

CHAPTER II

LITERATURE REVIEW

2.1 Marketing Strategies

According to Buchari (2009: p.344), marketing strategy distinguished with the understanding of tactics. Military recognize strategies used in the field to achieve the goals and meet the enemy in order to win the war. The tactic is a method used in the field to win the battle. Therefore, in the field of tourism, it's important to think about what strategy and tactics are and what are used to promote tourism marketing. In the context of tourism, marketing strategy is as an analysis of the development of information-based strategies in order to plan marketing environment to implemented in practice and specific. Tourism marketing strategy is a set of strategies and marketing techniques that include:

1. the product-market strategies or often referred to as a strategy competition, grouped into market segmentation, determining target markets, and positioning.
2. the marketing tactics and strategies that include differentiation marketing mix related to activities the planning of the marketing mix and marketing value of the right elements are grouped into a brand, services and processes.

According to Joseph P. Cannon and et al, (2009: p.40) The marketing strategy determines the target market and marketing mix related. This strategy is the big picture of which will be performed by an integration in a market. It takes two interrelated parts, namely:

1. The target markets are homogenous group of customers who want to be towed by the company.
2. The marketing mix variables which will be overseen compiled by the company to satisfy the targeted group.

According to Corey (in Tjiptono, 2008: 6), marketing strategy consists of five interrelated elements. The five elements are:

- a. Selection of the market, choosing the market to be served, This decision was based on the perception of the factors product functions and grouping of

technologies that can be protected and dominated, limited internal resources that drive the need for a more narrow focus, which is based on the cumulative experience trial-and-error in response to the opportunities and challenges, special abilities that come from access to scarce resources or protected markets. Selection of the market begins to perform market segmentation and then selecting target markets most likely to be served by the company.

- b. Product planning, covering the specific product being sold, the establishment of product lines, and the design of individual bids on each line. The product itself offers total benefits that can be obtained with a customer makes a purchase. The benefits include the product itself, brand name, product availability, guarantee or warranty, repair services and technical assistance, provided by the seller, as well as personal relationships that may be formed between the buyer and the seller.
- c. Pricing, which is determines the price that can be reflects the quantitative value of the product to the customer.
- d. The distribution system, namely the wholesale and retail trade channels through which the product until it reaches and ends to consumers that buy and use them.
- e. Marketing communications, which includes advertising, personal selling, sales promotion, direct marketing, and public relations

Therefore, it can be seen that the core elements of the marketing strategy is the marketing mix. Marketing mix is a core part of the marketing strategy used by companies to establish the exchange.

2.2 Definition of Marketing Mix

Everyone who decides to buy tourism products may be influenced by promotional product providers, assess the products offered, consider whether to buy the product at the price offered, and finally think about how easy the products obtained and purchased.

According to McCarthy (1978 in Cooper, et al., 2009: 392), the marketing

mix is a decision made in relation to 7P, namely Product, Price, Promotion, place (distribution), People, Process, Physical evidence. According to Kotler and Armstrong (1996, *ibid*), the marketing mix is one of the key concepts in modern marketing theory.

The fundamental as the initial determination of a good marketing mix strategy is to define clearly the target market. Although the target market is not a part of the marketing mix, but it's a very important role in determining differences in approach to the marketing mix is used.

2.3 Tourism Marketing

According to Kotler (2004; p.377), Definition of marketing is a social and managerial process in which individuals and groups obtain what they need and want through creating and exchanging products and value with others. Based on the definition of the marketing concept is described in Picture 2.1. as follows:

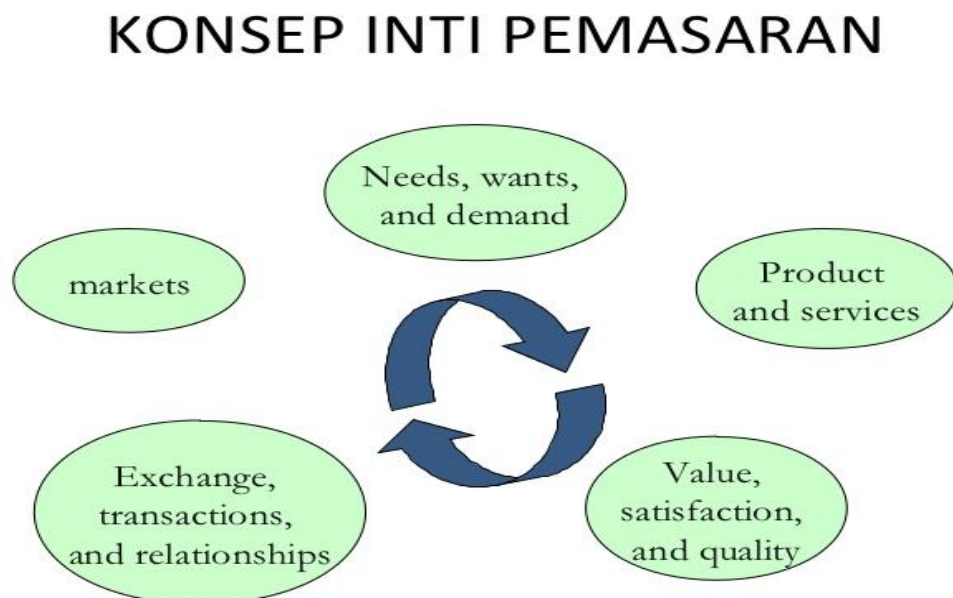


Image 2.1. Core marketing concepts, Kotler (2004)

Based on the definitions and concepts that have been described, the definition of services marketing especially in tourism have a different understanding with the marketing of products that are not the services product. In

the case of the marketing mix for product and services, Kotler and Armstrong (2003: p.78) state that marketing mix is the tactical marketing tool and it can be controlled by product, pricing, distribution, and promotion combined by company to produce the desired response in the company's target market. The marketing approach 4P (product, place, prices, promotion) as disclosed above, works well for goods. However, elements or additional variables need marketing services namely people, evidence, process (Kotler, 2005, p.116). The Variables which are elements of the marketing mix (marketing mix) as follows:

a. Product

According to Buchari (2000: p.98) the understanding of product is a set of attributes both tangible and intangible, including the issue of color, price, good name of stores that sell the factory and service retailer, received by the buyer in order to satisfy their desire. The products offered by the company must be included with the service given by the company to the consumer or marketing intermediaries. So the product not only shaped something tangible, such as food, drinks and the like but also something intangible like services.

According to Kotler (2002: p.212), marketers need to think through the five levels of the product as follows:

1. The core Benefit is the fundamental benefits of services or money is actually being purchased by the customer.
2. The generic products which is a basic version of the product.
3. The products with (augmented product), namely with the service and the added benefit that differentiates the company's offerings from competitors' offerings.
4. The Potential products i.e. all additional transformation likely to be conducted on the product at a later date.
5. The expected product which is a set of attributes and conditions that normally expected and accepted by the buyer when they buy the product.

The products can be classified into three groups based on durability and its shape. According to Kotler (2002: 215), the product classified are :

1. Goods are not durable, are tangible goods that normally consumed in one or several uses.
2. Durable goods, namely tangible goods that can generally be used for a long time.
3. Services, a series of activities, benefits or satisfaction offered for sale.

b. Price

According Swastha (1997: p.211), The price is the amount of money plus a few items that may be required to obtain a number of combinations of items and their ministry. Meanwhile Kotler (2002: p.296) state that the price is the only element in the marketing mix that increase revenue and it is one of the elements of the marketing mix of the most flexible, where it can be changed quickly.

Kotler (2002: p.297) mentions there are six step procedure for settling prices as follows:

1. Choosing the pricing objectives
2. Determining demand
3. Estimating costs
4. Analyzing the costs, pricing and competitors' offerings
5. Selecting a pricing method
6. Selecting final price

From these definitions, we can know that the price paid by the buyer already includes services provided by the seller.

c. Venue / Location (Place)

For companies, the location and serves as a place where the services are provided. A good location is a location accessible without the need for costly and also a long time to achieve it. According to Lupiyado (2001: p.62), there are three types of interactions that affect locations, namely:

1. Consumers come to the service providers
2. Giving consumers visiting services
3. Employer services and consumers do not meet directly

d. Promotion

According to Kotler and Armstrong (2003: p.79), Promotion means activities that communicate the benefits of the product and entice customers next means. According to Payne (2000: p.189-190), promotional communications program consists of:

1. Identify the target audience
2. Determine the purpose of promoting
3. Development of messages
4. Selection communications mix

According to Payne (2000: p.203), Promotion is the number of activities can be carried out with the aim to boost sales. Sales promotion tools can be shown to three audiences:

1. Customers - offers of free samples, demonstrations, coupons, compensation in cash, prizes, contests and guarantees.
2. Intermediary - free stuff, discounts, allowances joint advertising, contests and awards distribution.
3. Salespeople - bonuses, awards, contests, and prizes for the best performing.

e. People

People are human resources that need to be maintained and developed in order to contribute to the company. In the company's services, people/employees are part of a company that can provide services to consumers.

According to Nasution (2001: p.62), the notion of service is a policy applied by the company or an individual as a result of the marketing is done with the intention of consumers to get the satisfaction of the products purchased or consumed.

f. Process

The process involves the workings of the company in about providing service to consumers in the provision of the dish. According Tjiptono (2008: p.146) the process is superior services company. The working process is initiated from the consumer entry to exit from the company. This process involves working

on the speed and accuracy of work. If the prose was quickly done then the consumer will be satisfied.

g. Physical Evidence.

Points or physical evidence is the nature of the marketing mix are not fixed and changeable. Good marketing management to give satisfaction to the consumer. The Company will not sell products that carelessly, he sell or buy goods of quality products in the right time and price is decent and pleasant place.

In conjunction with the marketing services, the people who function as service providers is affecting the quality of services rendered. There are four criteria for the role or influence of aspects of the "people" that affect consumers, namely;

- a. Contactors: "people" here interact directly with consumers in frequency quite often and very influence the consumer's decision to buy.
- b. Modifiers: "people" here does not directly affect consumers but quite often relate to consumers, for example the front desk.
- c. Influencer: "people" here affects consumers in the decision to buy, but not directly in contact with the consumer.
- d. Isolated: "people" here does not directly participate in the marketing mix and also do not often meet with consumers. the examples are administrative staff of sales, human resources, and data processing.

Neil Wearne (Yoeti, 1996: p.238) in Hospitality Marketing said at least elements of the marketing mix that consisted of six elements, namely:

1. People is as a candidate buyers or consumers. This element cannot be ignored. Before we manufacture a product, we have to do some research first with the expectation that the products created in line with expectations or in accordance with needs and wants.
2. Products and services can be obtained by consumers by buy the products offered.
3. Price is the price of a product which is need to be set to be the basis of an offer to specific target markets.
4. Place is defined as the place to offer or sell products to the target market, we

must first define the places of the product to be turnover set.

5. Promotion, promotion is none other than how we communicate the products offered at the right time and the media, so that it can be seen, known or compared to other products. The forms of promotion done, especially BPW can be:
 - a. Advertising
 - b. Sales promotions
 - c. Personal selling
 - d. Display and Outdoors
 - e. Brochures
 - f. Direct Mail
6. Positioning is a method or strategy to position our company so that it can be recognized by potential customers.

In general, tourism marketing arranges policies according to the urgency tourist purposes. In other words, the first step in a marketing policy is alerts the planner of the needs, desires, tastes and expectations of tourists with the intention that it can plan the development of tourism marketing and customize a policy so that policy always oriented to tourists.

In the focus of this study, the concept of marketing in tourism can be defined how the local government as a stakeholder is able to identify the product, in this case the resulting product not only from tourism products in physical form but the other components that have relevance as communities, businesses, supporting facilities, then the interaction this resulted in the product (service) to satisfy consumers.

Based on these definitions, the focus of this research is to find out how the experience of local government in tourism marketing in Baturaja based on several aspects. Those aspect are the process includes the steps taken by the local goverment to start the tourism development of Baturaja that is the process of tourism marketing, resources and readiness of government to regions and communities. Aspects of dynamics is also about the sustainability of tourism in Baturaja, a marketing strategy that run and programs work which were running

for the continuation of its tourism. Local government experience will be described in a real example in tourism marketing.