Travel Agencies and Tour Agents and Foreigners that apply in Tour and Travel Agencies and Tour Agents that wanted to travel to Indonesia will be given to Ongis Travel.

Keywords: *Tour, Travel, Digital Marketing, Partnership, Proposal, Agencies, Agents*

1. COMPANY PROFILE

Ongis travel is a tour operator which is located in Malang City, the hospitality that Ongis Travel offered as a guide to accompany your journey down the sights of interest in Malang City, East Java and beyond. Ongis Travel hope that visiting as a rarely activities will be more than just fun; therefore it is our pleasure to professionally make your sightseeing experience into recording a memorable footsteps. Malang City has a variety of charm in their tourism that is interesting to be explored. In this city Ongis Travel has been born and has been groing up by guiding domestic or foreign tourist. In the spirit of Ongis Travel services, we capture every moment of exquisite happiness. Therefore, the decision of choosing Ongis travel is a privilege worth.

These are the tour package in Ongis Travel:

2D1N, 3D2N, 4D3N, 5D4N, Malang-Batu

2D1N, 3D2N, 4D3N, 5D4N Malang-Bromo-Batu

3D2N Pacitan, 3D2N Banyuwangi, 3D2N & 2D1N Malang-Batu-Safari Park

3D2N, 4D3N Honeymoon Malang-Batu

3D2N, 4D3N Honeymoon Malang-Batu-Bromo

1.1 Vision

To become a travel agent that can be trusted in the field of tourism service with the best service quality and selection of main customers.

1.2 Mission

To help introduce and promote a wide range of cultural tourism in Indonesia particularly in Malang City.

- * To become an agent of tour and travel service with an excellence quality service.
- * To provide education about culture through a tour package that is already made.
- * To establish and enhance cooperation with all our partners, both domestic and international partners.
- * To increase the revenue contribution for the country and play a role in environmental development and service to the community.
- * To do business by observing the principle of benefits for all parties involved.

1.3 More Data about Ongis Travel

Website : www.ongistravel.com

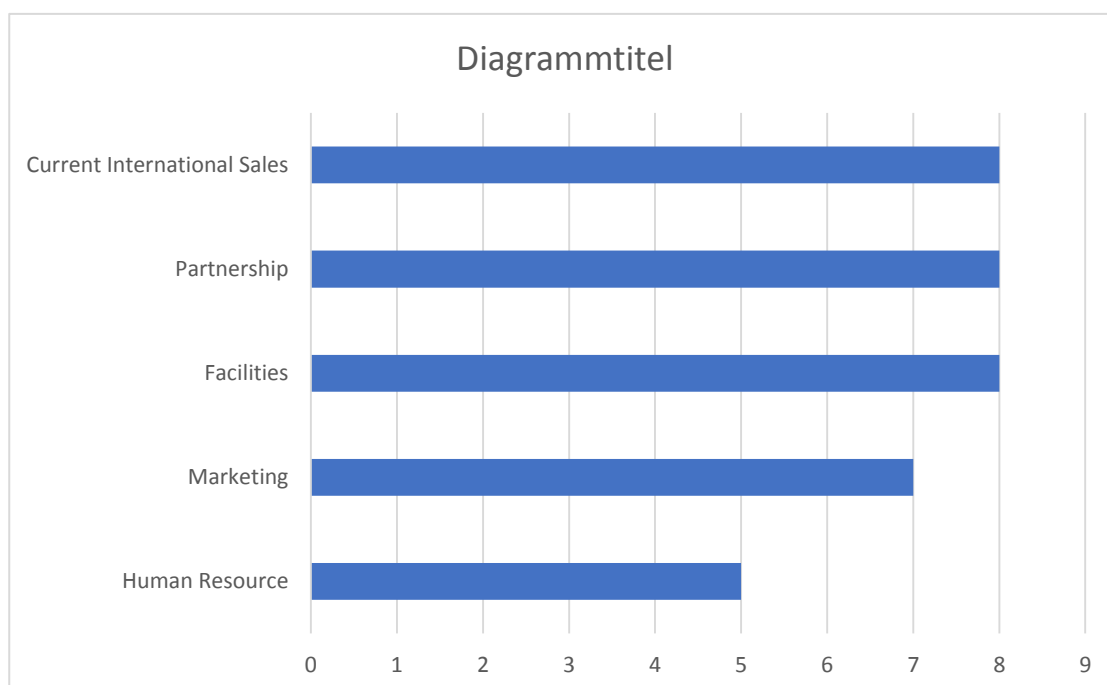
PIC of Ongis Travel : Rika / +62 812 346 1433

1.4 Current Situation

Ongis Travel is an independent tour and travel agent that is focused in Malang-Batu-Bromo tourism and East Java.

2. COMPANY READINESS

In pre internationalization of the companies is point of concern for many researches. The studies address managements' perception of export stimuli, attitude of management to go international, firm's resources and capabilities, learning process in internationalization. The factors collectively help on development of internationalization readiness index. The internationalization process is staged, so it is very important to study the pre internationalization stage to understand later stages in internationalization process. The pre internationalization is important because the study of it shows where the internationalization is originated. (Tan, Brewer, & Liesch 2007). Classifying the internationalization process model as a stage model occurred early on and has persisted. For example, it is the basis for the influential, but erroneous, critique of the model by McDougall et al. (1994, p. 475), who allege that, along with other stage theories, it posits that 'firms progress in a relatively orderly manner from local firms with ad hoc exporting to full-fledged MNEs'.



Graphic 2.1 CORE Analysis of Ongis Travel

In the Human Resource side, Ongis Travel also has quite a low score which is 5. This is because almost all of their employees, especially in the front office did not have a qualification in English. Without this skill, they can't communicate with foreign customer. However, Ongis Travel has one Tour Planner that is qualified in English and has been handling all of the foreign customers.

In the marketing side, Ongis Travel has a very good score because their marketing are up to date and they are using all kinds of social media that are famous now a days like Instagram, website and Facebook an also Ongis Travel update their tour in videos and post it on YouTube which the edit of the video, camera quality is too good to be compared with other tour and travel in Malang City. However, Ongis Travel post all of their marketing in Indonesian language so the foreign customers can't actually understand it. The next one is facilities. In facilities Ongis Travel has a very good score which is 8 this because Ongis Travel can accept all the payment from around the world with visa or MasterCard and Ongis

Travel also gave the foreign customer an insurance from their first arrival in Indonesia until their trip back to their origin country. Ongis Travel also work together with other tour and travel company in other word partnership. They help each other in kinds of things like if Ongis Travel is full in one day, Ongis will give the customer to their partner and it works the same in opposite.

From the data above in the Current International Sales side, this company has quite a high score which is 8 this is because Ongis Travel has 30% of foreign customer in over a year. A 30% of a foreign customer is quiet a huge number for a small company. If their total customer for a year is 150 groups there will be 50 foreigner groups in a year. With the lack of the human resource and marketing Ongis Travel can manage to get a 50 foreign group. We can conclude that, Ongis Travel is one of the company that classified as a good company compared to other compiles and ready to serve foreign customers. With the average score of 7, Ongis Travel is qualified to be a company that can serve foreign customer.

3. RECOMENDED SERVICE IDEA

Business analyses of processes may vary; product companies analyze technical and manufacturing issues, but service companies prepare analyze of economic, technological and operational issues including costs of hiring and training service staff, facility changes and delivery system enhancements. (Shekar, 2007, pp. 5). Alam and Perry (2002) described the process as ten phases that can be either linear or parallel. The stages of Alam and Perry are:

Strategic planning,

Idea generation,

Idea screening,

Business analysis,

Formation of cross-functional teams,

Service and process system design,

Personnel training,

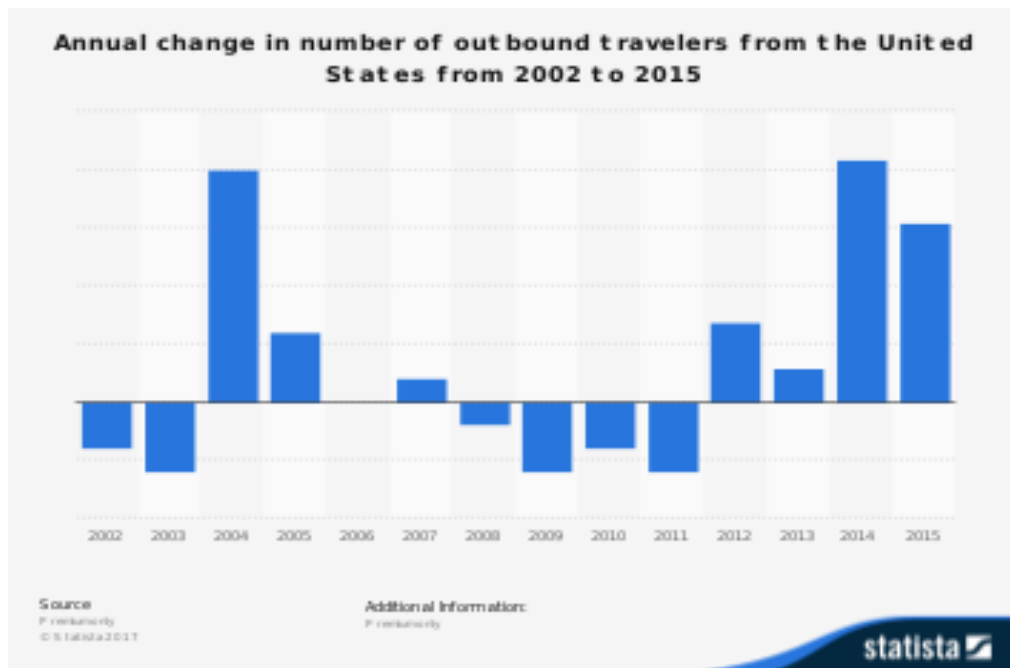
Service testing and pilot run,

Test marketing and

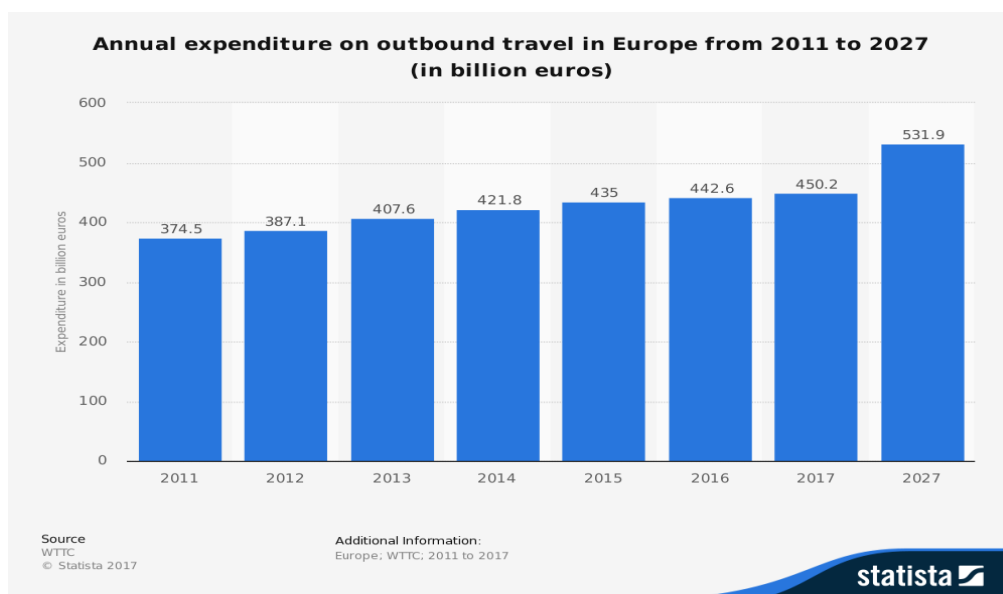
Commercialization.

Business analyses of processes may vary but according to Alam and Perry the first stages of business analysis are Strategic Planning and Idea Generation. Recomendad Service Idea for Ongis Travel is to make a promotion using digital marketing that will be written or spoken in English language and Team 16 will make a business proposal regarding partnership with other tour and travel agency or agent in Europe and United State. In the business proposal there will be written both law regarding the agreement that both parties wanted. This proposal will be signed and approved in legal international business law.

4. COUNTRY SELECTION



Graphic 2.2 Annual Expenditure on Outbound travel in United State from 2002-2015(Source: WTIC Statista 2015)



Graphic 2.3 Annual Expenditure on Outbound travel in Europe from 2011- 2027 (Source: WTIC Statista 2017)

This statistic presents the annual expenditure on outbound travel in United State and Europe. Statistic presents the annual expenditure on outbound travel in Europe from 2011 to 2017, with a forecast for 2027. In 2017 outbound travel spending is expected to value an estimated 450 billion euros. This figure is expected to increase over the next ten years; to

around 532 billion euros in 2027. Outbound expenditure is defined by the source as follows: "Spending outside the country by residents on all trips abroad."

The data above showed that Europe and United States has increase their outbound travel since 2005 for United States and 2011 for Europe. Team 16 are going to promote Ongis Travel using Digital Marketing and also Team 16 will make a business proposal regarding partnership with other tour and travel agencies or agents in Europe and United State. In the business proposal there will be written both law regarding the agreement that both parties wanted. This proposal will be signed and approved in legal international business law.

5. MARKETING STRATEGY

Segmentation

Kotler and Armstrong define market segmentation as "dividing a market into distinct groups of buyers who have distinct needs, characteristics, or behaviour and who might require separate products or marketing mixes" (Armstrong and Kotler, 2005: 54). Dividing a market or making a segmentation is a crucial part of a business to know their target customer. In terms of Ongis Travel, Team 16 has chosen to use "Income Segmentation". Income segmentation divides the market into different income groups. It is used in automobiles, clothing, cosmetics, financial services and travel. Many companies within the mentioned categories seek to target the high-income customers. Others seek to target the customers with a lower income in order to gain consumer loyalty and lessen the competitive pressures. However, companies must consider the fact that the income does not always predict the most suitable customers for a given product due to the fact that some customers may have other preferences and prioritize their money different (Kotler and Keller, 2009: 258).

Team 16 has decided to divide the market with income segmentation middle-low class. This is because the currency from 1 Euro is equivalent to 17.000 Indonesia Rupiah and 1 USD is equivalent to 13.000 Indonesia Ruupiah. There for, the Indonesia tour package that Ongis Travel has given is cheap for foreigners. The other reason is Ongis Travel has given tour package with a complete accomodation, tour, pictures, and others. With all the tour, accomodation, pictures and other services included, Ongis Travel are suitable for middle to low income customer.

Targeting

Segmentation and targeting of customers allows the marketer to deliver a product within the target audience needs and wants (Pickton and Broderick, 2005: 373). In the segmentation process the second stage is market targeting. Once the marketer has identified the segments it must be decided how many and which customer groups/segments to target. With respect to the decision to which customer groups or segments to target the company may choose one or a combination of the following marketing strategies; mass marketing strategy (undifferentiated marketing), single segment strategy (differentiated marketing) or multi-segment strategy (concentrated marketing) (Dibb and Simkin, 1996: 15-16).

The target customer that team 16 has chosen are;

Woman and Man

20-44 years old

Passport holder

European or American

VISA or Mastercard Holder

Positioning

The final step in the market segmentation process deals with positioning. Once the company has identified the segments and chosen which segment or segments to target the final step is to decide on, what position it wants to occupy in those segments. Positioning is concerned with how the customers perceive the products and how it is defined by the customers in order to maximize the potential benefit to the company. The result is a persuasive reason why the target market should buy the product or products (Kotler and Keller, 2009: 308). Ongis Travel has more advantages of a complete package with all services included and also include insurance than other tour and travel company in Malang, Indonesia.

Pricing Strategy

Nagle and Holden define value pricing as the price of a customer's next best alternative plus the value of differentiating features (2002). As for the pricing strategy, team 16 has segmented Ongis Travel's customer to middle and low class, and there for the pricing strategy of Ongis Travel is "Value Over Price", it means that Ongis Travel to instill customer's value over profit. There for this pricing strategy will make customers have trust in Ongis Travel as a standartize tour and travel company. This pricing strategy can also make customer more aware of Ongis Travel existance, or in other word to increase the brand image of Ongis Travel.

Distribution Channel

The [path](#) through which [goods and servicestravel](#) from the [vendor](#) to the [consumer](#) or payments for those products travel from the consumer to the vendor. A [distributionchannel](#) can be as short as a direct [transaction](#) from the vendor to the consumer, or may include several interconnected intermediaries along the way such as wholesalers, distributors, agents and retailers. Each [intermediary](#) receives the item at one pricing point and moves it to the next higher pricing point until it reaches the final [buyer](#). Coffee does not reach the consumer before first going through a channel involving the [farmer](#), [exporter](#), [importer](#), [distributor](#) and the [retailer](#) (Business Dictionary) The distribution channel that has ben chosen by Team 16 are Tour and Travel Agency in USA and Europe, and Tour and Travel Agent. The partnership will be beneficial for both parties because Ongis Travel, Tour and Travel Agency and Tour Agent will exchange customer, Indonesian traveler that wanted to travel to Europe or USA will be given to Tour and Travel Agency and Tour Agent and Foreigners that apply in Tour and Travel Agency and Tour Agent that wanted to travel to Indonesia will be given to Ongis Travel.

Promotion

Promotion is one of the key factors in the marketing mix and has a key role in market success. Promotion is used to ensure that consumers are aware of the products that the organization is offering. The promotional mix is the combination of the different channels that can be used to communicate the promotional message to the consumers. The channels to be used are; advertising, direct marketing, public relations and publicity, personal selling,

sponsorship and sales promotion (Rowley, 1998). Shultz, et al. (1998) says that sales promotion generally works on a direct behavioral basis rather than affecting awareness or attitude. It is continuously said that most types of sales promotions affect the decision-making and purchasing stages of the buying-process directly that is effective in the long-run since it leads to increased sales and profit. (Kwok & Uncles, 2005).

The promotion that Team 16 suggested are:

- Digital Marketing or Promotion
- Social Media such as;
- Youtube
- Instagram
- Website

6. EXPORT PROCESS

The government was record Ongis as a agency tour and travel. Basically, hotel and travel agency is different in management system and law's form. Because of Ongis Travel will coordinate the ideas, Ongis Travel must make subsidiary that focus in tourism. There are some conditions that must be done before enter international market. The first condition is the legal aspect. In Indonesia, Ongis Travel must have *Tanda Daftar Usaha Pariwisata* (TDUP) for their subsidiary. There are some procedures to get TDUP permission from the government, the steps are (<https://sipp.menpan.go.id/pelayanan-publik/jawa-barat/kabupaten-bandung/standar-pelayanan-tanda-daftar-usaha-pariwisata/>):

- Prepare the Requisite File and fill out the TDUP Application form
- Applying for TDUP
- Accepting TDUP Application Submission
- Determine whether consultation is required with the Kasubid data collection and registration of the TDUP Permit
- Advise on TDUP application submission
- Ensure the requirements file is complete and correct
- Returns the submission of a TDUP application for completion
- Complete the shortage of the requirements file and reapply
- Print the registration receipt and control card, and sign the Registration Receipt
- Check the file and sign the file registration receipt and initialize the control card
- Submit a receipt to the applicant
- Printing TDUP Permissions
- Inquire TDUP License
- Sign TDUP on behalf of the Bupati
- Give a Number and Submit it to the delivery counter
- Submit TDUP to the Applicant
- To get TDUP, first Ongis Travel must provide some conditions for the submission. The requirements are (<http://dpmtk.id/index.php/persyaratan-tdup-tanda-daftar-usaha-pariwisata/>):
- A copy of identity card
- Photo (3×4cm) with red background, 3 pieces
- A copy of *Izin Gangguan* (HO)

- A copy of SIUAU
- A copy of Deed of Incorporation that listed as bussiness travel services
- Power of attorney and Photocopy of KTP who become receiver.
- Blue buffalo based Map

7. EXPORT RISK

The world of tourism from the past until now is impossible to die. Because everyone will need refreshing in time of free time to enjoy time together with family or friends. Especially when the holidays, tourist attractions must be full and crowded will visitors. On the other hand, the tourism managers do not stay silent, but they are trying to improve the sights themselves or establish a tourist attraction. Not only set up a tourist spot only, but managers of the world of tourism should also consider the risks that exist. Because the greater the visitor, the greater the risk.

Not only the tourism managers who think about the comfort and security of visitors, but now also a lot of the tour managers. This is because the greater interest of people who want to vacation in the middle of their busy life. Especially in Indonesia, people here always want things that are practical, cheap and easy. So the tour parties provide comfort for the people who want a vacation. The more visitors the greater competition there is between the parties tour managers. This is evident from the competing prices of tour packages provided with facilities as much as possible.

In connection with the proposal we send abroad to cooperate with our country of choice, then there are also risks. The risk that may occur is fraud. For example, The agents of our country of choice commit fraud. Suppose we have given money to process the people who want to vacation in the country, but the agents abroad are actually using the money by not according to the initial goal, so that consumers of us much disappointed and the trust of our tour & travel to be not trusted. According to the Theory Maslow (1943), safety is the basic need of human beings. It certainly proves true, because if we tour parties make a mistake that may be small for us, but consumer confidence is lost and confidence is the biggest problem in the work.

Much of the existing literature has lent support to this notion as they found that tourists tend to avoid destinations with higher potential risk (Batra, 2008; Law, 2006; Sönmez et al., 1999). Clearly consumers avoid risky countries like the Palestinian example. This is a consideration for consumers because security is the main thing. Therefore our group chose American and British countries for our tourist destination. Because the two countries are a safe country and also has many tourist destinations.

8. RECOMENDATION

In relation to the risk to be faced, we have a solution to make an agreement contract which is acceptable in every country of our choice such as Indonesia, America and UK. The contract agreement must also be mutually beneficial and safe because in business we must really minimize the risks that exist.

Shin (2005) aptly pointed out that peace is a prerequisite for the success of tourism. The theory is true for tour & travel entrepreneurs. Like for example if we go to a Palestinian state, we obviously are not very calm, we are not enjoying the holidays, we feel the fear because almost every time Palestine always conflict with Israel. The public obviously chooses safe countries even if the country is not good or maybe the price to go to that country is expensive.

Nardi and Wilks (2007) borrowed the definition of security from the renowned Servqual Model which suggested that security is "the freedom from danger, risk, or doubt" (Parasuraman, Zeithaml, & Berry, 1985, p. 47). From the Nardi and Wilks theories, we will maximize our service and we will minimize the errors. And for the future we will continue to think that these risks can be completely absent and travelers can enjoy the holidays in comfort and quiet.

9. CONCLUSION

In connection with the above data it can be concluded that our group chose to use the method of sending proposals to selected countries to join the tour & travel party abroad. Like Britain and America, this is because in these two countries have a high level of security, then tourist attractions or entertainment is very much, both for the age of children to adults are all there. On the other hand, we also already have colleagues who are in the 2 countries that we have contact.

Our own target market is for the lower middle class. This is due to less experience to go international. So we do not take big risks, because if our market is middle to top it obviously needs more money. Therefore we avoid and minimize the risks that exist such as the above explanation is fraud. Because if we get fooled or failed once, then it can be destroyed for the future. So we started small things first. To expedite these things so that the name of Ongis tour & travel is known, then we have a promotion strategy that is through digital marketing.

This is because that today most of the world's population has a social media, both facebook, intagram, twitter, etc.. Therefore we choose promotions through digital marketing. In addition, Ongis tour & travel also has its own website and youtube channel where every time they go somewhere, they always record it then uploaded by them. This will greatly help the promotion of Ongis tour & travel itself because people become more interested to watch video on youtube that has been packaged to be better and nice to see.

However, all of the above did not escape the risk. All jobs are at risk, and we've thought about those risks and how to minimize them. Because for us risk is a challenge that must be faced, so we are relaxed in thinking of solutions to overcome the risks. That is, we prove through the contract of employment contract which the agreement can be accepted in the countries concerned. This we do to anticipate the biggest risk in our tour & travel business is fraud. We can not stop the risk, but we can avoid and minimize it and it is a must for every business actor and everyone to do everything

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