

## PT. ANGKASA PURA II (PERSERO) STRATEGY IN INCREASING THE NUMBER OF FOREIGN TOURIST ARRIVAL (FTA)

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### ABSTRACT

The focus of this Journal is to know PT. Angkasa Pura II (Persero) strategy in increasing the number of Foreign Tourist Arrival (FTA) with Low Cost Carrier Terminal (LCCT) Soekarno-Hatta International Airport Development. The type of research in this study is descriptive research. Techniques of data collection are from interviews, observation, and literature. The result of this research says that in building Soekarno-Hatta International Airport Low Cost Carrier Terminal (LCCT) there is some marketing strategy in offering new routes to airlines, such as roadshow, inviting airlines, and bring in airlines. The process of opening new routes takes a long time, depending on the duration of internal airline coordination. For marketing LCCT to the public, PT. Angkasa Pura II (Persero) together with the Ministry of Tourism is making a promotion video that will disseminate in and outside the country.

**Keyword:** Foreign Tourist Arrival (FTA), Low Cost Carrier Terminal (LCCT), roadshow, airlines, marketing strategy

### ABSTRAK

Jurnal ini membahas tentang strategi yang dijalankan oleh PT. Angkasa Pura II (Persero) dalam meningkatkan jumlah *Foreign Tourist Arrival* (FTA) ke Indonesia melalui pembangunan *Low Cost Carrier Terminal* (LCCT) Bandara Internasional Soekarno-Hatta. Jenis penelitian yang digunakan dalam penelitian ini adalah penelitian deskriptif. Teknik pengumpulan data berasal dari wawancara, observasi, dan studi pustaka. Hasil penelitian mengatakan, pembangunan *Low Cost Carrier Terminal* (LCCT) Bandara Internasional Soekarno-Hatta menggunakan beberapa strategi pemasaran dalam menawarkan pembukaan rute baru kepada *airlines*, seperti *roadshow*, mengundang *airlines*, dan mendatangkan *airlines*. Proses pembukaan rute baru memakan waktu lama, tergantung lamanya koordinasi internal *airlines*. Untuk memasarkan LCCT kepada masyarakat, PT. Angkasa Pura II (Persero) bekerja sama dengan Kementerian Pariwisata dalam pembuatan video promosi yang akan disebar di dalam dan di luar negeri.

**Kata Kunci:** *Foreign Tourist Arrival* (FTA), *Low Cost Carrier Terminal* (LCCT), *roadshow*, *airlines*, strategi pemasaran

### INTRODUCTION

One strategic element in tourism activities in the transportation sector. The role of transportation is considered very important in the tourism system, where the sector supports tourists to get to desired tourist destinations. The definition of transportation proposed by Nasution (1996:50) is defined as the transfer of goods and people from the place of origin to the destination. with the transfer of goods and people, transportation is one of the sectors that can support economic activities (the

promoting sector) and service providers (the servicing sector) for economic development.

In the world of aviation, aircraft service types can be divided into three, namely Full Service Airlines, Medium Services, and Low Cost Carriers. The most striking difference can be seen from the ticket prices of the two types of aircraft services. Of course, airlines that are included in full service airlines have higher tariffs compared to airlines that are included in low cost carriers. Low Cost Carrier (LCC) itself is an airline with low operating costs that

can capture all market segments with minimalist services. LCC is often referred to as Budget Airlines or no-frills flight or also Discounter Carrier. Characteristics of Low Cost Carriers (QBT Marketing, 2018), including:

1. Cheap tariff rates
2. The "use or disappear" rule, especially on tickets with the lowest prices
3. Additional costs, due to having to pay 'extra' for baggage, food, and seat selection
4. Secondary airport applies to several aircraft. For example, Scoot does not fly to Brisbane, tourists must use the Gold Coast instead
5. There is no loyalty program, tourists do not get points from flights
6. There is no airport lounge, travelers with membership to the lounge might be able to use it
7. Single class cabins, although the original LCC only has economy class seats, some airlines in this category have some business class seats or charge more for lines with extra legroom, such as exit rows.
8. Online ordering
9. There are no company offers, these airlines cannot negotiate incentives or discounts for published fares
10. Limited interline settings, can make tourists less comfortable when traveling multi-stops on different operators

Low Cost Carrier was pioneered by Southwest airlines founded by Rollin King, Lamar Muse and Herber Kelleher in 1967. Southwest's success was then widely imitated by other airlines throughout the world including Indonesia. The development of Indonesian airlines that implemented the Low Cost Carrier (LCC) system began in early 2000. PT. Angkasa Pura II (Persero) as one of the airport managers in Indonesia serves to assist the government in meeting the target of 20 million foreign tourists until 2019 and of course an increase in the number of domestic tourists. Various attempts were made by PT. Angkasa Pura II (Persero) to realize this, one of which is by building a Low Cost Carrier Terminal (LCCT) in Terminal 2F that is being revitalized. Through this revitalization, there will be additional passenger capacity that is greater than before.

The LCCT construction is also considered to be able to add flight routes

which are also expected to increase the number of passengers. Based on the above thought, the research of this journal is determined by the title "Strategy of PT. Angkasa Pura II (Persero) in Increasing the Number of Foreign Tourist Arrival (FTA) with the Construction of the Low Cost Carrier Terminal (LCCT) Soekarno-Hatta International Airport".

## LITERATURE REVIEW

Tourism is a temporary transfer made by humans out of their homes to a tourist destination with the aim of avoiding for a moment the routine work and activities carried out while they are in a tourism destination, by utilizing or using the facilities and services provided by entrepreneurs tourism in the tourist destinations he visited (Marpaung, 2002:13). In building tourist attractions, it takes a tourism business, which is a business that provides goods and/or services to meet the needs of tourists and the organization of tourism. In Law No. 10 of 2009 mentioned that tourism businesses include:

1. Tourist attraction
2. Tourism area
3. Travel Transportation Services
4. Travel Services
5. Food and Beverage Services
6. Provision of Accommodation
7. Organizing Entertainment and Recreation Activities
8. Organizing Meetings, Incentive Travel, Conferences, and Exhibitions
9. Tourism Information Services
10. Tourism Consultant Services
11. Tour guide services
12. Tirta Tourism
13. Spa

Tourism needs tourists as its target. tourists according to Law No 10 of 2009 concerning Tourism are people who travel. Meanwhile, according to Soekadijo (2000), tourists are visitors in the country they visit at least 24 hours and who come based on motivation:

1. Fill in leisure time or for fun, vacation, for health reasons, study, family, and others
2. Traveling for business
3. Travel to visit meetings or as envoys (scientific, administrative, diplomatic, religious, sports, etc.)
4. In the context of a cruise, if he lives less than 24 hours

The massive tourism development by the government was followed by the existence of Low Cost Carrier (LCC) in the world of aviation and the construction of Low Cost Carrier Terminal (LCCT) at Soekarno-Hatta Airport. In increasing the number of tourists, marketing strategies are also needed for the community. Marketing strategy is a set of goals and objectives, policies, and rules that give direction to the company's marketing efforts from time to time, at each level and reference and allocation, especially in response to the company in dealing with the environment and conditions of competition that is always changing (Assauri, 2013:15).

One element in the marketing strategy is the marketing mix which is the strategy chosen and carried out by a company that is related to determining how the company presents its product offerings in certain market segments, which are its target market. Definition of Marketing Mix according to Philip Kotler and Gary Armstrong in his book *Principle of Marketing* (2012:75) is a set of controlled marketing tools that are integrated by companies to produce the desired response to the target market.

## METHODOLOGY

### Research Approach

According to Sukmadinata (2009:53-60), qualitative research is research that is used to describe and analyze phenomena, events, social activities, attitudes, beliefs, perceptions, and individuals and groups. Qualitative research is conducted on natural objects that develop as they are, are not manipulated by researchers and the presence of researchers does not greatly affect the dynamics of these objects. Bogdan and Biklen (1992) explain that there are five characteristics of qualitative research methods, namely:

1. Qualitative research has a natural setting as a source of direct data and researchers as a key instrument.
2. Qualitative research is descriptive research. The data collected is more in the form of words or pictures rather than numbers
3. Qualitative research pays more attention to the process than the product

4. Researchers do not look for data to prove the hypotheses they compiled before starting the research, but to compile abstractions
5. Qualitative research focuses on meaning rather than merely visible behavior

### Types of Research

This type of research is descriptive research. Moh. Nazir (2003:4) says that "the descriptive method is a method of examining the status of a human group, an object, a set of conditions, a system of thought, or a class of events in the present". This descriptive method uses data that matches the facts in the field. In practice, this method will emphasize there is direct observation.

### Method of Collecting Data

According to Sugiyono (2013: 224), data collection techniques are the most strategic step in research, because the main purpose of the research is to obtain data. The following data collection techniques used by the author:

#### 1. Interview

Interview according to Nazir (2003) is the process of obtaining information for research purposes by way of question and answer while face to face between the questioner or interviewer with the informant or respondent using the interview guide. The author interviewed with Mr. Hufron Kurniadi as the Chief Unit of the Air Traffic and Tourism Development Business Project and Ms. Modina Marini as the Tourism Promotion & Stakeholder Relations Coordinator, and Mr. Iqbal Ariewibowo as the Air Traffic Sales & Stakeholder Relations Member.

#### 2. Observation

Observation is a data collection technique, where researchers make observations directly to the object of research to look closely at the activities carried out (Riduwan, 2004:104). With the method of observation, information can be collected from physical and mechanical observations of what is

being the object of research. The author made direct observations at Terminal 2F Soekarno-Hatta International Airport

### 3. Library Research

A literature study is a data collection technique by conducting a study of books, literature, records, and reports related to the problem being solved (Nazir, 2003:111). A literature study is a secondary data collection technique that is used as a theoretical foundation and theoretical support in the problems the authors discuss.

### Research Time and Location

The study was conducted from January 2, 2019 to April 30, 2019 about 4 months in the Air Traffic and Tourism Development Project Business Unit of PT. Angkasa Pura II (Persero) having its address at Building 628 Soekarno Hatta International Airport, Tangerang, Banten, Indonesia and Terminal 2 of Soekarno-Hatta International Airport.

## RESULT AND DISCUSSION

One of the main tasks of the Air Traffic and Tourism Development Business Project Unit is to develop programs that support and encourage tourism growth in the airport area of PT. Angkasa Pura II (Persero). Therefore, the Air Traffic and Tourism Development Project Business Unit has planned several strategies to increase the number of Foreign Tourist Arrival (FTA) at airports under the auspices of PT. Angkasa Pura II (Persero). The strategies used include:

1. Smart Tourism (Digital Tourist Information Center)
2. Tourism Event Promotion
3. Event Collaboration
4. Stakeholder Endorsement

At present, the Air Traffic and Tourism Development Business Project Unit is also incorporated in the LCCT Group. LCCT Group was formed as an effort of PT. Angkasa Pura II (Persero) in supporting government programs to increase the number of Foreign Tourist Arrival (FTA). This group contains employees from various divisions at PT. Angkasa Pura II (Persero) has the job description needed in building the LCCT. For example, the Engineering

Division which manages the construction and interior design, the Commercial Division which manages the placement of commercial areas, the Operations Division which manages the transfer of airlines, the Branding Division which manages the LCCT branding, the Aviation Business Division which manages airport charge/aero charge. The Air Traffic and Tourism Development Project Business Unit itself is assigned to manage traffic, the number of passengers, and airlines.

The construction of the LCCT at Soekarno-Hatta Airport was motivated by the wishes of the 7th President of the Republic of Indonesia, Mr. Ir. H. Joko Widodo in 2014 then targeted 20 million foreign tourists who will come to Indonesia until 2019. To support this plan, the Indonesian Minister of Tourism, Mr. Arif Yahya seeks to advance Indonesian tourism by making the new programs and of course supported by multidimensional ways such as 3A aspects, namely Accommodation, Attractions, and Accessibility. Indonesian Tourism Minister, Arif Yahya said, one that can encourage tourism growth is the ease of air access. The LCCT construction was conveyed by the Indonesian Minister of Tourism, Arif Yahya, as an instruction from the President of Indonesia, Ir. H. Joko Widodo. Following up on the instruction, a limited meeting was held at Bogor Palace on July 2018 to discuss the construction of the LCCT at Soekarno-Hatta International Airport.

Low Cost Carrier Terminal (LCCT) was chosen because it was considered to be able to invite more foreign tourists. According to statistics, the low cost carrier growth rate is far better than a full service carrier. The addition of aircraft movement and the addition of the number of passengers is far greater than the full service carrier so that the LCC is prioritized to be increased through the construction of the terminal, Low Cost Carrier Terminal (LCCT). To reach the Government's target of 20 million foreign tourists in 2019, if it only relies on a full service carrier it will not be fulfilled because the LCC growth from year to year is greater than the full service carrier. The annual growth rate of international passengers is 13% per year. The LCC passengers on the international route in Soekarno-Hatta in 2018 reached about 30%

of the total passengers of the international route 15.5 million people.

LCCT does not use new buildings and will use existing buildings, namely Terminal 2F Soekarno-Hatta International Airport. The development process carried out is the revitalization process. The LCCT development process until the completion stage will take quite a long time. The target for completion of the LCCT development will fall in 2022. The official opening of this LCCT will *de facto* fall on April 1, 2019, while the *de jure* fall on May 1, 2019. The construction of the International Low Cost Carrier Terminal (LCCT) at Terminal 2F Soekarno-Hatta International Airport has a main concept. The concepts used include:

1. Services
  - a. Seamless Journey
  - b. Fast Processing Time
  - c. Differentiated Service
2. Operations
  - a. Simple Design
  - b. Minimum Connection/Ground/turn around time
  - c. Connected System & Process
3. Commercial
  - a. Competitive Price
  - b. Effective Commercial Space
  - c. Airport on Demand

Low Cost Carrier Terminal (LCCT) is different from the Low Cost Terminal. Low Cost Carrier Terminal (LCCT) is a special terminal for LCC and provides services for LCC, while Low Cost Terminal (LCT) is a low-cost terminal. LCCT is not always an LCT.

There are 3 Low Cost Carrier Terminal (LCCT) bid strategies for airlines used by the Air Traffic and Tourism Development Business Project Unit, namely roadshows, inviting airlines, and bringing in airlines. This bid strategy adopts one element in a marketing strategy, which is the marketing mix. Some elements in the marketing mix were revealed by Kotler & Armstrong (2012) and applied in the marketing strategy by PT. Angkasa Pura II (Persero), including:

#### 1. Product

products offered by PT. Angkasa Pura II (Persero) is the opening of a new route as well as an existing low cost carrier that will be centered at the operational

site in Terminal 2F or Low Cost Carrier Terminal (LCCT).

#### 2. Price

prices offered by PT. Angkasa Pura II (Persero) related to airport charges that will be charged to airlines. Airport charges consist of landing, parking, parking surcharge, check-in counter, and aviobridge fees.

**Table 1. Airport Charge Price List**

No.	Variables	Weight	Price
1.	Landing	0 – 20 Ton	US \$4,90/Ton
		20 – 40 Ton	US \$98 (20 Ton) + US \$5,39/Ton
		40 – 100 Ton	US \$205,80 (40 ton) + US \$5,93/ton
		Di atas 100 Ton	US \$561,54 (100 ton) + US \$6,52/ton
2.	Parking		US \$0,55/ton
3.	Parking Surcharge		US \$0,22/ton
4.	Check-in Counter		US \$0,79/pax
5.	Aviobridge	0 – 100 Ton	US \$45,00/pemakaian
		100 – 200 Ton	US \$113,11/pemakaian
		200 – 300 Ton	US \$188,51/pemakaian

Source: Aviation Business Division of PT. Angkasa Pura II (Persero) (reprocessed)

#### 3. Promotion

promotion regarding LCCT to airlines conducted by PT. Angkasa Pura II (Persero) is carried out directly.

#### 4. Place

the place to be used as LCCT is Terminal 2F of Soekarno-Hatta International Airport, which from the beginning was used as a terminal for international departures and arrivals. At the LCCT later, airlines that will be fully operational are low cost carriers.

The LCCT bidding process for airlines carried out by the Air Traffic and Tourism Development Business Project Unit is by the bid strategy used, namely the roadshow. The roadshow process that was carried out applied one of the elements of the promotional mix from Kotler and Armstrong (2012), namely direct marketing.

Direct marketing according to Kotler and Armstrong (2001) consists of direct communication with targeted individual consumers to obtain an immediate response. As such, marketers directly communicate with customers, often based on interactive face-to-face meetings.

Until now, people do not know much about what LCCT is and how it differs from other terminals at Soekarno-Hatta International Airport. Therefore, PT. Angkasa Pura II (Persero) and the Ministry of Tourism endeavor to promote the LCCT of Soekarno-Hatta International Airport in various ways, including:

1. TVC LCCT
2. Icon Low Cost Carrier Terminal (LCCT)
3. Terminal 2 LED

On the other hand, there are still obstacles faced by the Air Traffic and Tourism Development Business Project Unit during the LCCT bidding process, namely the waiting time for airlines confirmation when conducting internal coordination because opening a new route depends on the airlines' decision. However, internal coordination that is too long will also harm PT. Angkasa Pura II (Persero) because it includes booking slots. These slots may be offered to other airlines that allow opening new routes.

Another obstacle faced is the limited production equipment of PT. Angkasa Pura II (Persero), such as a parking lot. The Soekarno-Hatta International Airport Terminal 2 has reached its maximum stage. After Terminal 4 was built, Soekarno-Hatta International Airport could no longer expand its land. Slot availability is also an obstacle in the LCCT bidding process. Also, obstacles related to permits are transportation rights/traffic rights. Transportation rights are bilateral cooperation between 2 countries that regulate frequency restrictions and flight quotas of each country. The opening of new routes must also pay attention to the transportation rights they have. If a country's transportation rights have expired then

opening routes to and from that country cannot be carried out.

## CONCLUSION

Based on the results of research on the Strategy of PT. Angkasa Pura II (Persero) in Increasing the Number of Foreign Tourist Arrival (FTA) with the Construction of the Low Cost Carrier Terminal (LCCT) of Soekarno-Hatta International Airport, the following conclusions can be drawn:

1. Background to the construction of the Soekarno-Hatta International Airport Low Cost Carrier Terminal (LCCT) in Terminal 2F by PT. Angkasa Pura II (Persero) is the wish of Indonesian President Joko Widodo to target 20 million foreign tourist visits to Indonesia in 2019.
2. Air Traffic and Tourism Development Project Business Unit PT. Angkasa Pura II (Persero) has several strategies in marketing LCCT to low cost carriers:
  - a. Roadshow
  - b. Invite an airline
  - c. Bring in an airline
3. LCCT marketing to the community carried out by PT. Angkasa Pura II (Persero) in collaboration with the Ministry of Tourism using various media, among others:
4. Constraints faced by PT. Angkasa Pura II (Persero) during the LCCT offering process to airlines, namely the length of time waiting for internal airline coordination, slot availability, limitations of PT. Angkasa Pura II (Persero), and constraints related to Transportation Rights/traffic right

## RECOMMENDATION

Based on research and discussion that the author has made, then, the author wants to provide advice aimed at improving company performance, namely:

1. The construction of "Millennials Corner" at LCCT which can be in the form of a corner or waiting room that is specifically designed for the millennial generation, such as photo spots, free wi-fi facilities, and charging spots
2. The LCCT promotion involves YouTubers who already have many subscribers because YouTube is easy to access via PC or smartphone

3. Organizing terminal tours for low cost carriers, so that they can provide information about existing concepts and facilities
4. Regarding Transportation Rights, if those rights have expired, they can arrange an extension to the Ministry of Transportation
5. Keep coordinating with airlines regarding the opening of new routes, coordination with internal, namely the AOCC Division of PT. Angkasa Pura II (Persero)

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