

DOMESTIC BUSINESS EVENT TOURISM MARKETING STRATEGY

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ABTRACT

This paper discusses the application of the 6P marketing mix (Product, Price, Place/Distribution, Promotion, Politics, and Public Opinion) by Jakarta Tourism and Creative Economy Office through The Office of Tourism and Creative Economy in order to organize domestic MICE activities (Meeting, Incentive, Convention, and Exhibition) in 2019 until 2020. This research uses the type of qualitative research and descriptive research with data collection techniques of observation, interviews, and literature studies. The results of the study are suggested and recommended to The Jakarta Tourism and Creative Economy Office to open new jobs, actively holding MICE events, especially business to customers (B2C), and establish cooperation with stakeholders by providing legal certainty.

KeyWords : Marketing, MICE, business to customer

ABSTRAK

Penelitian ini membahas tentang penerapan bauran pemasaran 6P (Produk, Harga, Tempat/Distribusi, Promosi, Politik, dan Opini Publik) oleh Pemerintah Provinsi DKI Jakarta melalui Dinas Pariwisata dan Ekonomi Kreatif dalam penyelenggaraan kegiatan MICE (Meetings, Incentives, Conventions, dan Pameran) di dalam negeri dari tahun 2019 hingga 2020. Penelitian ini menggunakan penelitian kualitatif dan penelitian deskriptif dengan teknik pengumpulan data observasi, wawancara, dan studi kepustakaan atau studi pustaka. Hasil penelitian menyarankan dan merekomendasikan kepada Dinas Pariwisata dan Ekonomi Kreatif DKI Jakarta untuk membuka lapangan kerja baru, aktif mengadakan event MICE business to customer (B2C), dan menjalin kerjasama dengan stakeholders dengan memberikan kepastian hukum.

Kata kunci: Pemasaran, MICE, business to customer

INTRODUCTION

The tourism industry is one of the drivers of the Indonesian economy and occupies the top 3 contributors to the country's foreign exchange along with oil and gas and the palm oil industry. The tourism industry itself has various types of businesses, such as the tour and travel industry, the hotel industry, and the meeting industry; incentive

travel; conference; and exhibitions or meetings; Incentives; Conventions; and Exhibitions (MICE).

This economic activity cannot be separated from the tourism industry with support from the Tourism and Creative Economy Office and the Tourism and Creative Economy Sub-Department in all areas of DKI Jakarta. As a business center, the

city of Jakarta has several times held a tourism event that can increase state revenues and the income of the city of Jakarta itself. One of the most suitable tourism events to be held in Jakarta is the Meeting, Incentive, Convention and Exhibition (MICE) industry. Moreover, the city of Jakarta already has MICE supporting facilities such as MICE venues in this case, namely the Jakarta Convention Center, Jakarta International Expo Kemayoran, SMESCO Building, Balai Kartini, Balai Sarbini, and other buildings so that a MICE event can be held and can attract exhibitors, visitors, and buyers to attend MICE tourism events. In addition, it is also supported by transportation connectivity that can facilitate accessibility and is supported by various accommodation options.

It is undeniable that on the one hand the government plays a role as a policy maker (government as regulator), but on the other hand the government can also act as an entrepreneur in the tourism sector (government as regulated - entrepreneur). The role or involvement of the government, as stated above, is not only to prepare various infrastructures related to attractions, accessibility, and amenities, but also to be directly involved in the tourism business itself, such as ownership of hotels, airlines, ships, tourism bureaus, and marketing and tourism promotion. (Judisseno, 2017).

From the explanation above, the implementation of a tourism event by DKI Jakarta can be through the DKI Jakarta Provincial Tourism and Creative Economy Office and for the implementation of tourism marketing and promotion in Jakarta it can be through the Marketing and Attractions Section of the DKI Jakarta Provincial Tourism and Creative Economy Office. Even so, the involvement of the private sector also needs to be considered by collaborating or holding an auction to the event organizer (EO) or other supporting vendors so that the organization of an event can be carried out.

Several MICE events organized by the DKI Jakarta Provincial Tourism and Creative Economy Office that have been

carried out in 2019 include the Jakarta Fair, Inacraft, Indonesia International Motor Show, Indonesia Fashion Week, and Busworld SouthEast Asia 2019. This shows that the city of Jakarta is capable of to host an international scale MICE event. This is evidenced by the number of foreign tourist arrivals which reached 1,903,941 people as of September 2019.

The DKI Jakarta Provincial Tourism and Creative Economy Department through the Marketing and Attractions Sector has succeeded in organizing an international-scale MICE event that is able to attract many foreign tourists from various parts of the world. This makes the author inspired to take the title DOMESTIC BUSINESS EVENT MARKETING STRATEGY FOR DOMESTIC TOURISM AND CREATIVE ECONOMICS DEPARTMENT OF DKI JAKARTA PROVINCE FOR 2019 – 2020 in this study.

Literature Review

Marketing Concept

Charles F. Philips Ph.D and Delbert J. Daucan Ph.D, in their book "Marketing Principles and Methods" state that "Marketing which is often referred to as "distribution" by businessman – includes all the activities necessary to place tangible goods in the hand of house hold consumers and users. This means that marketing, which is interpreted by traders as the same as distribution, means all activities to deliver goods to consumers (households) and to industrial consumers. Furthermore, it was added that excluding only such activities as involve a significant change in the form of goods. So, in marketing activities it does not include changes in the form of goods that we encounter in the industry. (Alma, 2014)

Maynard and Beckman in their book "Principles of Marketing" stated "Marketing embraces all business activities involved in the flow of goods and services from physical production to consumption. That is, marketing means all businesses that include

the distribution of goods and services from the production sector to the consumption sector. (Alma, 2014). One of the variables that can be controlled in a marketing strategy is the Marketing Mix. This marketing mix is a strategy of mixing marketing activities in order to find the maximum combination so that it brings the most satisfying results. There are 4 components included in this marketing mix activity known as the 4Ps:

Product

Product is the central point of marketing activities. This product can be in the form of goods or services. If there is no product, there is no transfer of ownership, then there is no marketing.

Price

The problem of price policy is to determine the success of product marketing. Pricing policy can be exercised at every level of distribution, such as by producers, by wholesalers, and by retailers (retailers).

Place/Distribution

Before producers market their products, there is already a plan for the distribution pattern that will be carried out. The intermediary and the selection of distribution channels are very important here. These intermediaries are very important because in every way they relate to consumers. In a phrase it says "You can eliminate the middlemen, but you cannot eliminate their functions", that is, you can remove the middlemen, but cannot eliminate their functions. Intermediaries can be good buying agents for consumers and can also be expert sellers for producers. So to encourage sales through distribution channels can be done by providing special discounts, bonuses, contests, and advertising. (Alma, 2014)

Promotion

This promotion is very developed during the "selling concept" where manufacturers rely heavily, giving high hopes for increased sales by using

promotions. Included in this combination of promotions are advertising activities, personal selling, sales promotion, publicity, all of which the company uses to increase sales. In placing the marketing mix, we must adhere to the economic principle, namely: "With the smallest sacrifice, we want to get the maximum mix result". So in determining the marketing mix, in the sense of achieving certain sales targets, we must determine the best marketing mix. The following should be considered:

1. *Marketing mix* must be balanced;
2. *Marketing mix* cannot be static;
3. *Marketing mix* cannot imitate;
4. *Marketing mix* must aim long term; and
5. *Marketing mix* must be based on experience.

MICE concept

According to Kesrul (2004: 8), meeting is a meeting or trial organized by groups of people who are members of associations, associations or unions with the aim of developing professionalism, increasing human resources, fostering cooperation between members and administrators, disseminating the latest information, publications, relations society. According to Kesrul (2004: 3), "Meeting is a tourism activity whose activities are a combination of leisure and business, usually involving people together". (Bachruddin, 2019).

According to Kesrul (2004:18), that incentives are gifts or awards given by a company to employees, clients, or consumers. The form can be in the form of money, tour packages, or goods. (Bachruddin, 2019)

According to Kesrul (2004: 7), a conference is a meeting that is held, especially regarding forms of governance, customs or habits based on general consensus, two agreements between countries with government authorities or international agreements on

the topic of prisoners of war and so. (Bachruddin, 2019)

According to Kesrul (2004:16), exhibition is a meeting event that is attended together held in a meeting room or hotel exhibition room, where a group of producers or other buyers are in an exhibition with different market segments. (Bachruddin, 2019).

Components of SWOT Analysis

Strength(S), namely the situation or condition of the strength of the organization or program at this time.

Weakness(W), namely the situation or condition of the weakness of the organization or program at this time.

Opportunity(O), namely the situation or condition of opportunities outside the organization and providing development opportunities for future organizations.

Threat(T), namely a threat situation for the organization that comes from outside the organization and can threaten the existence of the organization in the future.

The SWOT analysis method can be considered as the most basic analytical method, which is useful for looking at a topic or problem from four different sides. The results of the analysis are directions/recommendations to maintain strengths and increase the benefits of existing opportunities, by reducing weaknesses and avoiding threats. If used properly, a SWOT analysis will help to spot the forgotten or invisible sides. (Hamali, 2016)

SWOT Matrix

The SWOT matrix can be used to clearly describe the external opportunities and threats faced by the company and adjusted to the strengths and weaknesses it has. This matrix can produce four possible sets of strategic alternatives

SO (Strength-Opportunity) Strategy: This strategy is made based on the company's

way of thinking, namely by utilizing all strengths to seize and take advantage of opportunities as much as possible.

ST Strategy (Strength-Threat): This strategy uses the company's strengths to overcome threats.

WO (Weakness-Opportunity) Strategy: This strategy is implemented based on the utilization of existing opportunities by minimizing existing weaknesses.

WT (Weakness-Threat) Strategy: This strategy is based on activities that are defensive in nature and try to minimize existing weaknesses and avoid threats.

METHODOLOGY

This study uses 2 (two) types of research, namely qualitative and descriptive research and applies 3 (three) data collection techniques, namely observation, interviews, and literature study. The author made observations when the internship took place in the Marketing and Attractions Department of the DKI Jakarta Province Tourism and Creative Economy. The object that the author observes is the entire process of an activity, starting from the process of preparing supporting documents, to the process of preparing for the event auction. It is hoped that this will support this research.

The author conducted interviews with internal parties from the DKI Jakarta Provincial Tourism and Creative Economy Office regarding the problems that exist in this foreign worker. This is done to obtain accurate, valid, and more in-depth information so as to produce data that is relevant to the case being studied. The interview process was carried out when the author was doing an internship in the Marketing and Attractions Department of the DKI Jakarta Province Tourism and Creative Economy.

DISCUSSION

Marketing Strategy Used in Organizing Business Event Activities

Jakarta is in the 2nd (two) position with a

percentage of 27%. This indicates that the city of Jakarta has been able to make a major contribution to the tourism industry, especially in the MICE (Meeting, Incentive, Convention, and Exhibition) field and proves that the marketing strategy carried out has succeeded in getting this position.

Product

The involvement of Indonesia, especially

the city of Jakarta, was able to convince the international community to be able to choose and establish the city of Jakarta as an international MICE city. Therefore, it can indirectly increase the income of the Indonesian state and boost the national economy for the welfare of the Indonesian people.

Table 1. International MICE Activities in Indonesia

| Name of activity | Organization | Location | Start Date | End Date |
|-------------------------------|---|----------------------|--------------|--------------|
| Annual Congress | Asian Society for Vascular Surgery (ASVS) | Bali, Indonesia | 22 /10 /2019 | 26 /10 /2019 |
| Summit | Urban Environmental Accords (UAE) | Palembang, Indonesia | 23 /10 /2019 | 25 /10 /2019 |
| Congress | International Union of Notaries | Jakarta, Indonesia | 28 /11 /2019 | 30 /11 /2019 |
| Congress and General Assembly | International Association of Deputy Managers and Reception Heads of Luxury Hotels | Indonesia | 2020 | 2020 |
| Triennial Congress | International Confederation of Midwives (ICM) | Bali, Indonesia | 2020 | 2020 |

| | | | | |
|-----------------------------------|---|---------------------------|---------------|---------------|
| Quadrennial Congress | International Puppeteers Union | Bali, Indonesia | 2020 | 2020 |
| Annual Conference | Asian Pacific Association for The Study of the Liver | Bali, Indonesia | 04 /03 /2020 | 08 /03 /2020 |
| Congress | CIDESCO The World Standard for Beauty and Spa | Jakarta, Indonesia | 2020 | 2020 |
| Board Meeting | ASEAN Social Security Association (ASSA) | Indonesia | 2021 | 2021 |
| Annual Conference | Asia-Pacific Management Accounting Association (APMAA) | Jakarta, Indonesia | 2021 | 2021 |
| Asia-Pacific Microwave Conference | Institute of Electrical and Electronics Engineers (IEEE) | Bali, Indonesia | 2024 | 2024 |
| International Conference | IEOM Society International | Jakarta, Indonesia | Mar-25 | Mar-25 |

Price

Seen in the table shows the estimated total expenditure of foreign MICE tourists, which is USD 1,900 per person during MICE activities. As we know, holding an event or MICE event does not only last for one day, but also usually lasts for 3-4 days. If we calculate the average expenditure, these foreign MICE tourists can spend USD 475 per day. If we assume USD 1 = Rp. 15,000, so in a day foreign MICE tourists will spend Rp. 7,125,000,- per

person in a day on MICE products. This shows that MICE tourism products are very promising in bringing big profits for business actors and the Indonesian state, especially the city of Jakarta. Therefore,

Table 2. MICE Tourist Expenditure Prediction

| Items | Price | Unit | Total |
|------------------------|---------|------|----------|
| Hotel | USD 150 | 3 | USD 450 |
| Registration | USD 600 | 1 | USD 600 |
| <i>Pre – Post Tour</i> | USD 250 | 1 | USD 250 |
| Local Transportation | USD 200 | 1 | USD 200 |
| Eat | USD 100 | 1 | USD 100 |
| Souvenir | USD 100 | 1 | USD 100 |
| <i>Miscellaneous</i> | USD 100 | 1 | USD 100 |
| Total/Pax/Event | | | USD 1900 |

Source: ICCA, BNDCC, JCC, Pacific World, Asperapi, Police, and Conference

The MICE Potential report in DKI Jakarta explains that DKI Jakarta Province has several MICE venues, such as the Jakarta International Expo located in Kemayoran, Central Jakarta with a capacity of 67,000 visitors, in addition there is also a Jakarta Convention Center located at the Gelora Bung Karno Complex, Jakarta. The center has a capacity of 16,650 visitors, and the last one is Grand Sahid Jaya which is located on Jalan Jenderal Sudirman, Central Jakarta with a capacity of 6,580 visitors.

In the Report on the Potential Research Results and Strategies for Increasing Competitiveness of the MICE Sector of DKI Jakarta Province in the Context of Increasing Service Exports, it is said that the MICE location segmentation is divided into two, namely: the Jakarta International Expo is used as a Business to Business Exhibition (B2B) and the Jakarta Convention Center is used as a Business to Business Exhibition. Customers (B2C).

Promotion

Every event organizer or event organizer always expects visitor attendance that exceeds the target or at least matches the initial target. To achieve this target, the organizers must use one of the marketing mixes, namely promotion. Promotional techniques greatly affect the level of visitor interest and visitor arrival rates. Promotional techniques that are good and right can produce visitors who are on target and or exceed the target, and vice versa. There are several media that can be used for promotion, such as electronic media (television, radio, gadgets, etc.) and print media (newspapers, magazines, brochures, and others). These types of media can be used according to marketing targets, marketing times, and marketing places.

Table 3. SWOT Analysis of Marketing Strategy for Organizing Business Event Activities

| Environmental Assessment | S | W | O | T |
|---|---|---|---|---|
| Internal Environment | | | | |
| 1. There is an effort from the Department of Tourism and Creative Economy to Hold a MICE Event. | ✓ | | | |
| 2. Good Tourism Information Media. | ✓ | | | |
| 3. Have a calendar of tourism activities in Jakarta. | ✓ | | | |
| 4. As a Regulatory Party. | ✓ | | | |
| 5. DKI Jakarta Province as a Business and Office Center. | ✓ | | | |
| 6. Insufficient quantity of Human Resources (HR). | | ✓ | | |
| 7. Management Not Easy Supporter which Documents. | | ✓ | | |
| 8. Lack of official budget | | ✓ | | |
| External Environment | | | | |
| 1. Level High Enrollment. Stakeholders which | | | ✓ | |
| 2 level High Enrollment. Public which | | | ✓ | |
| 3. Availability of Sufficient MICE Venues. | | | ✓ | |
| 4. Availability of supporting facilities, such as hotels, entertainment facilities, airports, and others. | | | ✓ | |

It can be seen in table 4.1.7 that numbers 1 (one) to number 5 (five) in the Internal Environment, namely the efforts of the Tourism and Creative Economy Office to hold a MICE event, good tourism information media, have a calendar of tourism activities in Jakarta, as the regulator, and the province of DKI Jakarta as a business and office center is an assessment of the strength (strength) of the Department of Tourism and Creative Economy at this time.

Furthermore, that number 6 (six) to number 8 (eight) in the Internal Environment, namely the inadequate quantity of Human Resources (HR), the maintenance of supporting documents is not easy, and the lack of an official budget is a weakness assessment. from the Department of Tourism and Creative Economy at this time.

Next, that number 1 (one) to number 5 (five) on the External Environment, namely a high level of stakeholder participation, high level of community participation, availability of adequate MICE venues, availability of supporting facilities, such as hotels; entertainment facility; airport; and others, and the development of MICE tourism education is an opportunity assessment from parties outside the Tourism and Creative Economy Office at this time.

After that, that number 6 (six) to number 10 (ten) on the External Environment, namely political policies, natural disasters, force majors, high crime rates in Jakarta, many costs incurred, such as bidding fees; exhibition fees; survey fees; Database provision fee; and others are assessments that are threat in nature from parties outside the Tourism and Creative Economy Office at this time.

Through the results of the analysis of the marketing strategy for organizing business event activities with SWOT, it is hoped that this can be used as a direction for the DKI Jakarta Provincial Tourism and

Creative Economy Office to organize MICE events in the short term.

Conclusion

The 6P marketing mix proposed by Kotler has been successfully implemented by the DKI Jakarta Provincial Tourism and Creative Economy Office. The most widely held MICE products are exhibitions. The implementation of this MICE really helps the economy of the Republic of Indonesia, especially the city of Jakarta with the average spending money (spending money) by foreign tourists reaching Rp. 7.125.000,- (seven million one hundred twenty five thousand rupiah) per person per day. The implementation of MICE in Jakarta has been supported by the existence of MICE venues, such as the Jakarta International Expo (JIExpo), Jakarta Convention Center (JCC), and Grand Sahid Jaya. To provide information regarding MICE activities in Jakarta, the DKI Jakarta Provincial Government through the Tourism and Creative Economy Office has used 2 (two) promotion methods, namely print media and online media (on the network). Furthermore, the implementation of MICE cannot be separated from the involvement of the government as a legislative body. The policies made greatly affect the course of a MICE event. If the MICE event goes well, it will provide good public opinion as well.

Suggestion

To run a MICE event requires careful preparation supported by complementary documents. However, the process of making the document takes a long time. The Department of Tourism and Creative Economy also has a large number of jobs, so some employees have to work on several jobs simultaneously. Therefore, the authors suggest for the department to open new jobs, both as honorary and permanent employees. Thus, all the work of the Department of Tourism and Creative Economy can run

smoothly and easily. Public interest in visiting MICE event activities is quite large, especially MICE activities that involve the community directly (business to customer). Therefore, the author recommends for the department to hold MICE business to customer (B2C) events on a regular basis so that it can increase government revenue as its main goal and provide entertainment for the community as another goal. Seeing the problems that arise during the implementation of MICE activities from outside the Tourism and Creative Economy Office as the organizer, the authors recommend collaborating with stakeholders and all tourism industry actors, especially the MICE industry by providing legal certainty. In addition, it is necessary to improve the supporting facilities and infrastructure as well as the security of the MICE host city. Seeing the problems that arise during the implementation of MICE activities from outside the Tourism and Creative Economy Office as the organizer, the authors recommend collaborating with stakeholders and all tourism industry actors, especially the MICE industry by providing legal certainty. In addition, it is necessary to improve the supporting facilities and infrastructure as well as the security of the MICE host city.

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