

## **Proposed Marketing Strategy of PT. Pelabuhan Indonesia III (Persero) Property the Case of Tegal Port**

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### **ABSTRACT**

The land is one of the principal capitals for the company to develop its business, plays a role in the manufacturing industries and industries that require land/ factory/ warehouse/ field support. However, it often happens and hinders the company's process; for example, there are land disputes by other parties. PT Pelindo III which is engaged in port services. The company has 43 ports spread across seven provinces, with total fixed assets of land around 2,439 Ha. Of the entire area remaining 23.16% or about 564 Ha which has not been used/ unemployed. The existence of vacant land can have an impact on the land is used by other parties and it will cause high costs, so the right marketing strategies are needed to be able to optimize the land. This research is conducted to understand the business environment of port's property and to develop its marketing strategy. This research use data which taken from published reports, journals and other articles regarding to property, this research also using interview methods to the customer to find out the marketing behavior. The result of this research is proposed marketing strategy to optimize land-use to be implemented by the company.

Keywords: vacant land, cooperation scheme, sharing, shipyard

### **1. Introduction**

Land is very important for industrial development and industrial enhancement. To make it easier for investors to invest in Indonesia. The Indonesian government began to develop industrial zones in the early 1970s as an effort to meet the needs of investors both from domestic or foreign investment. To improve the investment climate more conducive, one of the efforts of Indonesian government to grab investors by implemented infrastructure development programs. Because the government realize that one of the obstacles to the economy is the slow development of infrastructure, both hard infrastructure such as roads, airports, ports and soft infrastructure such as the availability of electricity, health, social welfare.

Possible impacts of land that has not been used for a long time:

1. Illegal use of land by the community so that it will be difficult for companies to develop the land when needed, and it will cause high compensation;
2. If it is proven that the land is not used for the interests of the port as mandated by the government to firm, the land can be categorized as abandoned land and the given land rights will be revoked.

#### **1.1. Research Objectives**

The objectives of this research is to understand the property port business and to develop a business and marketing strategy to optimize land-use.

#### **1.2. Research Limitation**

The research will be focused on Property Tegal Port with area 53.464 M2 as an object of research. And based on the Port Master Plan (Rencana Induk Pelabuhan/RIP) this area is in the Industrial-Docking Zone.

### **2. Literature Review**

Environmental scanning is the process of monitoring, scrutinizing and gathering information from both internal and external environments of the company. External analysis identifies factors and conditions outside the control of the company that influence both directly and indirectly for

the industrial land / industrial estate. The external environments will be analyzed using PEST analysis and Porter's Five Forces Model and also Consumer Analysis. PEST analysis evaluates macro environmental conditions in terms of Political, Economic, Sociocultural, Technological and Legal. While Porter's Five Forces is used to assess the land (property) port industry in Indonesia which determined by *the threat of new entrants, rivalry among existing firm, threat of substitute products, bargaining power of buyer and bargaining power of supplier*. And for consumer analysis consist of market geography, market size and market behavior. Internal factor will be analyzed using Marketing Mix Analysis, Resources Analysis and Value Chain Analysis.

SWOT analysis will use to identify strength, weakness, opportunity and threat of business to determine the alternatives strategies.

### 3. Research Metodology

This research is undertaken using data from published reports (internal and eksternal) and also by using interview method. From all data collection by using eksternal and internal analysis then evaluate and formulate to be the proposed marketing strategy. The conclusion will be drawn followed by the recommendation to Tegal Port in terms of marketing strategy of property.

### 4. Data Analysis

#### a. External Analysis

External analysis identifies factors and conditions outside the control of the company that influence both directly and indirectly for the industrial land / industrial estate.

#### ▪ PEST Analysis

In this research, political factors will become such an opportunity to the industry, the trade war between US and China has become an opportunity for developing countries include Indonesia as China's Industrial relocation destinations (Central Java and Batam), Government policies to improve integrated infrastructure also have a positive impact on the industry.

Indonesia's economic growth throughout 2018 has increased since 2015 than slow down 5,07% in end of 2018. Economic growth for the Central Java Region in early 2019 grew slower, its weakening due to weakening foreign demand, and also weakening of the performance of three business fields in Central Java namely: processing industry, forestry agriculture and fisheries. This condition will become threat for industrial business players.

The highlighted community culture is the behavior and habits of some people who occupy the company's land assets without permits and clear contractual agreements (illegal), this is increasing with increasing population and limited land triggers the community to occupy / grab land without permission. The condition is also possible to occur due to the lack of monitoring of the land by the owner (a very large and far location, the location in the form of hills, road infrastructure to get to the land location is difficult, lack of personnel to carry out monitoring, etc.). This social-cultural condition become huge Threat for tihis industry.

This digitalization implemented by BPN has become an Opportunity for the land industry, in technology sector. While in legal, there is Law No. 3 of 2014 concerning Industry, which in essence for new investors in the manufacturing sector has been required to set up factories in industrial estates, this law is an opportunity for the land-owners to develop industry area.

In general, although the growth rate is not very encouraging and there is the possibility of illegal land tenure by the community (claims and land disputes), land acquisition for industry is still a big opportunity to grow and develop.

#### ▪ Porter's Five Forces

The result of Porter's Five Forces in this research can be seen in table 1:

Table 1. The Result of Porter's Five Force

	LOW	MODERATE	HIGH
Threat of New Entrans	√		
Threat os Substitute	√		

Power of Supplier			√
Power of Buyers	√		
Rivalry Competitor			√

Based on the data table above, there is absolutely no threat for substitute and the power of buyer, threat of new entrants is low, while the power of suppliers and rivalry competitors are high. Although the power of suppliers and competitor rivals is high, the opportunity to continue to float industrial land is still quite high. So, it can be concluded that for the industrial land supply industry has high profit potential.

## ▪ Consumer Analysis

Subcategories of market variables that influence, are: market geography, market size and market behavior.

Market Behavior for exploitation of land for shipyards / docking can be explained in table 2:

Table. 2 Market Behavior of Shipyard Company

	Description
How Customer Buy	<i>Customer:</i> Shipyard / docking company (shipping industry) Purchases are made if there is a business potential for docking / shipbuilding activities.
When Customer Buy (Purchase Time)	Once Time for long contract (more than 3 years), than can be extended after both parties agree.
Where Customer Buy	- Direct Marketing, generally customer directly (or by phone) come to the Port for asking the land then after they get the availability of the land, they will submit the request; Dialogue; Website.
Who does the buying (People involve in Purchasing Decision)	- Operational-Commercial Manager - President Director

## b. Internal Analysis

### ▪ Marketing Mix

The result of marketing mix analysis of Property PT Pelindo III – Tegal Port can be seen in table 3.

Table 3. The Result of Marketing Mix Analysis

Marketing Mix	Description
Product	1. Land 53,464 M2 2. Strategis Location 3. Land certifies (clear and clean) 4. Ease of access to raw material. 5. The existence of fourteen (14) factories making small spare parts such as bolts and coils of generating machinery on ships around the port; 6. Geographically is as a link between the national and regional economic lines in the Pantura region, from west to east (Jakarta-Tegal-Semarang-Surabaya) with the central and southern regions of Java Island (Jakarta-Tegal-Purwokerto-Yogyakarta-Surabaya) and vice versa
Place	Dialogue, SInergi BUMN, Direct Purchase: Market Office (Region of East Java, Kalimantan, Central Java and Banyuwangi, Bali, Nusra), Representative Gedung Tamansari Parama Office Lt. 7 Jl. Wahid Hasyim No.84 – 86. Jakarta Pusat – 10340 Telp. +62 21 22346068
Promotion	Webbsite, Montly Magazine, FGD, Workshop, Participation in Exhibition, Customer and Company Visit, Event
Price	Based on applicable NJOP

### ▪ Internal Resources Analysis

PT Pelindo III's Capabilities in this research can be seen in table 4 below:

Table 4. Pelindo III's Capabilities Result

RESOURCES	CAPABILITIES
Financial Resources	Having the financial strength for investment and develop the business
Organizational Resources	Creating positive Changes by Corporate Culture Transformation (People, Process and Technology)
Physical Resources	Integrated and Strategic Location
Technology Resources	Using technology and application (REMOTE) to ease the job
Human Resources	<ul style="list-style-type: none"> <li>- Having the competence resources;</li> <li>- Ready to compete;</li> <li>- Willingness to improve company performance</li> </ul>
Innovation Resources	Plan to get property data real time using technology
Reputational Resources	<ul style="list-style-type: none"> <li>- Good reputation for the customer and public;</li> <li>- Having good and wide networking;</li> </ul>

## c. SWOT ANALYSIS

The summarize of SWOT Analysis of Tegal Port Idle Land is as follows:

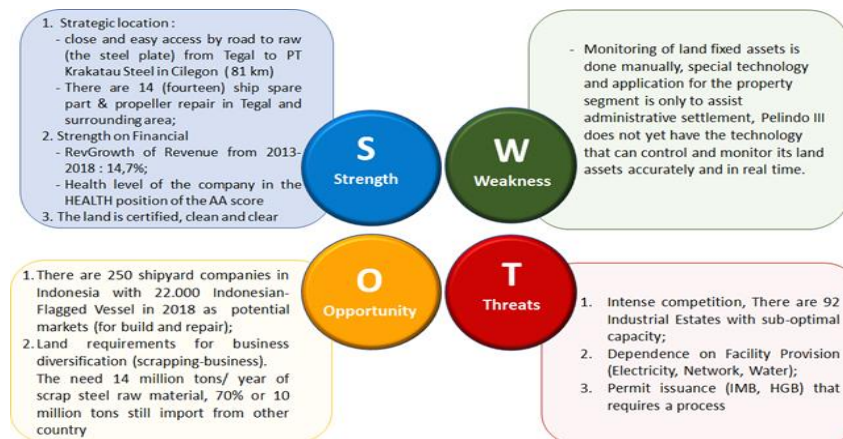
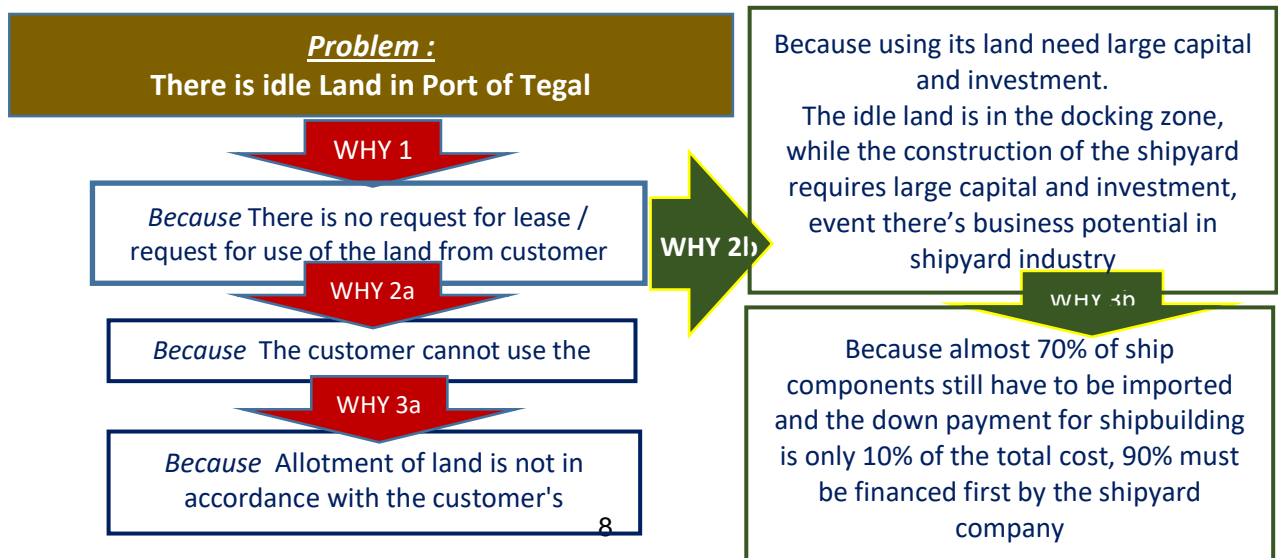


Figure 1 Summarize of SWOT Analysis

## d. 5-Why Analysis

Based on interviews with several shipyard companies and brainstorming with other employee, the main problem of Untapped Land in Tegal Port with The "5-Why" Analysis:



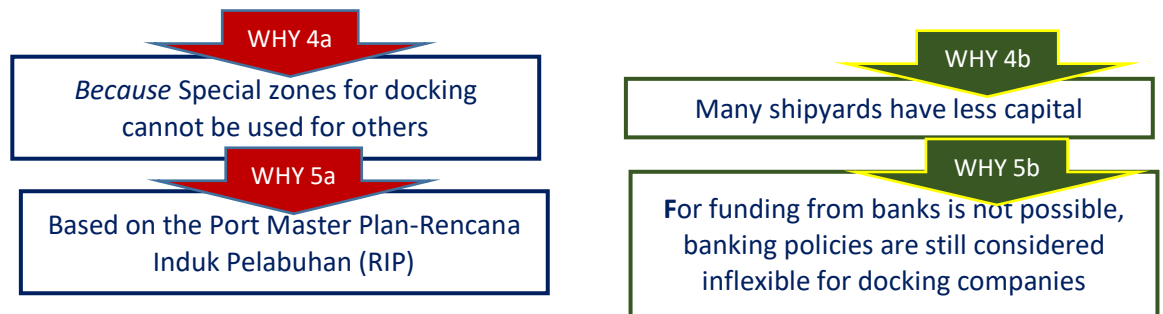


Figure 4 Why Analysis

From the 5-Why Analysis, there are 2 (two) problems, consists of:

## 1. Problem A:

Problem: There is Idle Land in Tegal Port, there are idle land in Tegal *because* there is no request for lease/ request for use its land (Why1) , actually there are several companies that need land in Tegal especially in this area, but they did not submit a request *because* They know They can't use the land for their business (Why 2a), *because* the allotment of the land is not in accordance with their business (Why3a), *because* the zoning of the idle land is for docking /shipyard and can not use for other business (Why 4a) and that zoning is based on Master Plan of Tegal Port (RIP). The problem cannot be continued because it is not in accordance with the zoning in the Port RIP.

## 2. Problem B:

There is idle land in Tegal *because* there is no request for lease/ request for use its land (Why1). The shipyard company did not submit a request because they know using that land will need large of capital and investment. (Why2b), need large capital and investment because almost 70% of ship component still have to be imported and the down payment for shipbuilding is only 10% and 90% of total cost must be financed first by the shipyard company (Why3b) Meanwhile many shipyard has less capital, event there is a potential market but its hard for the company in this industry (Why4b) and for funding from banks is not possible, term policies and bank interest rates that are still less profitable for the shipyard company (Why5b).

The obstacle at the root cause of docking companies is internal financial factors of Shipyard company and the lack of flexibility of financing agency in financing the docking industry. Even though there are still some obstacles, the shipyard industry is still potential to be developed in Indonesia. And further analysis needs to be done related to the possible strategies / solutions to the problems that can be implemented.

## 5. Conclusion

Regarding external factors that influence Property PT Pelindo III-Tegal Port business, In general, although the growth rate is not very encouraging and there is the possibility of illegal land tenure by the community (claims and land disputes), land acquisition for industry is still a big opportunity to grow and develop. And from Porter's Five Forces can be concluded that for the industrial land supply industry has high profit potential. And from the internal analysis having a financial strength, having good and wide networking, strategic location, having corporate culture transformation (people, process & technology).

From TOWS Analysis of this research, the proposed marketing strategy that can be implemented to the firm is 'Collaborate with shipyard company to develop shipyard business'.

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