

MAIN STIMULUS STRATEGY OF FREIGHT FORWARDING AT PT. AS IN THE GLOBALIZATION

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ABSTRACT

This research aimed are to analyze the strengths and weaknesses of PT. AS competitor.; analyze the opportunities and threats of the business environment of PT. AS; analyze business strategies of PT. AS in dealing with the competitors. The technique of data collection used questionnaire, observation, and interview. Method of business strategies analysis performed through SWOT analysis. According to the SWOT matrix, the results of this research is indicate that PT. AS is a strong organization and has opportunities through recommendation that is progressive strategies. The appropriate strategies applied by PT. AS is S-O strategy. This is advantageous position where a company able to take an advantage of opportunities.

Keywords: freight forwarding, logistics, SWOT, business strategies

INTRODUCTION

Freight forwarding is a company that engaged in the field of agency that takes care of Export Import delivery and acceptance goods. A freight forwarding business is a business activity which is taking care of all necessary activities for delivering goods through land, sea or air which may include receiving, storage, sorting, packing, measurement, weighing, documents, issuance of transport documents, calculation of freight charges, insurance claims for the delivery of goods and settlement of claims and other charges relating to the delivery of such goods until receipt by the receiver.

The freight forwarding industry is undergoing tremendous developments in regards to regulatory changes, technological advances, and pressures from customers and competitors which require forwarding companies to grow continuously in order to survive and developed. Therefore, the freight forwarding industry is an industry that has a tight competition. The scope of freight forwarding business as a provider of transportation of goods and third party logistic (3PL) has reached an international level and has long been known as an agent involved in the transportation of goods (cargo) from the origin to the destination by land, sea, and air. The increasing volume of trade between countries simultaneously makes the efficiency of physical distribution system becomes an important aspect in the supply chain of the company.

Companies engaged in international markets need to pay attention to the distribution of raw materials production and distribution supply system of products that marketed abroad. This opportunity led to a logistics company that provides services in every chain of physical distribution system activities. PT. AS is one of the subsidiaries of SAMUDERA INDONESIA as well as one of Total Logistics Companies, where the company has provided all kinds of services related to the logistics chain and has global market coverage. Therefore, in order to rise the level and excel in such a tight competition, PT. AS requires to choose the appropriate freight forwarding business strategy. In this research, business strategy is performed through SWOT analysis by Pearce and Robinson (1998). The purpose of this research comprises: analyzing the strengths and weaknesses of the competitors; analyzing the opportunities and threats of the business environment; and

analyzing business strategy adopted by PT. AS in dealing with the competitors.

LITERATURE REVIEW

The development of freight forwarding services in Indonesia is also influenced by governance, port facilities, government's bureaucracy as well as the arrangement itself. Based on Clement Thesis Wedanaji P, Trisakti 2010 that discussed about the tendency of international economic, integration is encouraged to adapt the business world. Economic policy is increasingly opened according with the demands of globalization that can create opportunities for the freight forwarding business to grow become more qualified with efficiency.

Some Changes in society which occurred in the globalization era have required a response for the sustainability of a company. One of the way is doing innovation for business development. A business idea will be able to applied if the idea can carry a big benefit to stakeholders than the negative impact (Suliyanto, 2010). According to Subagyo (2011), Business feasibility study category is divided into three categories:

1. New business establishment (create a new business)
2. Business development (developing business)
3. Purchase of existing business (business acquisition)

Freight Forwarding Service Mechanism is how the goods of consumer/owner are getting safe and accordance with their expectations. A forwarding company often collaborates with the third party. Third party includes shipping/transportation companies (land transportation, shipping line, and airline), warehouse owners, loading and unloading companies and cleaning service companies. In this case, it involves marketing activities. An effective marketing program incorporates all elements of marketing mix into an integrated marketing program that has been designed to achieve the company's marketing goals by delivering value to consumers.

To formulate business strategy, marketing strategy decision planning supported by SWOT analysis. Analysis that used in this paper is in the form of observation activity, supported by study and company data available from 2012 until 2015 and used SWOT analysis (Strength, Weakness, Opportunity, and Threat). This analysis is a systematic and the best way to identify the factors of strengths, weaknesses, opportunities, and threats that faced by the company. This analysis is taken from the assumption that an effective strategy will maximize strengths and opportunities and minimize the weaknesses and threats.

Strength is a factor that can provide a positive impact for the company which consist of financial resources, image, leadership, buyer relationship, and supplier. Weakness is a limitation that directly hampers company's effective performance. Opportunities are important situation that give benefits to the corporate environment. Threat is a factor beyond management's control that could potentially threaten the survival of a company. Based on these factors, it can be determined the right strategy to run optimally in order to achieve the company success.

RESEARCH METHODS

This research was conducted at PT. Astarika Stuarindo addressed on Jl. Perak Timur 260, Pabean Cantikan, Surabaya 60165, East Java with approximately three months, starting from March to June of 2015. This is quantitative descriptive research that use questionnaire, observation, and interview as technique of data collections. Method of data analysis that used in this research is SWOT analysis (Strength, Weakness, Opportunity, and Threat). The analysis is categorized into two: internal (Strength and Weakness) and external (Opportunity and Threat) of the company. In the method of data analysis, SWOT compares internal and external factors. The internal factors is inputted into IFAS (Internal Strategic Factor Analysis Summary) matrix factor. The external factors inputted into EFAS (External Strategic Factor Analysis Summary) matrix factor.

FINDINGS

Based on the SWOT matrix, the value of internal factors is 4.45 and the external factors is 3.48 which can be used for the basis of SWOT analysis plot in the diagram, as shown in the figure. 1.

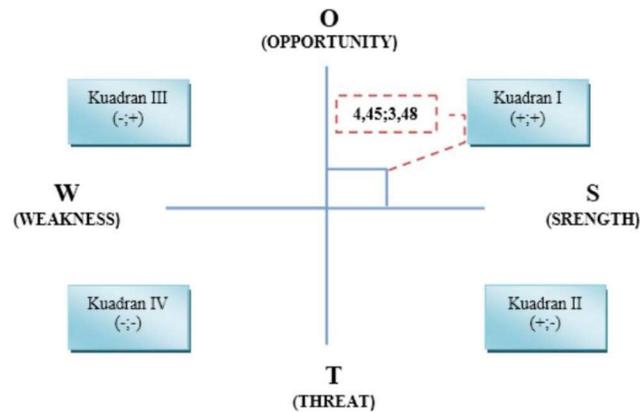


Figure 1. SWOT Analysis Plot Diagram

Sources: Data processed of 2014

From the Figure 1, it can be seen that the ordinate position signifies a strong and opportunistic organization. In addition, it is also known that the recommendation strategy given is progressive. It means that the organization is in good and steady condition, so it is possible to continue to expand, increasing growth and achieving maximum progress (Pearce and Robinson, 1998). The appropriate strategy to be implemented by PT. AS is S-O strategy. This is an advantageous position, where company uses its capabilities to take advantage of opportunities.

Based on SWOT matrix above, the implementation of strategy for all situations can be formulated that management and business strategy in PT. AS is very strong and encourage developing markets and market segments, given the opportunities that exist based on external conditions that is to enter the international market. With strong management and good business strategy owned by the company to make threats of the same products and similar from other companies is not too worried. The strength of marketing will be relatively easy to minimize the threat, let alone the threat is less so dangerous (weak), so that business development will be efficient and effective in line with the development of marketing system.

In addition, the potential of forwarding market users is relatively large, making the industry of forwarding providers increasingly competitive. This condition encourages forwarding companies to create distinction and relay it to the targeted service users/customers through a promotional strategy. By combining promotional programs undertaken by a company with its market characteristics and preferences, thus the promotion program can be successful in accordance with the company's objectives.

DISCUSSION AND CONCLUSION

PT. Astarita Stuwaringo uses S - O pattern as the main strategy in doing business development in globalization era. In this case, management and strong business strategy able to help expand market segmentation. Given the era of globalization is a period when open trade is wider, it is cross-country and continent and the existence of forwarding service company like PT. AS becomes increasingly necessary. The implementation of a forwarding company promotion program, as well as for other companies, generally has its market characteristics and preferences in seeking information about forwarding services. By able to combine promotional programs undertaken by a company with its market characteristics and preferences, it is hoped that the promotion program can be successful with the company's objective.

An expedition business also has some opportunities. Based on analysis by using force driving industry

competition from Michael Porter, there are five strengths that exist in the competition; potential entrants, lucrative profitability can invite new entrants that can hinder the achievement of targets if they are not handled properly. Suppliers, in this case, related to other supplier depend on dominated by producers who are concerned only with the market position. Buyers, in this case, related to a situation where the number of purchases more than the number of customers. Substitute products that influence customer's choice of change to the substitution product and rivalry among existing firms. In this case, competition can be demonstrated through competition in strategy or resources.

Based on analysis by using force driving industry competition from Michael Porter through the five strengths comprises potential entrants, suppliers, buyers, substitute products and rivalry among existing firms shows that there are still a great opportunity to enter the business. It is due to the increasing number of transportation that support the business, the more expedition users, especially manufacturing industries that engage in export and import activities and tend to do outsourcing with the expedition. The absence of substitution products to this industry led to bargaining position of the expedition industry resulting strong in terms of pricing so that the profit is still relatively higher than other industries, yet the risk is also high especially if there is a claim of the loss of goods.

From the analysis of the external and internal environment (SWOT analysis), freight forwarding services industry has a big chance to continue to grow, but there are also obstacles that has to be dealt with. These obstacles must be addressed not only by the forwarding industry itself but also requires the support from the government and related parties. In addition, the forwarding companies must improve against the weaknesses that existed, especially the human resource issues. By reducing weaknesses and increasing the existing strengths, the industry can grow even better.

To achieve competitive advantage, what can be done by forwarding companies is to continue to promote and implement strategies, one of which is the strategy of differentiation and focus strategy. Differentiation is to improve the quality of service by improving the quality of human resources, as well as differentiate the product by adding facilities to include insurance for goods that is sent as well as providing one stop logistics provider services. The focus strategy is to serve consumers in a narrower market but promises reasonable profits such as delivery of goods with certain specifications such as the delivery of dangerous good, as well as providing special services for students or students studying abroad by opening University Express services.

PT. AS sets the goal criteria that must be achieved by the company based on the hierarchy. There are four objectives criteria that include market development. They are building branch offices which is not included target market of PT. AS. Market penetration, done by focusing on growth targets. Product development is done by serving all customer's needs in one door. The diversification is done to anticipate other segments that are not interested in existing products and services.

Alternative marketing strategy of freight forwarding services incorporated into the hierarchical structure is a strategy formulated by the management of PT. AS through SWOT analysis which is a combination of marketing mix. Alternative strategies approaching the customer's location and focusing on cargo owners occupy the company's top priorities, with the aim of market penetration. The second priority strategy alternative is to strengthen integrated logistics support products such as warehousing, trucking and NVOCC (Non- Vessel Operating Common Carrier). While the third priority is to expand into new areas that have promising industry growth. Expansion needs to be done to expand the market owned by PT. US. The fourth priority is to direct door-to-door customer purchases to integrated logistics, which is a comprehensive service within each customer's supply chain, with an understanding for efficiency of the customer's business activities. Increasing brand awareness is the fifth in the alternative strategy; this can be done with many promotions in the media so that the name of PT. US is more widely known by businessmen. The sixth priority strategy priority is to maintain a customer relationship that is not yet ready in the direction of integrated logistics while maintaining current purchases.

Based on the results of the SWOT analysis, it is known that PT. AS is a company with strong organization and has opportunities through progressive strategies. The results and the purposes is to improve the marketing performance that is also affected by external factors that are beyond the company's control. The factors that become the main stimulus for freight forwarding is the size of market and profitability of the industry itself. The business opportunities of expedition is using forces driving industry competition based on Michael Porter that is potential entrants, suppliers, buyers,

substitute products, and rivalry among existing firms which showed a great opportunity to enter the business. The results of an external and internal analysis (SWOT analysis), the expedition industry has considerable opportunity to grow continuously, yet there are many obstacles to be dealt with. Therefore, to achieve a competitive advantage, the forwarder company has to do promotion, differentiation, and focus strategies.

The existence of forwarding services companies (services expedition) plays a relatively important role in supporting the success of world trade. Given the market potential of the users of forwarding services is relatively large, then the industry forwarding service providers have an increasingly competitive tendency. Thus the competitive market structure of forwarding service providers, ultimately encourages forwarding companies to create differences and communicate them to targeted service users / customers through promotional strategies. Implementation of a forwarding company promotion program, as well as for other companies, generally has its market characteristics and preferences in seeking information about forwarding services. By being able to combine promotional programs undertaken by a company with its market characteristics and preferences, it is hoped that the promotion program can be successful in accordance with the company's objectives.

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