### **THESIS**

### DIGITAL MARKETING DEVELOPMENT TO INCREASE RUSSIAN CUSTOMER AT THE APURVA KEMPINSKI BALI



JURUSAN PARIWISATA

POLITEKNIK NEGERI BALI

POLITEKNIK NEGERI BALI BADUNG 2022

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### DIGITAL MARKETING DEVELOPMENT TO INCREASE RUSSIAN CUSTOMER AT THE APURVA KEMPINSKI BALI



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Shall in the future any plagiarism proven in this scientific paper, I am willing to follow sanction as regulated.

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#### 1. PREFACE

This research is submitted in regards to the degree of applied master of tourism planning study program, tourism department, Bali State Polytechnic entitled "Digital Marketing Development to Increase Russian Customer at The Apurva Kempinski Bali".

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I am fully aware of limitations of this research despite all great efforts to make it as comprehensive as the resources available. There is much space for elevating the writing and I will be glad to have advice and constructive feedback to improve this research. I hope the reader will find this research informative and useful.

Denpasar, 29 September 2022

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#### 6. ABSTRACT

# DIGITAL MARKETING DEVELOPMENT TO INCREASE RUSSIAN CUSTOMER AT THE APURVA KEMPINSKI BALI

### Desi Andriany NIM 2015885024

This research aim is to analyse digital marketing to be implemented to increase Russian customer and to design which model of digital marketing to able to increase Russian customer at The Apurva Kempinski Bali. Data collection done by observative participation, interview and focus group discussion with 15 respondents whom meets competence criteria of digital marketing and tourism industry. The research conducted by qualitative analysis data by Miles and Huberman (1994), supported by Nvivo 12 Pro software. The research result shows that The Apurva Kempinski Bali meets criteria of Resource Base View and 7P Marketing Mix, it showcases at the hotel has competitive advantage. This research finds hybrid model Candi Crandra Sangkala that combined with RACE model by Dave Chaffey (2010) and Spectacular Journey Compass as customer engagement reference at The Apurva Kempinski Bali.

Keywords: Digital marketing, Russian customer, social media, hotel

#### 7. ABSTRAK

### PENGEMBANGAN DIGITAL MARKETING UNTUK MENINGKATKAN TAMU RUSSIA DI THE APURVA KEMPINSKI BALI

### Desi Andriany NIM 2015885024

Penelitian ini dilakukan untuk menganalis digital marketing yang dapat diimplementasikan untuk meningkatkan tamu Rusia, dan untuk mendesain model digital marketing yang dapat meningkatkan kunjungan tamu Russia pada hotel The Apurva Kempinski Bali. Pengumpulan data dilakukan dengan cara observasi partisipatif, interview dan focus group discussion dengan 15 orang informan yang kompeten terhadap bidang digital marketing dan industri pariwisata. Penelitian dilakukan dengan analisis kualitatif data dari Miles dan Huberman (1994), dibantu dengan software Nvivo 12 Pro. Hasil dari penelitian ini menunjukkan bahwa The Apurva Kempinski Bali memenuhi kriteria Resource Base View dan 7P marketing Mix yang menunjjukan sebagai produk yang memiliki keunggulan bersaing. Penelitian ini menemukan hybrid model Candi Candra Sangkala yang mengabungkan RACE model oleh Dave Chaffey (2010) dan Spectacular Journey Compass sebagai acuan hubungan dengan para tamu di The Apurva Kempinski Bali.

Kata kunci: Digital marketing, Russian customer, social media, hotel

### CHAPTER I INTRODUCTION

### 1.1 Background

Nowadays worldwide is relying on digital technology as a crucial platform to meet everyone needs, as well as when planning a travel. As part of modern technology system, digital marketing performance has been rapidly increased due to globalization impact and developed in all aspect of industry. People are using digital marketing as a trustful online platform to seek any information, where most of potential customers gone through virtual travel in digital platform prior to their journey. Every information and recommendation is easily accessible in only one click on mobile phone or laptop. Further to that, digital marketing platforms are able to modify any information and recommendation depends on travelling purposes. Very obvious that more and more stakeholders use the opportunity through digital technology media as most effective way to reach a destination's exposure. It is pointed out that digitalization is a new form of communication between producers and consumers of tourist services, becoming a source of competitive advantages of tourist organizations (Natocheeva et al., 2020).

Digital marketing platform is not a new phenomenon and it leverages in different channels such as search engine, website, social media platform, email marketing and mobile applications. The online media product information will be easier and faster to convey to consumers (Andika et al., 2021). Through digital marketing, companies are able to advertise their products more effectively, reaching a larger batch of potential customers regardless of their geographic location. This was significantly boosted by the increase in the number of internet user (Carvalho & Carvalho, 2020). Internet offers tourism organizations the possibility of having a

global presence as well as creating partnership around the world, it also simplifies the marketing of products reducing operating and communication cost. In the "digital era" the use of the internet and social media have a significant impact on the way consumers behave and companies do business (TODOR, 2016).

Go-digital is one of the Ministry of Tourism program strategy to win the market in industry era 4.0. Customer nowadays is more mobile and more personal (Rizkinaswara, 2019). Five main technologies to support the development of Industry 4.0 are the Internet of Things, Artificial Intelligence, Human-Machine Interface, robotic and sensor technology, and 3D printing. The implementation of Industry 4.0 aims to achieve the great national aspirations, which are bringing Indonesia upward to reach 10 biggest economies by 2030, returning the industry net export rate to 10 percent, doubling the labor productivity rate over the labor costs, and allocating 2% of GDP to R&D and technology innovation fields or 7 times higher than current allocation (BPKM, 2020).

Furthermore, special attention indicated the importance of developing sustainability tourism as the most promising segment. Every major segment of the market is developing with the help of digital technologies, using them to increase sales, brand awareness, and create certain trends related to the company's or organization's activities (Natocheeva et al., 2020). Despite the obligation to use digital media to promote today's tourism, it must be understood that this evolution also implies significant changes for the players in the sector (Carvalho & Carvalho, 2020). Tourism integrated into local communities, distanced from mass tourism, is necessary to provide a more realistic experience, which raises awareness of the need to preserve the traditions of local communities and their surrounding and practice sustainable tourism (Rodríguez-Díaz & Pulido-Fernández, 2020).

This research also considers the degree in which digital marketing to Russian customer is implemented in The Apurva Kempinski Bali as a luxury international hotel chain. Russian customer has been one of main targeted market in Bali, it was ranked #12 of arrival in 2019 with total 143,238 Russian tourists or 2.28% from total 6,275,210 tourist arrival, and ranked #4 of arrival in 2020 with total 57,817 Russian tourists or 5.41% from total 1.069.471 tourist arrival. This fact leads to Russian customer is one of the focus of international market to The Apurva Kempinski Bali. Since its opening from February 2019, the hotel is very well performed in international customer but unfortunately the result of Russian customer is very low. This huge gap explained that despite of Covid-19 pandemic, Russian customers has a very less engagement and still very less business result though same efforts in sales and marketing has been established. The issue attracted the reseacher's attention to have a research focusing on the increase of Russian customer to The Apurva Kempinski Bali as business strategy and an anticipation once the international travelling is slowly return to normal. Russian customer has a very unique characteristic, they are brave to any condition, spend a long time holiday, and predicted to be one of the first customer to travel back to Bali. The researcher understand that customer orientation in the Russian market consists of two distinct dimensions: customer-centric strategy and customer service delivery (Pereira & Bamel, 2021).

Table 1. Russian Arrival vs Total Foreigner Arrival to Bali 2019-2021

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	%	Rank
Russia 2019	16,400	11,620	13,905	12,553	9,346	7,676	8,047	8,235	9,531	11,996	14,629	19,300	143,238	2.28%	12
Total 2019	456,218	437,537	449,637	476,327	485,795	549,751	594,279	616,706	590,565	568,067	497,925	552,403	6,275,210	100%	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	%	Rank
Russia 2020	25,921	19,994	11,830	28		2						42	57,817	5.41%	4
Total 2020	538,898	364,498	165,417	327	38	11	13	9	7	9	27	219	1,069,473	100%	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	%	Rank
Russia 2021													-	0%	
Total 2021	10	12	3	9	8	1				2			45	100%	

Source: Central Bureau of Statistic, 2021

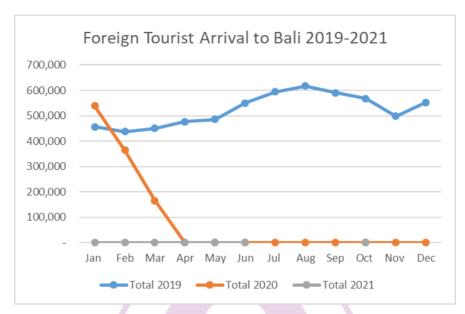


Figure 1. Line Chart Foreigner Arrival by Month Source: Central Bureau of Statistic, 2021

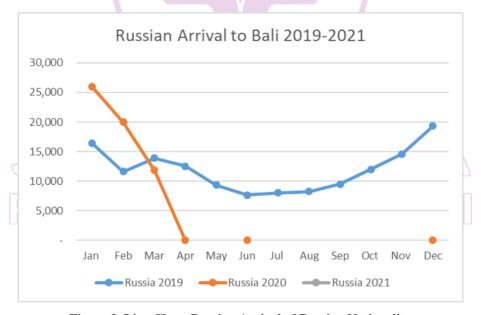


Figure 2. Line Chart Russian Arrival of Russian Nationality Source: Central Bureau of Statistic, 2021

The above table and figures shows that Russian customer is a great potency of business. In 2020 it stands at rank no #4 in Bali, climbed up from no #12 in 2019. This fact is a deep consideration on how The Apurva Kempinski Bali could develop a strategy to increase Russian customer especially through digital marketing.

The tight competition in five-star international chain and over supply of accommodation in Bali, it makes a price driven competition amongst the hotels. Every hotel companies doing the best possible effort to win the battle. At the moment the most digital marketing platform is by social media, i.e., Instagram, Facebook, Twitter, LinkedIn and company website. As we understand that B2C marketers are making big efforts to know how to use social media for marketing, since it helps companies know their customers' needs, interact with them, and build company's trust. The utilization of social media in businesses is rising and is being extensively used for marketing. Social media sites support inter- and intra-organizational collaborations (Moore et al., 2013). It also supports a two-way communication, therefore a virtual co-creation as researches have shown (Lacka & Chong, 2016).

The researcher has vision that digital marketing will be a future program in every hotel or company to increase customers. Progresses of marketing program are able to be seen in current updates of digital technology. The researcher optimist that research result will be able to be a great input for hotel of company to maximize its revenue production.

#### 1.2 Formulation of Problem

Recognizing the lack of Russian customer business to the hotel, despite of the Covid-19 pandemic situation, the problem raised in the research are:

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- 1.2.1 What type of digital marketing is applied to increase Russian customer to The Apurva Kempinski Bali?
- 1.2.2 What is the digital marketing model to increase Russian customer at The Apurva Kempinski Bali?

The research focus is limited to digital marketing platform, meanwhile it has variety of Content Marketing, Search Engine Optimization, Pay-per-click, Social Media, Email Marketing and Affiliate Marketing. Through this marketing techniques, and specifically outlining The Apurva Kempinski Bali exposure and promotion to grab Russian customers.

### 1.3 Objective of the Study

According to the formulation of problem above, herewith the objective of study:

- 1.3.1 To analyse digital marketing can be applied to increase Russian customer to The Apurva Kempinski Bali.
- 1.3.2 To develop the digital marketing model to increase Russian customer at The Apurva Kempinski Bali.

### 1.4 Significances of the Study

The research study has three part of advantages impact which the researcher describes as:

### • For Bali State Polytechnic

The study could be a reference in the future to dig more about digital marketing especially Content Marketing, Search Engine Optimization, Pay-per-click, Social Media, Email Marketing and Affiliate Marketing development and the impact of business development in Bali. With the progress of technology and communication trend, it will be possibility of opportunity for the student of Bali State Polytechnic to have further step of study and review according sustainability tourism focus.

### • For The Apurva Kempinski

This study would be beneficial the most to The Apurva Kempinski Bali as research object. The main goal is to find development and new or modified model for the upcoming business of Russian customer. It is an evaluation to the management and generate motivation to enhance any possible as well as to achieve company's goal in delivering business through hospitality to Russian customer.

### • For Future Researcher

This research study could help how to maximize digital marketing development especially Content Marketing, Search Engine Optimization, Payper-click, Social Media, Email Marketing and Affiliate Marketing in the field of tourism to raise promotion and brand awareness on the domestic market, focusing on The Apurva Kempinski Bali. By this method, the information may drive the customer to plan travelling journey with at least a slight thought of promotion and updated information. After noticing the motives of the tourist market subject to use digital technologies, the study will gain some foundation for future researcher on how to develop and deliver information and recommendation on the digital marketing platforms.

### CHAPTER VI CONCLUSION

### **6.1 Conclusion**

The Apurva Kempinski Bali understand that competition is fierce online. Hotel needs to plan, manage and optimize digital channels against defined targets. An integrated digital strategy is essential to define new segmentation, targeting and positioning for the hotel value propositions. The researcher hopes this thesis creates more awareness to hotelier in optimizing digital marketing platform to minimize gap between expectation and actual result.

The research of "Digital Marketing Performance to Increase Russian Customer at The Apurva Kempinski Bali" is aiming to answer the formulated problem in regards to the type of digital marketing is applied to increase Russian customer to The Apurva Kempinski Bali, and the effective digital marketing development model to increase Russian customer at The Apurva Kempinski Bali. With qualitative method and extensive research through interview, questionnaire, Nvivo analysis and FGD with the hospitality professionals. The results of findings and discussion inclusive:

1). The type of digital marketing that is favourite to Russian customer is social media of Instagram, Facebook and SEO on Google or Yandex for B2C. Furthermore, Email marketing is the preference for B2B partners. Those digital marketing optimization are expected to increase the Russian customer to The Apurva Kempinski Bali.

2). The structure of marketing plan is proven to boost a hotel performance. The research result is a hybrid model of RACE model combined with Spectacular Journey Compass as the effective digital marketing development at The Apurva Kempinski Bali.

RACE model is a practical framework to help manage and improve results from the targeted digital marketing. A customer stage from plan, exploration, decision making, purchase and customer advocacy. It covers always-on digital marketing activities across the customer lifecycle and still as important campaign-based activities for exposing products and promotions. Meanwhile, spectacular Journey Compass at The Apurva Kempinski Bali is to ensure customers had a memorable experience stay. With the aspects of curated, serene, sensational and spectacular, this engagement stage is a long lasting investment to the hotel.

### **6.2 Recommendation**

The researcher suggests the hybrid model of RACE combined with Spectacular Journey Compass concept to be implemented at The Apurva Kempinski Bali. The careful plan, marketing strategy and market development will to increase Russian customer. The effort will be massive and related to Sales and Marketing department in the hotel with the support of all employees. This hybrid model of RACE: (Plan) > Reach > Act > Convert > Engage to be implemented base on Resource Base View and 7P Matketing Mix, combines with the essence Spectacular Journey Compass to engage with Russian customers. The implementation will increase branding of The Apurva Kempinski Bali, the branding will lead into upcoming business conversion of Russian customers.



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