Analysis of Panorama Tour and Bayu Buana Travel's strategies

H. Fransisca & A.I. Molle
Universitas Surabaya, Indonesia

ABSTRACT: Indonesia tourism has a resource potential that can be developed to generate dividends. Supporting factors in tourism include transportation and accommodation. A travel agency needs to be able to search for information on various tourist attractions. This study aims to analyze the performance, strategy, and development of two travel agencies, namely, Bayu Buana Travel and Panorama Tour. The market penetration strategy was applied to analyze Panorama, while the market development strategy was applied to analyze Bayu Buana. The strategy development was applied by Bayu Buana and Panorama with an online tour and travel company, such as holding public events or activities, utilizing email marketing, and placing advertisements on the Internet and to deal with the tight prices of the "services". It was found that each consumer had his method of buying the preferred product. The opportunity is still wide open because there are still many people who still prefer face-to-face transactions.

1 INTRODUCTION

Tourism in Indonesia has the potential to generate dividends which also needs to be optimized from a service provider in tourism places. Each city in Indonesia has the characteristics of a tourist destination. For example, Bali has beautiful beaches, Yogyakarta has beautiful temples, and Bandung has street foods and a shopping district. These aspects are attractions for both domestic and international tourists. In addition, transportation and accommodation in tourist destinations are needed to facilitate the tourists. In this case, a travel agency is one of the facilitators to disseminate tourist areas. Travel and tour agencies can recommend tourist destinations with specific conditions, such as tourist attractions, criteria, or facilities, to tourists. Indonesia has many travel and tour agencies (BPW, *Biro Perjalanan dan Wisata*) that compete against each other. According to ASITA (2011), Bandung had 170 BPWs. Some of the famous BPWs in Bandung are Anta Express Tour & Travel, Java Star Tours & Travel, Jackal Holidays, Panorama Tours, Primajasa Tours, Bayu Buana, and others. The companies use promotion strategies in the form of printing and electronic media to attract customers in order to survive and gain revenue. This study used two BPWs, namely, Panorama Tour and Bayu Buana Travel, to analyze their performance, strategy, and growth in their business development.

2 LITERATURE REVIEW

Strategy: According to David (2011), a strategy is a tool used to achieve long-term objectives. Business strategy includes geographical expansion, diversification, acquisitions, product development, market penetration, divestment, liquidity, and joint ventures.

Types of strategies: According to David (2011), based on its basic conception to apply strategic management, there are four types of strategies: integration strategy, intensive strategy, diversification strategy, and survival strategy

Strength, weakness, opportunity, and threats (SWOT) analysis: SWOT analysis is divided into two types, namely, internal analysis that identifies a company's strength and weakness and

external analysis that identifies a company's opportunities and threats. The internal analysis comprises marketing, finance, production and operation, and human resource, while external analysis comprises competition with similar companies, potential new rivals, development of replacement products, supplier bargaining, and customer bargaining power (Kotler, 1997). The SWOT matrix is a technique used to help the manager develop four types of strategy (David, 2011): 1. SO (strength–opportunities) uses internal power to make use of the external opportunity. 2. WO (weakness–opportunities) uses internal weakness to make use of the external opportunity. 3. ST (strengths–threats) uses company power to avoid or decrease external threat. 4. WT (weakness–threats) is the defensive strategy to decrease internal weakness and avoid external threats.

3 METHOD

This study employed a descriptive method. Bogdan and Taylor in Moleon (2004:3) state that a descriptive study is a procedure to produce descriptive data in the form of written or spoken words. The descriptive analysis does not require experimentation because the variable cannot be manipulated. Data collection is not only limited to observing objects because categorizing, ordering, manipulating, and summarizing of data are also carried out to obtain answers to the research questions (Kerlinger in Kasiram, 2010: 120). This study used the observation method. The data were analyzed using SWOT and SWOT matrix to know the strategy of the company. Based on the results of the analysis, the strategy used by Bayu Buana Travel and Panorama Tour was determined and whether or not it was the appropriate strategy.

4 RESULTS AND DISCUSSION

4.1 *Internal analysis of Panorama Tour and Bayu Buana Travel*

Marketing: Both Panorama Tours and Bayu Buana Travel have a website to market their product. On their websites, the companies provide information related to their promotions and activities, for example, their involvement in the Travel Fair.

Finance: Bayu Buana was found to be financially superior to Panorama. Based on the source of funding, Bayu Buana mostly used their own funds, with little funding from outside parties. Therefore, Bayu Buana was more independent than Panorama who relied highly on funds from outside parties.

Production/operation: Panorama had successfully transformed its business from a traditional family company into an integrated travel company. During the study, it was found that Panorama has four pillars, with each playing a role in the company, namely, outbound management, inbound management, transportation management, and MICE business management. In other words, Panorama has continued to transform by owning companies with certain segments to extend their business.

Human resource: Human resource management is one of Panorama's focuses. Panorama has four approaches, namely, attract, develop, deploy, and service. Panorama also has employed media sources to get human resources. At Panorama, human resource works passionately as a Panoramian, a term used to refer to their human resource people. They have roots in The SPIRIT of Panorama. Human resource planning is one of Bayu Buana's focuses. Bayu Buana intends to have human resources that can make the company an industry leader in the world of tourism. Bayu Buana has grown to become the leader of travel agencies in Indonesia that provide solutions to tourists while traveling.

4.2 *External analysis of Panorama Tour and Bayu Buana Travel*

The rivalry between companies: Bayu Buana and Panorama have competitors that are in similar businesses and that has affected their business progress and sustainability. The competitors of Bayu Buana and Panorama are PT Smiling Tour & Travel and PT Golden Rama Express Tours & Travels. In addition, there are several factors that the company needs to survive, namely, the packaging of

tourism product services with a choice of prices and facilities according to the available budget size; quality of service to consumers in terms of CRM, which includes all customer withdrawals quickly, consistently, and efficiently; prices that are competitive with fellow actors; and extensive network by partnering with various countries.

Potential of newcomers: Bayu Buana's effort is to maintain a customer-oriented performance that prioritizes customer satisfaction and promotes a long experience as a travel agency. They also have employed technological advances that have been beneficial for customers. This utilization of technology granted them "The Best Performance" award from ABACUS. Panorama's effort is to commit through The SPIRIT of Panorama, work smart, and make innovation and creation in providing the best service for customers.

Substitute product development: With the increasing need for tourism, more places can be used as tourist destinations. In addition, the advancement of the internet has led to the emergence of new tourist agencies that sell services, such as new tourist routes, passport, and visa processing services, online ticket sales, and hotel vouchers. Nowadays, the development of the internet has slowly changed people's shopping behavior from the conventional method to the modern method. Several online travel sites continue to emerge, and these sites have been widely used by tourists who want to take a vacation. The following are several sites often used by tourists to facilitate their holidays: Traveloka, Tiket.com, Agoda, and Mister Aladin.

Customer bargaining power: Bayu Buana and Panorama are well-known customer preferences. Bayu Buana provides services to consumers, including an online system for airlines, hotel arrangements, travel document management services, car rental, and assistance services at the airport and tour packages. Panorama provides services to three main sectors, namely, the tourism sector, transportation sector, and hospitality sector.

4.3 *Strength, Weakness, Opportunity, Threats (SWOT) Analysis*

Strength: Bayu Buana's strength is their flagship programs such as money-saving tour or holiday savings. In the low season, they apply for early group ticket reservations. Besides, they have cooperation in the form of partnerships both locally and abroad, IT development that is in line with human resources, and a satellite network program to follow community movements that lead to e-commerce. Panorama's strengths are their tour packages on offer, which had cooperative relationships with several overseas business relations and an extensive hotel chain.

Weakness: Bayu Buana's weakness was their MICE program that did not bring revenue, middle-class market segments, and unoptimized website in terms of online inquiry services. On the other hand, Panorama's weakness was their focus on the main business of tourism and hospitality, relatively expensive package, and the website that could not maximally serve product ordering.

Opportunity: Bayu Buana and Panorama had the opportunities in the Asian free market, the distribution channels throughout Indonesia, and exhibitions in malls. Indonesia's resistance to the economic crisis has been quite strong, and the support from the government has encouraged the tourism sector to be an economic driver. Support has been received from the Ministry of Tourism for the Indonesian tourism industry with the brands of Wonderful Indonesia and Pesona Indonesia.

Threats: Bayu Buana and Panorama had the threats in the form of internet technology, which provides consumers with more information so that they know other tour products, the value of the Rupiah currency that is vulnerable to foreign currency values, the influence of unstable global economic conditions, the slow world economic growth, and unfavorable road and weather conditions in Indonesia's tourism sector.

SO (strength–opportunities) strategy: Bayu Buana maximized their service to the customer by introducing their flagship programs, improving their technology and information system of the MICE program, and suppressing cost production as much as possible in the low season to get the maximum margin of income. Panorama maximized customer service by introducing a tour package, creating an attractive tour package that satisfies customers, and carrying out an aggressive market strategy through cooperation with business relations abroad and a wide hotel network. The

collaboration can be done by obtaining vouchers from these business relations so that customers would be interested to join the tour packages.

WO (weakness–opportunities) strategy: Bayu Buana conducted training on existing human resources to deal with large markets and competitors. To reach a wider target market, regular promotions in malls were not enough. In this case, online promotion must also be done. Online promotion can be done remotely at a lower cost. In addition, Bayu Buana has also collaborated with foreign travel agents in organizing tours to various countries so that their partners could provide local guides for those countries. Panorama conducted training on their human resources to face the big market and create online promotions to reach the target market. The online promotion is remote and with a relatively lower cost.

ST (strength–threats) strategy: Bayu Buana and Panorama have maintained and improved the company's reputation to strengthen the brand image in the community, maintained competitive prices so that old customers still use Bayu Buana/Panorama as the choice of tour and travel agencies, and provided member service for customers by earning points that could be exchanged for attractive prizes and CRM services to accommodate complaints and suggestions from customers to provide better service.

WT (weakness–threats) strategy: Bayu Buana and Panorama have adapted the latest technology, created an integrated platform for all travel products such as transportation tickets, hotel rooms, and vehicle rentals at the destination, provided after-sales services for customers by providing up-to-date information such as tourism packages during the holiday season and birthday or religious day celebrations card, and collaborated with financial institutions that could facilitate their customers in payment.

5 CONCLUSION AND SUGGESTIONS

Based on the company performance and strategy analysis, Panorama has applied a market penetration strategy to improve the company's internal environment to survive.

Meanwhile, Bayu Buana has applied a market development strategy for the development of the company. Several strategies that can be applied by Bayu Buana are as follows:

- a. Developing an existing product such as ticketing. Nevertheless, Bayu Buana has to find another way in marketing its product because there are many substitute products with many promotions that attract customers. Therefore, Bayu Buana could make attractive and popular routes such as the tourism route to Raja Ampat, so that the customers would be attracted to buy it.
- b. Removing products with high operational costs and lower income, for example, a hotel that costs a lot. However, if it is maintained, they can make attractive promotions or specific products for certain groups, such as the low-cost budget room for staying.
- c. Modernizing the company by introducing new destinations using VR.

Several strategies that can be applied by Panorama are as follows:

- a. Analyzing the company supply chain for each division to minimize waste time and improve the human resource from its division.
- b. Removing products with high operational costs and lower income and then analyzing the strength and weakness of those products for re-development.

It is suggested that Bayu Buana and Panorama hold public activities or events, use email marketing, and apply advertising on the Internet to face this fierce competition in travel and tour services.

REFERENCES

- Coulter, Mary K. 2002. *Strategic Management in Action*, 2nd eds. New Jersey: Prentice Hall
- David, Fred R., 2011. *Strategic Manajemen Strategis Konsep*, 12th eds. Salemba Jakarta: Salemba Empat.
- Kasiram, Mohammad. 2010. *Metodologi Penelitian*. Yogyakarta: UIN MALIKI-PRESS