

# **DEVELOPING TOURISM BUSINESS PROGRAM OF SAHID MONTANA HOTEL MALANG**

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## **ABSTRACT**

Sahid Montana is a 3 star hotel that located in the central of Malang City. This hotel has its own uniqueness and strenght, not like another modern hotel this hotel still keep the traditional culture. Therefore Sahid Montana want to go international by making some tour packages in Malang City and surrounding like Batu City and tourist can visit some nature tourism (mountains, beach, etc.). Sahid Montana doesn't has country selection beacause there are so many tourist from many countries come to Malang City and stay in this hotel. To make Sahid Montana go international, this hotel need to develop the tourism in Malang so they need to do some promotion strategy like making website, social media, and participate in some international event. To develop Malang tourism,Team 19 offer 2 tour packages like Adventure Day for more nature tour and Hidden Malang for many unique places in Malang. The are some risk that Sahid might get by offering this packages to tourist like hotel has to spend more money for the promotion, tourist who come to Malang City is not so much so it's impossible to get many tourist customers, and maybe the weather that we don't know if it suddenly change (rain will ruin our nature tour). The recomendation that we suggest is developing the promotion strategy and buiding customers loyalty for Sahid Montana so customers will come again to this hotel.

**Keywords:***Marketing, International Business, Sahid Montana Hotel, Package Tour Malang City, Risk*

## **1. COMPANY PROFILE**

Hotel Sahid Montana is one of 3 star hotels in Malang which was built in 1987. Continuing to grow in the last 25 years and employing over 100 staff Sahid Montana hotel complemented with 70 well appointed room and suites, and 5 meeting rooms with various capacity. The location of Sahid Montana hotel is located at Kahuripan No.9, Kauman, Klojen, Malang, East Java. The hotel is strategically located close to the city center, making it easy for visitors to visit various famous places around Malang City. The facilities provided include safety deposit box, coffee shop, laundry service, 24 hour room service, meeting room facilities, spa, restaurant called Cinnamon Kitchen & Coffee, free wi-fi, airport transfer service for guests who do not bring their own transportation. The type of the rooms are superior, deluxe, and junior suite. For superior rooms the price offered starts around 600,000 rupiah, deluxe room around 400,000 rupiah, junior suite room, about 1 million rupiah. Hotel Sahid Montana Malang is well suited for leisure, meeting, gathering, exhibition and wedding party. Sahid Montana Malang consists of Sahid Montana Malang (SHM1) and Sahid Montana Dua Malang (SHM2) (previously Griyadi Hotel). In fact, the Sahid group's family of hotels has grown to become one of the nation's largest independent hotel chain. The websites of Sahid Montana Hotel are [www.sahidmontana.com](http://www.sahidmontana.com) (Sahid Montana Malang) and [www.sahidhotels.com](http://www.sahidhotels.com) (Sahid Montana Groups).

### **1.1 Sahid Montana's Vision**

Being a leader in hospitality management both nationally and internationally.

Be a profitable company for the shareholders and stakeholders

### **1.2 Sahid Montana's Mission**

Offer a comprehensive range of services to ensure maximum return on investment to its owners and investors.

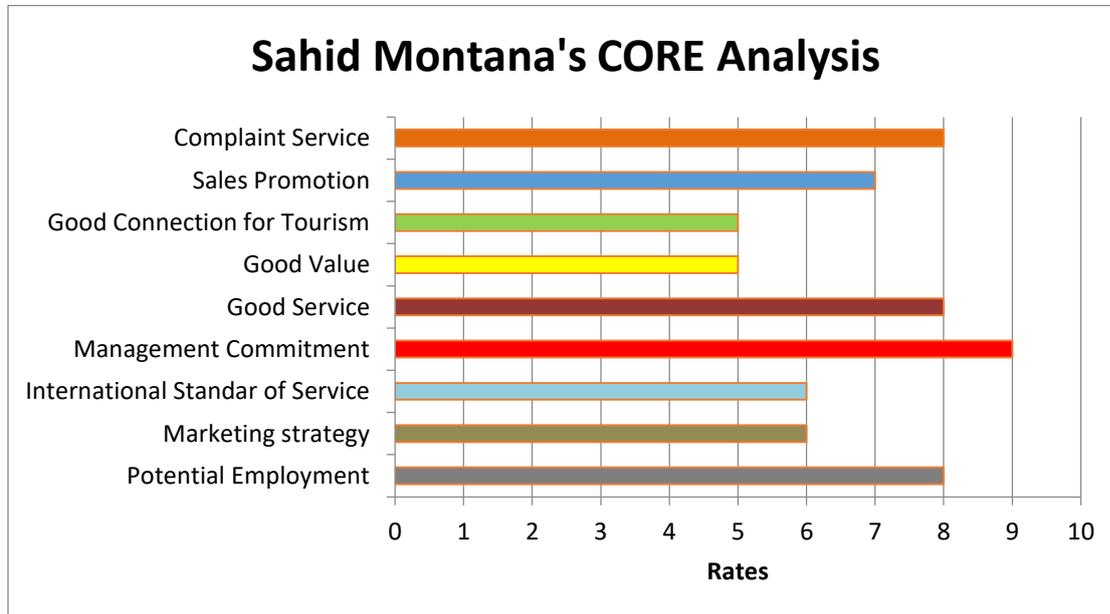
Provide optimal service either at the time of planning, development time and during operation of the hotel.

Deliver organized structure for marketing, e-commerce, local and national sales programs.

Develop human resources to establish a strong and lasting foundation in the organization.

## 2. COMPANY READINESS ANALYSIS

This chart was made based on our observation and or interview/survey to show the readiness level of your company



**Graphic 2.1** Sahid Montana's CORE Analysis

Sahid Montana Hotel is ready to go international. Actually, this hotel already has some foreign customers and they can handle them well. This hotel has many talented workes and most of them can speak English well. Sahid Montana is committed to give best services and facilities for turists just like another international standard hotels.This Hotel has international standar of service but still traditional and still using the Indonesia Culture. Sahid Montana Hotel is committed to give the best for tourist and for us, company's commitment is the most important things in business because if the company with no commitment will fail one day. Sahid Montana also has some travel agent as a partner in tourism so it will make tourist can traveling around easily. Sahid Montana Hotel is ready to give promotion or discount for customers who come in group (20 persons or more) and when there is an event or a big day like Christmas day, new year eve party 'Wajah Nusantara', etc. Besides there is an event or big day, this hotel also has a special food menu that is promoted like rice tongue stew or other Javanese cuisine which is usually promoted through Radio Kencana and through car free day.Sahid Montana is ready to handle any complaints from foreign customers and this hotel will give the best response to all complains they got.

## 3. RECOMENDED SERVICE IDEA

In this Nusantara Project, we give an idea that related to tourism in Malang City. We aren't only going to increase the company's income but we also can globalize tourism in Malang City. Our Team will offer 2 tour packages. First tour package that we offer is Hidden Malang. In this tour, tourists will be invited to visit some unique places in Malang and Batu. In this tour, we will rent family car like Toyota Avanza/ Innova/ Xenia. The first place we are going

to visit is Kampung Tridi or people usually called it Kampung Warna. Jodipan. Tourists will arrive around 09.00 am. This is one of the unique place that may not be owned by other countries. Kampung Tridi / Kampung Warna has so many colors and images made by people who live there. Tourists will be very interested and they can take so many pictures in this place.

The next place to be visited is Singosari Temple. Singosari Temple is one of the largest temples of the Hindu-Buddhist kingdom in Malang. After that, tourists will eat at Warung Bamboe in Batu. Warung Bamboe is a traditional restaurant with fish pond around it. Tourists can enjoy the meal by enjoying the atmosphere and traditional feel of this shop. After lunch, the next location to be visited is the Paralayang at Batu. Tourists can enjoy the natural view of Batu from height at Paralayang. Tourists will also get some experience by jumping from height and enjoying the fresh air of Batu. After enjoying the view, tourists will be invited to try so many food and snacks at Alun-Alun Batu.

For Hidden Malang tour package above it takes Rp. 2,478,000.00 for 4 travelers. The fee consists of rental fee at a price of Rp. 550.000,00, entrance fee for Kampung Tridi for 4 people Rp. 8.000,00, paralayang fee for 4 people with Rp 1.420.000,00, cost for eating at Warung Bamboe Rp. 500.000,00 for 4 people.

The second tour package is Adventure Day with "Feel The Nature" theme which tourists will be invited to enjoy the beauty of nature that mountains and beaches have. The first place to be visited is Mount Bromo. Tourists will leave the hotel early morning by Jeep car and will be arrived at the location around 04.00 am WIB to enjoy the view of sunrise at Sunrise Point. Tourists can also enjoy the beauty of Bukit Cinta, Pasir Berbisi, Bukit Teletubis, and Bromo Crater. After that, around 10:00 am tourists will go to Kondang Merak Beach. Tourists will have lunch at this beach. Kondang Merak offered so many variety of sea foods like tuna satay, ocean octopus, and other foods. After lunch, tourists will be invited to snorkeling and enjoying the underwater view of this beach. After snorkeling, tourists can take some rest or travelling around to another beaches like Banyu Meneng Beach, Pasir Besi Beach, Dali Putih Beach, and other beaches.

After Kondang Merak, tourists will go to Goa China Beach. At Goa China tourist will see the unique view of three small islands located in the middle of the beach. The three islands are Bantengan Island, Goa of China Island, and Nyonya. There are some activities that can be done such as camping, swimming, enjoying the cave somewhere at the beach, and there are some people that selling beverages and snacks. After that, tourists will be taken back to the hotel and invited to having dinner at one of the famous restaurant near Sahid Montana Hotel named Melati Restaurant. The restaurant offers traditional food with luxurious atmosphere and services.

The required cost is Rp. 2,000,000.00 for 4 travelers. The fee consists of Transportation Cost Rp. 500.000, 00, Gunung Bromo Entrance Fee of Rp 1.000.000.000,00 (Rp 250.000,00 / person) fee to enter Pantai Kondang Merak Rp. 60.000,00, the cost of eating at Kondang Merak Rp 200.000,00, the cost of snorkeling equipment rental Rp. 200.000,00, Chinese Goa entry fee Rp.40.000,00, and dinner fee in Restaurant Melati Rp 1,200,000.00.

## 4. COUNTRY SELECTION

According to the Hotel Sahid Montana, this hotel does not have a country selection that wants to be a target market so that all countries can be an opportunity because this hotel only pick up guests only and the rest is arranged by travel agents. In this case Hotel Sahid Montana wants to focus more on the tourists who come to this hotel for meetings, because with the meeting, Hotel Sahid can offer meeting packages such as meetings and also stay in this hotel and get breakfast / dinner, so tourists who meeting in there not only rent the place only but can stay at this hotel. Sahid Montana Malang is organized by Sahid Group if want to do all activities that are go international. Sahid group has held events in Singapore, Vietnam and Malaysia by inviting travel agents. In addition, Sahid Montana is also working with travel agencies abroad so Sahid not only focus with 1 country only. So this hotel is not directly related to clients from abroad because they usually enter the Hotel Sahid Montana via OTA (Online Travel Agent).

## 5. MARKETING STRATEGY

According to Kotler Keller (2013:27) "Marketing is about identifying and meeting human and social needs. One of the shortest good definitions of marketing is "Meeting needs profitably". Furthermore Kotler Armstrong also mentioned (2012:29) "Marketing as the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return". Based on that, Sahid Montana Hotel does some marketing strategy like made an official website to let people know more about Sahid Montana, participate in some international event with Sahid Group. Sahid Montana can join some travel applications like Trip Ad, Traveloka, etc. Sahid Montana can make some promotion like giving some discount or making some pack like Family Pack. And to make the marketing plan become succesful, Organisation has to understand the needs and wants of other individuals or groups (Philip, 2004, p.8)

### Segmentation

Segmentation is often the key to developing a sustainable competitive advantage based on differentiation, low cost, or a focus strategy (Aaker, 1995, p.49). The analyst has the option of segmenting the market using different sets of criteria including personal characteristics of the consumer, benefits sought, and behavioral measures of the consumer (Wilkie, 1990, p. 101). The segmentation in Sahid Montana are from OTA (*Online Travel Agent*), government, and corporate (BCA, BRI, etc). The highest segment from Sahid Montana hotel is government because many guests from the government to stay and for meetings. By doing so the marketers will have a better understanding of their target audience and thereby make their marketing more effective (Gunter and Furnham, 1992: 1). Then, "the greatest opportunity for creating competitive advantage often comes from new ways of segmenting, because a firm can meet buyer needs better than competitors or improve its relative cost position" (Porter, 1985, p. 247).

### Targeting

The segmentation and targeting of customers allows the marketer to deliver a product within the target audience needs and wants (Pickton and Broderick, 2005: 373). For the target in this hotel is more directed to the domestic because everything about go international has

been handled by Sahid Group. By combining the different behavioural variables, it is possible for marketers to get a view of a market and its segments and thereby the marketer can enhance its targeting strategies (Kotler and Keller, 2009: 265).

### **Positioning**

According to (Aaker, 1996) recommends developing the positioning objective only after the brand identity and value proposition have been developed. From (Gunter and Furnham, 1992) prescribe that after selecting target markets the strategist should develop positioning objectives to then develop them into a detailed marketing mix. But, from Al Ries and Jack Trout say if positioning is not what you do to the products, its what you do to the Consumer's Mind.

The uniqueness of this hotel from other hotels is about their design because many hotels has modern design but not in Sahid Montana's design it is still traditional or has a heritage theme. Thats makes the tourists can feel the culture of Indonesia directly. So, the conclusion from Kotler (1994) refers to it as the unique selling proposition.

### **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). For tourism package there are different prices between domestic and tourist because price are made by looking at the difference cost of living. Beacuse the tourist's living cost is higher than domestic people so It's totally fine to make different cost of tourism package between tourist and domestic. So, tourist still think that the prices we offer is acceptable. And there is no different hotel prices for domestic and tourist. For the service part will get different between domestic and tourist like kind of food (bread, potatoes, eggs, etc).

### **Distribution Channel**

According to Philips Kotler defines channel of distribution as a set of independent organizations engaged in the process of making a product or service available for use or consumption. Then, to market the tour package in Sahid Montana have to work with several travel agents. Travel agent can help Sahid to arrange the travel plan and make it become simpler. In addition, it also can be done with Sahid Montana Group which has the authority to manage the overseas marketing and this will make Sahid Montana can be known by many people from around the world.

### **Promotion**

According to (Kotler, 2010) the promotions mix (the marketing communications mix) is the specific blend of promotion tools that the company uses to persuasively communicate customer value and build customer relationships. However, Stanston say promotion includes, advertising, personal selling, sales promotion and other selling tools. Based on theory, Sahid Montana Hotel use pull strategy promotion. For promote their hotel, usually using social media as the most effective promotion (facebook, path, website, and instagram), via radio (Radio Kencana), car free day event, and application (trip advsor, traveloka, dll). Also for special event like this hotel provide packages such a cheap price on a christmast event, etc.

## 6. EXPORT PROCESS

The government was record Sahid Montana as a hotel. Basically, hotel and travel agency is different in management system and law's form. Because of Sahid Montana will coordinate the ideas, Sahid Montana must make subsidiary that focus in tourism. There are some conditions that must be done before entering international market. The first condition is the legal aspect. In Indonesia, Sahid Montana 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 Sahid Montana must provide some conditions for the submission. The requiremnts are (<http://dpmtk.id/index.php/persyaratan-tdup-tanda-daftar-usaha-pariwisata/>) :
- The photocopy of identity card
- Photo (3×4cm) with red background, 3 pieces
- Photocopy of Izin Gangguan (HO)
- Photocopy of SIUAU
- Photocopy of Deed of Incorporation that listed as bussiness travel services
- power of attorney and Photocopy of KTP who become receiver.
- Blue buffalo based Map

For this permissions, Sahid Montana need to wait around 4 days. Sahid Montana also do not need to pay to get this permissions/ After the legal aspects have been done, Sahid Montana can start the tourism programs. For the marketing of the tourism product, there is no need any permissions. Every one can market tourism product as long as the information is real and accountability. Any media can be used from common methods (brochures, banner, poster, ect) till modern metods (e-marketing).

## **7. EXPORT RISK**

In each promotional strategy used must have risks. From the evaluation of most risks is uncertain for many reasons: lack of experimental data and incomplete theoretical understanding of the mechanisms behind a risk being perhaps one of the most important ones (Otway and von Winterfeldt 1992). The risks are it will be more costly because you have to be dare to take risks if you want to do a smooth promotion and reach more people. Most tourists are more familiar with Bali as a major tourist attraction in Indonesia so there are not a lot tourists know Malang City as a tourism destination. In addition, because the tour packages we offered is like another ordinary package, it will make tourists become bored with the package we offered. And the last is that we don't know if the weather will suddenly change and ruin the trip especially for nature trip like mountain and beach.

## **8. RECOMMENDATION**

In the marketing literature, the dominant tendency is to equate ethnic marketing with segmentation and targeting based on some concept of ethnicity (Cui, 1998; Laroche, Kim, and Clarke, 1997). Therefore, Sahid Montana need to decrease the outcome and must be able to choose the more effective and influential marketing for Sahid Montana Hotel. So it can minimize the cost incurred. In order to get attention from tourists Sahid Montana can make some event which invite tourist to know about Indonesian Culture so tourist can get more experience like learning how to play angklung, gamelan, traditional dance, and other Indonesian traditional culture. For the weather, we know that in the end of the year rain will come so we should not invite tourist to visit some nature place at that time. So we should not be worry about the weather anymore.

Not only focus on product and services, Sahid Monata need to understand and build customer's loyalty. Many researchers and consultants argue that there must be strong "attitudinal commitment" to a brand for true loyalty to exist (Day, 1969; Jacoby and Chestnut, 1978; Foxall and Goldsmith, 1994; Mellens *et al.*, 1996; Reichheld, 1996). This is seen as taking the form of a consistently favorable set of stated beliefs towards the brand purchased. These attitudes may be measured by asking how much people say they like the brand, feel committed to it, will recommend it to others, and have positive beliefs and feelings about it – relative to competing brands (Dick and Basu, 1994). The strength of these attitudes is the key predictor of a brand's purchase and repeat patronage. This is what Oliver (1997, p. 392) has in mind when he defines customer loyalty.

## **9. CONCLUSION**

From above, Sahid Montana has its own uniqueness and strenght, not like another modern hotel this hotel still keep the traditional culture. Montoya-Weiss, Voss, and Grewal (2003) found that online and traditional channels have complementary effects in determining customers overall satisfaction with the service provider. Sahid's segmentation is the government, beacuse Sahid can get many customers to stay and arrange some meeting. Sahid Montana dosen't offer different price between tourist and domestic customers. Sahid

Montana want to go international to make this hotel known by many people outside Indonesia. Sahid can make some tourism packages in Malang city or another city surrounding like Hidden in Malang and Adventure Day tour packages. Tourism places that will be visit by tourist in this packages is natural places like mountain, beach, ect. Beacause for tourist, nartural places is more interesting.

Sahid Montana doesn't has country selection beacause there are so many tourist from many countries come to Malang City and stay in this hotel. Sahid Montana need to cooperate with some travel agent to help Sahid in arranging the travel plan and make it more effective. To make Sahid Montana go international, this hotel need to develop the tourism in Malang so they need to do some promotion strategy like making website, social media, and participate in some international event.

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