

DEVELOPMENT STRATEGY OF LOVINA BEACH SINGARAJA BALI

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ABSTRACT

The purpose of this study is to identify the internal and external environment as well as to analyze alternative development strategy and formulate a development strategy. The population of this research is all employees in Lovina Beach and Lovina beach visitors with total sample 70 respondents. The analysis method that is used hand-in-hand with SWOT (Strength, Weakness, Opportunity and Threats) along with IFAS matrix combination (Internal Strategy Analysis Summary), EFAS (External Strategy Analysis Summary), Internal External matrix and Four Steps Framework. The conclusion of this research is that Lovina Beach is in a Strategy position i.e. in a dominant position of strength and opportunities and also be in a growing position so that it is still able to conduct improvement and development. In the development of Lovina Beach, several strategies can be formulated, including promotion, product development, human resources development and the establishment of a tourist attraction.

Keywords: SWOT Analysis, IE Matrix, Four Step Framework, Development Strategy

INTRODUCTION

These days, tourism in technological era has transformed into an industry which produce a lot of profits socially and economically. It has not also become only a monopoly tool of wealthy people. If it is discussed further, this trend is a phenomenon which probably and must be happened because tourism has altered from only traveling to enjoying the landscape or nature exoticism becomes a spiritual necessity of a human being and even as a place for looking for profits economically.

Intrinsically, tourism is a journey of a person or a group of people from one particular area to another area in which the intended area has uniqueness and additional value that are different from other areas. Someone's journey, according to Gel-Gel (2006), is pushed by various motivations, such as curiosity, trading purpose, religious motivation, resting purpose, and even because he or she wants to have fun. The point is, tourism is a way to please and satisfy spiritual feeling by visiting to a particular place or other sites with particular purpose.

Essentially, the manager of tourism place should improve their quality of service to attract the attention, to satisfy tourists, and to keep the tourists in order to stay loyal. Quality of service is really crucial to the development of tourism areas, especially to synergize stakeholders so that

the development is not only manager's responsibility, but also all stakeholders who want the betterment of Lovina Beach tourism place. By this, five elements of tourism can be fulfilled, considering those five elements need a good cooperation among all stakeholders and across sectoral. This makes those five elements interdependent to create a well-prepared area. Those five tourism elements are (Spillane, *et al.*, 1994).

1. Attractions or the things that attract tourists
2. Facilities
3. Infrastructure
4. Transportation
5. Society's hospitality

The low tourist's arrival in Lovina Beach Singaraja tourism place is still caused by weak marketing system. Therefore, it is necessary to develop a tourism marketing model, tourism attraction, and tourism facilities as an effort to increase to number of visitors in Lovina Beach. In response to various tourism problems which faced by Singaraja district, it is necessary to conduct a study in order to generate strategies that can be used by tourism doers in Lovina Beach Singaraja in improving the quality of service and the number of tourism visits.

The purpose of the Research

The purpose of the research which discusses the development strategy of Lovina Beach Singaraja Bali by using SWOT (Strength, Weakness, Opportunities, and Threats) analysis is as follows:

1. To identify the strength, weakness, challenge, and opportunity from Lovina Beach Singaraja Bali,
2. To analyze alternative development strategy of Lovina Beach Singaraja Bali,
3. To formulate the development strategy of Lovina Beach Singaraja Bali.

LITERATURE REVIEW

Marketing Services

Service is an activity to produce a formless output. There are a lot of experts that defined "service" from various points of view, according to Kotler and Keller (2009) service is all actions or works that can be offered from one side to another side, which basically formless and do not produce any ownership. The production might be related or might not be related to physical product. Meanwhile, the meaning of service according to Valarie A. Zeithaml and Mary Jo Bitner which cited by Buchari Alma (2007) mention that:

"Service is an economical activity which the output is not a product that can be consumed as well as production time and gives additional value (such as pleasure, entertainment, relaxation, and health) it is formless."

From that definition, it can be concluded that service is an activity that generates non-physical product or intangible but gives additional value towards that activity.

Strategy Management

Strategy management according to David (2006) is defined as arts and knowledge to formulate, implement, and evaluate across function decision which makes organization is possible to reach the assigned goal. Strategy Management has been through 3 stages of processes i.e. formulation strategy related to vision development, mission, and company purpose, opportunity identification, threats along with internal strength and weakness. In the formulation strategy, alternative strategy is included, or it is usually known as Plan B so that the utilization company resource is more maximal. The next process is that implementation strategy which characterized by the activity of making a ready plan, such as the making of yearly plan, short-term plan, middle-term and long-term plan. The implementation strategy includes culture development

which supports strategy, creating effective and direct organization structure, the usage of Management Information System. The keyword in implementing strategy is by mobilizing and motivating employees in order to work according to a plan. The last stage is evaluation which means measuring the appropriateness and success of a conducted plan and the result that has been accomplished by assigned strategy. The basic activity that is done to evaluate strategy is (David, 2006) reconsider external and internal factor that becomes the basic of strategy making, measuring performance, and taking corrective action.

SWOT Analysis

SWOT Analysis is the identification of various factors systematically to formulate marketing strategy. The basic of this strategy is located in logic that can maximize strength and opportunity, but simultaneously can minimize weakness and threats (Rangkuti, 2006).

1. Strength

Strength is a resource, creativity, or other superiorities relatively towards challenger and market needs that is served or want to be served (Rangkuti, 2006).

2. Weakness

The limit and weakness in understanding the company resource is one of the main points in indentifying company weakness because by that thing the company performance will be hampered.

3. Opportunity

Opportunity can be defined as the chance, either that has been through by company or organization. Pearce and Robinson (1997) identified opportunity as an important situation which benefits company's environment. The environment means external company environment starting from demography, social, politic, and economy to environmental problem and internal environment i.e. company resource and ability.

4. Threat

Threat is an external situation which is not beneficial in company's environment. If the company is a smart organization, so it can see threat as an opportunity and becomes a challenge to be surpassed. However, threat to a company can be considered as opportunity to another company. Understand the opportunity and main threat that is faced by a company or organization helps its manager to identify the suitable strategy options and realistic to decide the effective step for the company.

Empirical Review

The previous research which was used as a foundation in this research is a research entitled "The Analysis of Quality of Tourism Service and its Effects towards Satisfaction and Loyalty of Tourists in Tanjung Papuma Tourism place Jember" by Tri Angga Budie Leksana (2006). The problem of this thesis was about how is the relation and influence which is happened between the quality of service dimension towards satisfaction and loyalty of visitors, especially tourists. The analyzed variables are tangible, reliability, responsiveness, assurance, and empathy by doing path analysis model. The data analysis method that is used is Service Quality model which combined to Path Analysis.

The second research which was used is written by Hafi Narnik (2007) namely "The Decision of Marketing Strategy based on SWOT Analysis towards Reza Travel Service Jember". The purpose of that research is to know the suitable marketing strategy to develop Reza Travel Service Jember. Analysis tool that is used is SWOT analysis which tries to reveal strength, weakness, opportunity, and threat, which finally used to see position and deciding the suitable marketing strategy for Reza Travel Service Jember.

RESEARCH METHOD

This research is conducted in Lovina Beach which is located in Singaraja district. Data has been collected by using questionnaire, interview, and observation. Population of this research is the tourists of Lovina Beach Singaraja Bali. Meanwhile, the sample of this research is 70 respondents. The technique of collecting sample is purposive sampling i.e. sample that is treated based on particular criteria towards group of visitors (Arikunto, 2006). The sample criteria that are used in this research from external side are as follows:

1. The tourist who visits more than once and stay overnight.
2. Minimum 25 years old

Data Analysis Technique

1. Deciding IFAS Matrix (Internal Strategy Analysis Summary) and EFAS (External Strategy Analysis Summary)

The decision of IFAS and EFAS matrix is a way to analyze data and has vital value because in this process, the addition of quality and rating are given. In this process, data is collected through various ways, especially by using questionnaire that is necessary to test its level of validity and reliability.

2. SWOT Analysis

SWOT Analysis is the identification from various factors systematically to formulate the company's strategy (Rangkuti, 2006). The fundamental logic that is build is by maximizing strength and opportunity at the same time can minimize weakness and threat. SWOT Analysis is created based on indicators that are established based on IFAS matrix and EFAS that have been made.

3. Four-Steps Framework

Four-Steps Framework is one of the analysis tools in conducting blue ocean strategy or the strategy that created a room without any challengers (Kim and Mauborgne, 2006). This strategy can be developed from IFAS and EFAS matrix based on quality and rating which appeared in those two matrixes. Four-Steps Framework leads to four main questions as follows:

1. What kind of factors that should be erased among factors which easily accepted by a company or organization?
2. What kind of factors that should be reduced by the company in order to produce new value?
3. What factor that is necessary to be improved until surpassed company's standard?
4. What kind of factors that has not offered yet by the industry, and therefore it should be created?

FINDINGS

1. Deciding IFAS (Internal Strategy Analysis Summary) and EFAS (External Strategy Analysis Summary) matrix

Deciding IFAS and EFAS matrix is a way to analyze data and has a vital value because in this process, quality and rating are given. According to tabulated and processed data, the quality and rating is as follows:

Table 1. IFAS Result (Internal Strategy for Analysis Summary)

No	Internal Strategy Factors	Quality	Rating	Quality x Rating
Strengths				
1.	Lovina Beach Tourism location is known to be attractive	0,111	4	0,444
2.	The availability of facilities and supported medium	0,083	3	0,250
3.	Have professional human resources in tourism field	0,083	3	0,250
4.	Adequate capital to develop tourism field	0,083	3	0,250
5.	The management has a clear and directional development strategy and vision	0,083	3	0,250
6.	The easiness of access either in transportation or information	0,083	3	0,250
7.	A good relationship between employees and the leader	0,083	3	0,250
Weaknesses				
1.	Too expensive price for guest house or hotel room	0,056	2	0,111
2.	Operational cost in tourism sector is bigger than the budget	0,056	2	0,111
3.	Slow regeneration process	0,056	2	0,111
4.	The employees are not really understood about vision, mission, and the purpose of tourism development.	0,056	2	0,111
5.	The employees are lack of regular training.	0,056	2	0,111
6.	Not optimal promotion	0,056	2	0,111
7.	The leader and tourism sector employees mutation / substitution which indirectly influence the leadership and working style	0,056	2	0,111
TOTAL			36	2,7

Meanwhile, EFAS (External strategy Factor Analysis Summary) matrix or matrix which depicts external score which comes from visitors is suitable with the assigned criteria.

Table 2. EFAS (External Strategy for Analysis Summary) Result

No	Internal Strategy Factors	Quality	Rating	Quality x Rating
Opportunities				
1.	The support of local authorities in the field of tourism	0,086	3	0,257
2.	National Tourism Program of Indonesia	0,114	4	0,457
3.	Lovina Beach location which is near from	0,114	4	0,457

	Singaraja Gilimanuk lane			
4.	Buleleng airport is starting to operate as one of the entrances and access in Singaraja	0,086	3	0,257
5.	The possibility of product development and variation	0,086	3	0,257
6.	Political and security condition which is adequately conducive	0,086	3	0,257
7.	The society necessities toward natural tourism place, which contain education element and safety	0,114	4	0,457
	Threats			
1.	The impact of criminal and terrorism act in Bali	0,029	1	0,029
2.	The increasing price of the society necessities	0,029	1	0,029
3.	Competitors that are existed in one of the Singaraja areas.	0,057	2	0,114
4.	Unpredictable climate condition	0,057	2	0,114
5.	Natural disaster which often happens	0,057	2	0,114
6.	The society's income tend to become stable but the prices are fluctuated	0,029	1	0,029
7.	Local inhabitants are lack of realizations and participations in developing tourism areas	0,057	1	0,057
	TOTAL		35	2,9

According to Table 1 and Table 2, the result has shown scores which shows that external position is 0.2 point bigger than internal position. From the internal side, weakness is bigger than strength and when the rating is observed, strength position is still superior to weakness. Meanwhile, from external side, between opportunity and threat, opportunity is more than threat. In external position, opportunity and threat have a similarity in its achieved score i.e. there are three indicators for each which state that to fully support the question in questionnaire which means those factors are really influencing the sustainability of Lovina Beach Tourism Site.

2. SWOT Analysis

This SWOT matrix below describes a combination between strength and threat, also weakness which is combined with opportunity and threat. Then, opportunity will be paired with internal factor in order to reach the common ground of development strategy.

Table 3. SWOT Matrix

(1)	(2)	(3)
<p style="text-align: center;">IFAS</p> <p style="text-align: center;">EFAS</p>	<p>Strengths (S)</p> <ul style="list-style-type: none"> a. Lovina Beach Tourism location is known to be attractive b. The availability of facilities and supported medium c. Have professional human resources in tourism field d. Adequate capital to develop tourism field e. The management has a clear and directional development strategy and vision f. The easiness of access either in transportation or information g. A good relationship between employees and the leader 	<p>Weakness (W)</p> <ul style="list-style-type: none"> a. Too expensive price for guest house or hotel room b. Operational cost in tourism sector is bigger than the budget c. Slow regeneration process d. The employees are not really understood about vision, mission, and the purpose of tourism development. e. The employees are lack of regular training. f. Nonoptimal promotion g. The leader and tourism sector employees mutation / substitution which indirectly influence the leadership and working style
<p>Opportunities (O)</p> <ul style="list-style-type: none"> a. The support of local authorities in the field of tourism b. National Tourism Program of Indonesia c. Lovina Beach location which is near from Singaraja - Gilimanuk lane d. Buleleng airport is starting to operate as one of the entrances and access in Singaraja e. The possibility of product development and variation f. Political and security condition which is adequately conducive g. The society needs toward natural tourism place 	<p>SO Strategy</p> <ul style="list-style-type: none"> a. Develop product variation either existed product of non-existed product b. Develop image as a safe and comfortable tourism site c. Adding some facilities to develop tourism site d. Adding and fixing facilities by looking at hotel residence level e. Develop the characteristic that only owned by Lovina Beach so that it has different value from competitors 	<p>WO Strategy</p> <ul style="list-style-type: none"> a. Optimizing promotion and doing and aggressive promotion b. Giving regular training for employees c. Controlling operational cost d. Develop special characteristics which only owned by Lovina Beach so that it has different value from competitors e. Conducting cooperation with particular parties to attract tourists to visit Lovina Beach.
	(2)	(3)

Threats (T)	ST Strategy	WT Strategy
a. <i>The impact of criminal and terrorism act in Bali</i>	a. Empowering the local society so that the potential can be maximally explored	a. Controlling operational cost
b. <i>The increasing price of the society necessities</i>	b. Empowering the image through vigorous promotion	b. Implementing discount to all of the facilities by harnessing particular period of time
c. <i>Competitors that are existed in one of the Singaraja areas</i>	c. Shifting the way of promotion policy mainly according to demography	c. Optimizing owned facilities
d. <i>Unpredictable climate condition</i>	d. Reorientation segmentation and positioning for the visitors	d. Making Lovina Beach as the center of tourism activity, arts, and culture.
e. <i>Natural disaster which often happens</i>		
f. <i>The society's income tend to become stable but the prices are fluctuated</i>		
g. <i>Local inhabitants are lack of realizations and participations in developing tourism areas</i>		

According to SWOT matrix formulation, there are several alternative strategies that be applied in Lovina Beach Tourism Site in harnessing strength and opportunity as well as controlling weakness and threat. Alternative strategies divided into four quadrant i.e. SO strategy which orientated on utilizing strength and opportunity, ST strategy which tries to depict the suitable strategy to optimize strength and organize threat, WO strategy which orientated on solving internal weakness and tries to take the available opportunity, and WT strategy which tries to solve internal weakness and threat from external side.

3. Four Steps Framework

Four Steps framework use four instruments as the tool in determining output strategy i.e.

1. Factors that have to be erased among factors which easily accepted by the company
Factors that have to be erased based on the analysis leads to mental and attitude of someone i.e. the existence of shyness or disinclined in expressing or developing constructive idea and only a few who survived by accepting anything that has been said by the leader without thinking and having further review.
2. Factor that has to be reduced until it is lower than industry standard
Factor that has to be reduced until lower than industry production standard i.e. the swollen of several points of operational costs which means accusing developer to be smart in planning the budget and erasing some budget posts which is unnecessary. The other thing that is necessary to be seen is income review and facility costs.
3. Factor that has to be increased until above standard
Factor that has to be increased is coming from service side and company's image towards the existed brand. From the service side, the thing that has to be improving is the way to give regular training to internal part of the company in order to directionally maximize the service. Besides that, factors that have to be maximally increased are the common employees' ability to think and act tactically, creatively, and innovatively so that new values can be explored which then becomes the superiority of Lovina Beach. Another factor which is necessary to be improved soon is reorientation of promotion strategy

according to demography in relation to segmentation, determining target market and positioning. Because by unpredictable change either in economy or natural make the society alter its compositions away from particular criteria such as income and lifestyle which alter something that is bought.

4. Factor that has to be created to add a new knowledge
The things that have to be created to develop Lovina Beach Site:
 - a. Conducting regular and limited survey about visitors satisfaction
 - b. Conducting limited survey towards employees' performance
 - c. Adding new product feature i.e. nature exploration and outbound package
 - d. Adding supporting facilities such as ATM, Water Park, and the terminal of public transport.

DISCUSSION

Deciding Development Strategy

After getting the result of IE Matrix so that the main strategy that has to be implemented by the manager of Lovina beach is product development, including unique value, characteristic development, and market penetration. Moreover, the result analysis releases 7 core keys in development strategy as follows:

1. Strategy policy in the tourism field

The development and establishment of tourism sector can be improved and challenging if there is a policy which becomes its foundation. The policy can be vision, mission, and periodical plan that have been communicated towards all sides, especially internal side from all layers which becomes the main actor of the sustainability of tourism enterprises. From tourism policy, it can be described that hopes that are going to be achieved and the way how to reach it so that the policy has been made systematically and empirically proven. From that policy, there will be commitment of the manager to be more developing their own tourism site. In order to make the program is not in vain, it is necessary to effectively communicate with all stakeholders, especially the local government as the person in charge with hope that the program that is formed is integral program. To illustrate, one of the strategies about tourism development policy is to give more rights or autonomy constitution to take care of Agro Wonosari Tourism Malang.

2. Promotion

The promotion of tourism is necessary to be done according to plan, systematically, sustainably, and consistent. The target of the promotion is not only know and understand the uniqueness that is offered, location, and the way to reach it, besides, for domestic tourists the other purpose is that improving spirit, interest, and consciousness to preserve and protect the owned potential.

3. Accessibility

The point of accessibility is related to the flow and path either information or transportation. To develop aspect accessibility, it is necessary to be done according to a plan, integratedly, and coordinately because access problem does not only become a monopoly of tourism manager but also it becomes the needs of many people.

4. Human Resources Establishment

One of the important points in struggling to develop tourism site is the establishment of human resources as the main asset. Ideally, the development of human resources in tourism industry is prepared to all segments in other words i.e. until touching the segment of tourism site manager and understand the management of tourism. The development of human resources can be in a form of regular training for employees from all levels and

fields. Besides, exchanging employees can be done temporarily with another tourism site so that the employees are able to see and measure their own abilities and skills, including the tourism place of that person are working. Besides exchange program and internship, another way that can be used to improve the wealthy of regulator either in income side or treatment.

5. Integral Reporting System

Ideally, reporting system should be integral, and reach all parts, especially profit-loss analysis and follow-up plan concretely. Integral reporting system can be used as reference data and can be used as a tool to measure the development with several indicators that is built by manager and tourism observer group.

6. The establishment of Tourism Attraction

Tourism activity is basically relied on its tourism attraction so that the attraction in a form of tourism site or particular events should be developed according to a plan, and should be managed until it really becomes the leading tourism attraction among its competitors. The way to develop tourism attraction can through education process, competition, exchanging information, concert, or attraction. The establishment of tourism attraction should be balanced with the supporting facilities in order to make the visitors feel they are properly served.

7. Organizing the field which taking care of tourism

From those six key factors, the practice is necessary to have one good organization and coordination. This is important in order to avoid overlapping its operational in the field. The organizing pattern can be started with clear organization structure and systematic so that if leader turnover or mutation happens, the other employees can be quickly adapted because of working system has been formed and able to work professionally.

From seven main factors above, it is necessary to be elaborated in the real form even in short-term considering that those keys have long-term characteristic and sustainable. The real form of improvement in the development of Lovina Beach Tourism site refers to the result of blue ocean four-step framework, especially in the criteria of omitting and creating. Because from blue ocean strategy as the last analysis, it can be taken as a concrete working step so that there are many possibilities to be conducted.

CONCLUSION

Conclusion

From the analysis that has been done based on the purpose of the research is identification of strength, weakness, opportunity, and threat. Deciding and analyzing alternative strategy of development and deciding development strategy of the company by using blue ocean four-step framework.

Lovina Beach Tourism site is in a strategic position that is in a dominant position of strength and opportunity, and be in a position to grow so that it is still able to establish improvement and development. In the development of Lovina Beach, it can be formulated a strategy i.e. strategy policy in the field of tourism, promotion, accessibility, human resources development, integral reporting system, and the establishment of a tourist attraction and organizing the field which is in charge of tourism.

Suggestion

According to the research result which is described in the discussion in conclusion, there are several suggestions to the next period research as follows:

- a. The next researcher should conduct a research about tourists' satisfaction, manager performance in managing Lovina Beach in relation to human resources motivation, compensation, and working environment.
- b. The next researcher should use another method to study about the development strategy of Lovina Beach, for instance, SOAR method.

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