

**7P MARKETING MIX STRATEGY IN ENHANCING THE COMPETITIVENESS
OF TRAVEL AGENCIES: A CASE STUDY OF FAREL TOUR & TRAVEL**

**STRATEGI MARKETING MIX 7P DALAM MENINGKATKAN DAYA SAING
BIRO PERJALANAN WISATA: STUDI KASUS FAREL TOUR & TRAVEL**

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ABSTRACT

The tourism industry in Indonesia has made great strides, and by 2024, it is expected to account for an impressive 4.8% of the country's Gross Domestic Product (GDP). This shows that the industry is growing quickly and is an important part of the country's economy. Travel agencies, which are important middlemen in the complex tourism ecosystem, face a lot of difficult problems in this digital age. These problems include the disruptive effects of online travel agency platforms, the changing behaviors of consumers who are getting better at using technology, and the increased level of competition in the current market. The goal of this paper is to do a thorough study of how the 7P marketing mix framework is used in tourism services. It will do this by looking closely at Farel Tour & Travel, a travel agency that strategically operates in Nganjuk, East Java, and represents the dynamic interaction of traditional and modern marketing practices in the tourism industry. This analysis aims to clarify the strategies utilized by Farel Tour & Travel in addressing the contemporary challenges presented by digital transformation and competitive pressures, thereby enhancing the understanding of effective marketing methodologies within the tourism sector. This research employs a qualitative methodology, utilizing in-depth interviews with management, employees, and customers, to elucidate the implementation of each component of the 7P marketing mix—Product, Price, Place, Promotion, People, Process, and Physical Evidence—and its role in generating customer value and establishing competitive advantage. The research's empirical findings indicate that Farel Tour & Travel's remarkable success is due to a carefully planned strategic integration that includes not only customizing services to meet the needs of each customer, but also making the booking process as easy as possible. Additionally, the company stands out by offering unique thematic tour packages that spark the imagination of potential travelers. However, it is essential to recognize that there are significant shortcomings in the effective use of digital technology and the optimization of physical evidence, both of which are vital for improving the overall customer experience and require considerable enhancement to maintain competitiveness in the swiftly changing market environment. This academic paper significantly enhances the existing literature on service marketing by providing a contextualized analysis of the application of the 7P marketing mix in the Indonesian tourism services sector, thereby highlighting essential factors that practitioners must take into account. It also gives industry professionals useful advice that is meant to help them stay ahead of the competition as they deal with the difficulties and problems of the digital age. This will lead to better performance and sustainability in the sector.

Keywords: 7P marketing mix, travel agency, service marketing, competitive advantage, customer experience, tourism industry

ABSTRAK

Industri pariwisata Indonesia mengalami pertumbuhan signifikan dengan kontribusi terhadap PDB nasional mencapai 4,8% pada tahun 2024. Biro perjalanan wisata sebagai perantara dalam ekosistem pariwisata menghadapi tantangan kompleks di era digital, mulai dari gangguan oleh platform agen perjalanan daring, perubahan perilaku konsumen yang semakin melek teknologi, hingga intensitas kompetisi yang meningkat. Makalah ini mengeksplorasi implementasi bauran pemasaran 7P dalam konteks jasa pariwisata melalui studi kasus mendalam pada Farel Tour & Travel, sebuah biro perjalanan wisata yang beroperasi di Nganjuk, Jawa Timur. Melalui pendekatan penelitian kualitatif dengan metode wawancara mendalam terhadap manajemen, karyawan, dan pelanggan, penelitian ini mengidentifikasi bagaimana setiap elemen bauran pemasaran 7P—Produk, Harga, Tempat, Promosi, Orang, Proses, dan Bukti Fisik—diimplementasikan dan berkontribusi terhadap penciptaan nilai pelanggan serta keunggulan kompetitif. Temuan penelitian menunjukkan bahwa keberhasilan Farel Tour & Travel terletak pada integrasi strategis antara personalisasi layanan, efisiensi proses pemesanan, dan diferensiasi produk melalui paket wisata tematik yang unik.

Namun, terdapat kesenjangan signifikan dalam pemanfaatan teknologi digital dan optimalisasi bukti fisik yang perlu ditingkatkan. Makalah ini berkontribusi pada literatur pemasaran jasa dengan menyediakan pemahaman kontekstual tentang aplikasi bauran pemasaran 7P dalam industri jasa pariwisata Indonesia, serta memberikan rekomendasi praktis bagi praktisi industri untuk meningkatkan daya saing di era digital. **Kata Kunci:** Bauran Pemasaran 7P, Biro Perjalanan Wisata, Pemasaran Jasa, Keunggulan Kompetitif, Pengalaman Pelanggan, Industri Pariwisata

INTRODUCTION

The global tourism sector has changed a lot in the previous ten years, thanks to the digital revolution and shifting tastes of travelers. The tourism industry in Indonesia grew steadily, with 16.1 million international tourists arriving in 2024 and making up 4.8% of the country's GDP. In the digital age, travel agents have to deal with a lot of complicated problems, such being disrupted by online travel platforms and facing more competition.

Farel Tour & Travel is a travel firm that opened in 2016 in Nganjuk, East Java. The company focuses on local tour packages, especially to East Java, Bali, and Yogyakarta. The business has been open for five years and has serviced more than 5,000 customers, with 35% of them coming back. ASITA's data suggests that 60% of traditional travel companies lost market share because of digital disruption.

This research aims to: (1) comprehensively analyze the implementation of the 7P marketing mix at Farel Tour & Travel; (2) identify strengths and weaknesses in each element of the marketing mix; (3) evaluate strategic integration between elements to create customer value; and (4) formulate strategic recommendations for marketing mix optimization.



Figure 1. Logos



Figure 2. Product catalog

But MSME (Micro, Small, and Medium Enterprise) players have a hard time staying in business and creating a long-term competitive edge in a business world that is becoming more competitive and changing all the time. Branding reinforcement is one significant way to deal with these problems (Susanti & Oskar, 2018). Branding is the product's identity that micro, small, and medium-sized businesses create. It is also an important long-term investment because it can help the product stay competitive in the market (Saputra et al., 2022). MSMEs can set themselves apart from their competition and make their brand stronger in the market by using effective branding.

LITERATURE REVIEW

Service Characteristics and Their Implications for Marketing

There are some basic things that make services different from tangible products. Zeithaml, Parasuraman, and Berry (1985) delineated four primary characteristics: (1) Intangibility (inability to be seen or touched prior to purchase), (2) Heterogeneity (variability in service quality), (3) Inseparability (concurrent production and consumption of service), and (4) Perishability

(inability to store service). In the tourist industry, these traits are especially important because the experience of traveling is very emotional and experiential.

Evolution of the Marketing Mix Concept: From 4P to 7P

Borden (1964) came up with the idea of the marketing mix, while McCarthy (1960) made it easier to understand by breaking it down into the 4P framework (Product, Price, Place, Promotion). Booms and Bitner (1981) then made it 7P by adding People, Process, and Physical Evidence to make it easier to understand service marketing. This expansion acknowledges that interpersonal interactions, service delivery systems, and physical settings significantly influence consumer perceptions..

7P Marketing Mix Framework in Tourism Services Context

1. Product

The term "product" refers to the whole trip experience, which includes core services (like transportation and lodging), facilitating services (like insurance and visa help), and supporting services (like guides and meals). Levitt (1980) identifies three tiers: core product (essential advantages), actual product (packaging attributes), and augmented product (supplementary services). Thematic packaging, target segmentation, or value-added services can all help you stand out. Kotler and Keller (2016) describe five aspects of service quality: reliability, responsiveness, assurance, empathy, and tangibles.

2. Price

Pricing in the tourism industry is hard because you have to think about costs, how customers see value, your

competitive position, and how demand changes. Nagle and Holden (2002) list three strategies: penetration (low price to get a bigger market share), skimming (high price to get premium segments), and competitive pricing (following the market). Because services are perishable, dynamic pricing and yield management can help businesses make more money by changing prices based on demand, season, and booking time.

3. Place (Distribution)

Place includes channels and locations where the service is available to customers. In the context of travel agencies, distribution strategies include physical offices, online channels, agents, and partnerships. The digital era has dramatically changed the distribution landscape with the emergence of online booking platforms and mobile applications. Omnichannel strategy integrates various channels to create a seamless customer experience.

4. Promotion

Promotion includes marketing communications to inform, persuade, and remind customers about offerings. Belch and Belch (2015) identify elements: advertising, sales promotion, public relations, personal selling, and digital marketing. In the tourism industry, visual content (photos, destination videos) plays a critical role in generating the desire to visit. Social media, influencer marketing, and online reviews are becoming increasingly important in shaping perception and purchase decisions.

5. People

In high-interaction service industries such as tourism, employees and customers are integral parts of the service experience. Grönroos (2007) emphasizes that employees are living representations of the brand and have a

direct impact on customer satisfaction. Heskett et al. (1994) introduced the service-profit chain concept that links employee satisfaction with customer loyalty and profitability. Employee competence, training, motivation, and empowerment are critical success factors.

6. Process

Process refers to the actual mechanisms, workflows, and procedures by which the service is created and delivered to customers. In the context of travel agencies, the process includes stages from initial inquiry, itinerary preparation, booking confirmation, payment, support during travel to post-travel service. Efficiency, transparency, and ease of process directly impact customer satisfaction. Complex or difficult processes can be sources of friction that drive customer defection.

7. Physical Evidence

Physical evidence refers to the tangible environment in which the service is delivered and includes all tangible representations that communicate service quality. Bitner (1992) introduced the servicescape concept encompassing ambient conditions (temperature, lighting, music), spatial layout and functionality, and signs, symbols & artifacts. In travel agencies, physical evidence includes office appearance, staff uniforms, brochure quality, website design, and all visual elements that create first impressions. Given service intangibility, physical evidence serves as important tangible cues that customers use to evaluate service quality before and after purchase.

RESEARCH METHODS

Research Design

This research employs a qualitative approach with a case study design, which is suitable for in-depth exploration of complex phenomena in their real-world context. The case study allows for rich, detailed understanding of how the 7P marketing mix is implemented in practice and the contextual factors that influence its effectiveness.

Data Collection

Data was collected through multiple sources to ensure triangulation and enhance credibility:

In-depth interviews with owner/manager (2 hours), marketing staff (1.5 hours), tour guides (2 people, 1 hour each), and customers (5 people, 30 minutes each)

Observation of office facilities, customer service processes, and promotional materials

Document analysis of marketing materials, tour packages, pricing lists, and company records

Review of online presence including website and social media.

Data Analysis

Data was analyzed using thematic analysis following Braun and Clarke's (2006) six-phase framework: familiarization with data, generating initial codes, searching for themes, reviewing themes, defining and naming themes, and producing the report. The analysis was structured around the seven elements of the marketing mix, with attention to how elements integrate to create customer value and competitive advantage.

RESULTS

Product Analysis

Core Product Portfolio. Farel Tour & Travel offers a comprehensive range of domestic tour packages with specialization in East Java (Bromo, Ijen,

Malang), Bali, and Yogyakarta destinations. The product line includes day trips (1-day), weekend packages (2-3 days), and extended tours (4-7 days). The company serves individual travelers, families, corporate groups, and educational institutions with customizable itineraries.

Product Differentiation Strategy. The company differentiates through thematic packages: adventure tourism (trekking, rafting), cultural tourism (traditional village visits, batik workshops), culinary tourism (local food tours), and photography tourism (sunrise/sunset locations with professional guidance). This thematic approach allows targeting specific customer segments with tailored experiences rather than generic sightseeing tours.

Service Quality Components. Package inclusions typically cover: comfortable air-conditioned transportation, experienced driver-guide, entrance fees, travel insurance, meals as specified, accommodation for multi-day tours, and tour leader for group bookings exceeding 15 people. The comprehensive nature of packages reduces customer effort in coordination and enhances perceived value.

Analysis: The product strategy demonstrates strong alignment with niche marketing principles by targeting specific interest segments rather than mass market appeal. The thematic differentiation creates defensible competitive positioning against larger operators with generic offerings. However, the product portfolio shows limited innovation—most packages follow conventional tourism patterns. Opportunities exist to develop experiential products that leverage emerging travel trends such as wellness tourism, eco-tourism, or digital detox retreats. The customization capability is

a strength but could be enhanced through modular package design allowing greater personalization.

Price Analysis

Pricing Strategy. Farel employs competitive pricing positioned in the mid-range segment. Analysis reveals pricing approximately 10-15% below established agencies while maintaining comparable quality, creating value perception. The pricing structure follows cost-plus methodology with markup ranging from 15-25% depending on package type and group size.

Price Discrimination Mechanisms. The company implements several pricing tactics: volume discounts (groups above 10 people receive 10-20% reduction), early booking incentives (bookings 60 days in advance receive 5-10% discount), seasonal pricing (peak season surcharges of 15-20%), and loyalty program (repeat customers receive 5% automatic discount). This multi-tier pricing maximizes revenue across different customer segments.

Payment Terms. Flexible payment options include down payment (30%) at booking with balance payable 7 days before departure, or full payment at booking with additional 3% discount. Payment methods accepted include bank transfer, e-wallets (GoPay, OVO, Dana), and credit card (with 2.5% surcharge). The payment flexibility reduces barrier to purchase and accommodates different customer preferences.

Analysis: The mid-range competitive pricing strategy effectively positions the company as a value provider, attracting price-conscious customers while avoiding the low-quality perception of budget operators. The price discrimination mechanisms demonstrate sophisticated revenue management thinking, though implementation could be more dynamic.

Current seasonal adjustments are predetermined rather than demand-responsive. Implementing true dynamic pricing based on real-time demand, booking patterns, and capacity utilization could optimize revenue significantly. The payment flexibility is a competitive strength that reduces purchase barriers. However, opportunity exists to leverage pricing psychologically—for instance, presenting total package price broken down into per-person daily cost can make expensive tours seem more accessible.

Place (Distribution) Analysis

Physical Distribution. The company operates from a single physical office in Nganjuk city center, a strategic location with good accessibility and visibility. The office serves as customer service center, consultation point, and operational hub. Limited physical presence constrains geographical reach—most customers are from Nganjuk and surrounding districts with penetration in larger cities like Surabaya or Malang remaining minimal.

Digital Channels. Online presence includes basic website with tour package information and contact form (not e-commerce enabled), active social media on Instagram and Facebook for promotion and customer engagement, and WhatsApp Business for inquiries and booking management. While digital channels enable broader reach beyond physical location, the lack of online booking functionality creates friction in customer journey—potential customers must transition from online discovery to offline booking via phone call or office visit.

Partnership Network. The company has established relationships with hotels, restaurants, transportation providers, and local guides, ensuring

service delivery capability. However, limited formal partnership with corporate entities, schools, or community organizations restricts access to institutional customer segments.

Analysis: The distribution strategy represents a significant weakness. The single physical location combined with non-transactional digital presence severely limits market reach. In an era where 73% of travel bookings begin with online research (Kotler et al., 2019), the inability to complete transactions digitally creates substantial opportunity loss. The gap between digital discovery and analog booking creates friction and customer dropout. Priority recommendation is developing full e-commerce capability on the website enabling online package selection, customization, payment, and confirmation. This would not only expand geographical reach but also provide operational efficiency through automated booking management. Additionally, exploring strategic partnerships with complementary businesses (hotels, restaurants, event planners) could provide new customer acquisition channels. The company could also consider affiliate marketing or commission-based partnerships with local influencers and community leaders to penetrate new segments.

Promotion Analysis

Promotional Mix. The company's promotional efforts center on social media marketing, particularly Instagram and Facebook. Content strategy includes destination photos from past tours, customer testimonials with photos, promotional offers and discounts, travel tips and destination information, and behind-the-scenes content of tour preparation. Posting frequency is approximately 3-4 times per week with engagement levels of 100-300

interactions per post (likes, comments, shares) on a follower base of approximately 5,000 on Instagram and 3,000 on Facebook.

Word-of-Mouth and Referral.

Customer interviews revealed that word-of-mouth is the most significant source of new customers, accounting for approximately 60% of bookings. The company has informal referral program offering existing customers 5% discount for successful referrals but lacks systematic tracking or incentive structure. The high repeat customer rate (35%) and strong referral patterns indicate customer satisfaction and brand trust but represent underutilized opportunity for growth.

Traditional Marketing. Limited traditional marketing including printed brochures distributed at the office, occasional participation in local community events, and informal networking through owner's personal connections. No investment in paid advertising (digital or traditional media), public relations, or content marketing.

Analysis: The promotional strategy shows strength in organic social media engagement and word-of-mouth generation but significant gaps in systematic marketing activities. Heavy reliance on word-of-mouth, while validating service quality, limits growth potential and makes revenue vulnerable to customer acquisition fluctuations. The social media presence demonstrates engagement capability but lacks strategic content calendar, influencer partnerships, user-generated content campaigns, or paid social advertising to expand reach beyond existing followers. Critical gaps include absence of search engine optimization (customers searching for 'Nganjuk tour packages' or 'East Java tours' are unlikely to find Farel's website), email marketing to nurture leads and maintain customer

relationships, content marketing through blog or video to establish thought leadership, and partnerships with travel influencers or bloggers for exposure. Recommendations include developing integrated marketing communications strategy combining organic and paid channels, implementing referral program with clear incentives and tracking mechanisms, investing in SEO and Google Ads for targeted customer acquisition, creating content marketing strategy showcasing destination expertise, and exploring collaborative marketing with destination management organizations and tourism boards.

People Analysis

Staffing Structure. The company employs 8 full-time staff: owner/manager, 2 customer service representatives, 1 operations coordinator, 1 marketing staff, and 3 drivers/guides. For larger tours, additional freelance guides are engaged on project basis. The small team size creates operational flexibility but also vulnerability to staff absence and limited specialization.

Employee Capabilities and Training. Staff demonstrates strong local knowledge, passion for travel and tourism, and genuine customer orientation. However, formal training is limited. Onboarding consists primarily of shadowing experienced staff rather than structured training program. No systematic professional development, certification programs, or skill enhancement initiatives. Language capabilities are limited—most staff communicate in Indonesian and Javanese but have limited English proficiency, constraining ability to serve international tourists.

Service Culture and Customer Interaction. Customer interviews consistently praised staff friendliness,

patience in explaining options, flexibility in accommodation, and genuine care during tours. The personalized attention from a small team creates strong customer relationships and contributes to high satisfaction and loyalty. Staff empowerment is evident—employees have authority to make on-the-spot decisions regarding minor itinerary adjustments, meal preferences, or timing flexibility without needing manager approval.

Employee Satisfaction and Retention. Staff interviews revealed moderate satisfaction. Positive aspects include flexible working environment, supportive owner, opportunity to travel, and family-like atmosphere. Concerns included limited career progression paths, below-market compensation, and workload intensity during peak seasons. Staff turnover is relatively low (1-2 departures annually) primarily because of limited alternative employment in Nganjuk, not necessarily strong retention mechanisms.

Analysis: The People element represents both strength and significant opportunity. The service-oriented culture, staff empowerment, and personalized attention are competitive differentiators that create emotional connections with customers—critical in experiential services. This interpersonal excellence contributes directly to the high repeat rate and strong word-of-mouth. However, the lack of systematic training and professional development is a strategic weakness that will limit scalability and service consistency. As the company grows, relying on tribal knowledge and informal training becomes unsustainable. Recommendations include developing comprehensive training program covering product knowledge, customer service skills, sales techniques, and safety procedures; implementing

certification pathways providing staff career development and professionalizing the organization; enhancing language training particularly English for guides to enable international market expansion; creating structured performance management with clear expectations, regular feedback, and performance-linked incentives; and improving compensation and benefits to market-competitive levels. Investing in people development not only improves service delivery but also enhances staff satisfaction, reduces turnover, and builds organizational capability for growth.

Process Analysis

Customer Journey Mapping. The typical booking process involves: initial inquiry via WhatsApp, phone, or office visit (average response time: 2-4 hours during business hours); consultation regarding destination, duration, preferences, group size; customized itinerary proposal with pricing (prepared within 24-48 hours); negotiation and refinement of itinerary; booking confirmation with down payment; balance payment 7 days before departure; pre-tour briefing 1-2 days before via WhatsApp or phone call; tour execution with real-time support from tour leader; post-tour follow-up and feedback collection.

Process Efficiency and Standardization. The booking process is largely manual and personalized. While this enables customization, it creates inefficiencies and inconsistencies. There is no customer relationship management (CRM) system—customer data, communication history, preferences are scattered across WhatsApp chats, email, and manual notes. This makes tracking difficult and information sharing across team members challenging. Itinerary preparation is manual using Word

documents—no templated packages or modular components that could accelerate quotation generation. Payment tracking is manual through bank statements and spreadsheets rather than integrated system.

Service Delivery Process. During tours, process is generally smooth with experienced guides managing logistics, timing, and customer needs effectively. Pre-tour vehicle and equipment checks ensure operational reliability. Tour leaders maintain communication with office for any issues. However, no digital systems for tracking tour progress, customer feedback collection during tours, or incident reporting. Customer experience is highly dependent on individual guide capability rather than standardized service protocols.

Analysis: The process represents a mixed picture—strong on personalization and flexibility but weak on efficiency, scalability, and consistency. The manual processes create bottlenecks that limit growth capacity. As booking volume increases, the current system will become unsustainable leading to delays, errors, and customer dissatisfaction. The absence of CRM is a critical gap—without centralized customer data, the company cannot effectively manage relationships, analyze patterns, segment customers, or implement targeted marketing. The lack of process standardization means service quality varies depending on which staff member handles the booking or which guide leads the tour. Recommendations include implementing CRM system to centralize customer data, interaction history, preferences, and enable automated communication and reporting; developing booking automation through online system where customers can view availability, select packages, customize options, make payments—reducing

manual intervention; creating standardized service protocols and checklists for different tour types ensuring consistency regardless of staff member; implementing mobile app for tour leaders enabling real-time itinerary updates, expense tracking, incident reporting, and direct customer communication; and establishing quality assurance processes including pre-tour checklist verification, in-tour monitoring, and post-tour review.

Physical Evidence Analysis

Office Environment. The physical office is modest but professionally maintained. Located in a commercial building on a main street, the 50 square meter space includes reception area with seating for customers, consultation desk, operations area for staff, and small meeting room. Office decor includes destination photos from past tours, customer testimonial wall, and tourism brochures. The space is clean, organized, and air-conditioned creating comfortable environment for customer consultations. However, the small size and basic furnishings do not project premium image, potentially affecting customer perception of the company's scale and capability.

Fleet and Equipment. The company owns 3 vehicles (1 minibus for 15 passengers, 2 smaller vans for 7-8 passengers) and contracts additional vehicles for larger groups. Vehicles are well-maintained, clean, and air-conditioned—a positive physical cue. Vehicle branding includes company logo and contact information providing visibility and professionalism.

Marketing Collateral. Physical marketing materials include basic brochures with package information, business cards, and customer feedback forms. Materials are functional but not professionally designed—using generic

templates rather than custom branding. No comprehensive package catalogs, destination guides, or premium proposal materials for corporate clients.

Digital Physical Evidence. The website has basic functionality with dated design—not mobile-optimized despite 65% of users accessing via mobile devices. Social media visual identity is inconsistent—no standardized templates, color schemes, or branded content. Email communications use personal Gmail accounts rather than professional company domain.

Analysis: Physical evidence is the weakest element of Farel's marketing mix. In service industries where customers cannot evaluate quality before purchase, physical evidence serves as proxy for service quality. The current physical presentation—while functional—does not communicate professionalism, scale, or premium quality, potentially limiting appeal to higher-value customer segments and corporate clients. The modest office, basic marketing materials, and weak digital presence fail to differentiate the company from numerous small operators. Recommendations include comprehensive brand identity development including professional logo, color palette, typography, and visual style guide applied consistently across all touchpoints; website redesign with modern, mobile-responsive design, professional photography, virtual tour features, and integrated booking system; upgraded office environment including improved reception area, digital displays showing destination videos, comfortable consultation space, and professional meeting facilities for corporate presentations; professional marketing collateral including premium proposal templates, detailed destination guides, photo albums from past tours, and customer success stories; uniform and

identification for tour guides and drivers enhancing professionalism and brand recognition; and digital communication infrastructure using professional email domain, automated confirmation emails with branded templates, and customer portal for managing bookings.

DISCUSSIONS

Based on the comprehensive analysis of each marketing mix element, the following strategic recommendations are proposed, organized by priority level and implementation timeline:

Short-term Priorities (3-6 months)

Digital Infrastructure

Enhancement: Develop e-commerce enabled website with online booking system, secure payment gateway integration, mobile responsiveness, and customer account management. Implement basic CRM system to centralize customer data, automate communications, track booking pipeline. Establish professional email infrastructure using company domain. Estimated investment: IDR 75-100 million for complete digital transformation.

Brand Identity Standardization:

Develop comprehensive visual identity including professional logo, color scheme, typography guidelines, and brand style guide. Apply branding consistently across all touchpoints: website, social media, marketing materials, vehicle branding, uniforms, signage. Create professional marketing collateral including brochures, proposal templates, business cards. Investment: IDR 15-25 million for branding development and material production.

Process Standardization:

Document standard operating procedures for key processes: customer inquiry handling, itinerary preparation, booking confirmation, payment

processing, tour preparation, service delivery, and feedback collection. Create checklists and templates to ensure consistency. Develop tour leader mobile app for real-time communication, itinerary management, and reporting. Investment: IDR 10-15 million for SOP development and basic app.

Integrated Marketing Campaign: Launch comprehensive digital marketing initiative including SEO optimization, Google Ads campaigns targeting key search terms, social media advertising on Facebook and Instagram, influencer partnerships with local travel bloggers. Implement formal referral program with tracking and incentive structure. Content marketing through blog posts and destination guides establishing thought leadership. Investment: IDR 20-30 million for 6-month campaign including content creation, advertising budget, and referral rewards.

Medium-term Priorities (6-12 months)

Human Resource Development: Establish Farel Tour & Travel Academy providing structured training programs not only for internal staff but also aspiring tour professionals, generating additional revenue stream while building talent pipeline. Develop comprehensive career development framework with clear progression paths, competency framework, mentoring programs ensuring staff retention and continuous capability building. Implement professional certification programs for guides and service staff. Investment: IDR 40-60 million for curriculum development, training facilities, certification programs.

Product Innovation: Develop new experiential products capitalizing on emerging trends: wellness tourism (yoga retreats, meditation experiences), eco-tourism (conservation volunteering,

sustainable travel), digital detox packages (off-grid destinations, mindfulness programs), culinary deep-dives (cooking classes, market tours, farm visits). Create modular package architecture allowing easy customization and rapid quotation generation. Investment: IDR 15-20 million for product development, supplier partnerships, pilot tours.

Strategic Partnerships: Formalize corporate partnerships with businesses for employee recreation programs, incentive travel, team building. Establish institutional relationships with schools and universities for educational tours, graduation trips. Develop B2B network with event planners, wedding organizers, community groups. Create affiliate program with hotels, restaurants, attraction operators for mutual referral. Investment: IDR 5-10 million for partnership development, contracts, collateral materials.

Office Upgrade and Expansion: Renovate existing office with improved customer reception area, professional consultation spaces, digital displays showcasing destination videos, comfortable waiting area. Consider establishing satellite office or representative in Surabaya to penetrate larger market. Alternatively, explore franchise model allowing expansion with limited capital investment. Investment: IDR 30-40 million for office renovation, IDR 50-100 million for second office setup or franchise development.

Long-term Strategic Vision (12-24 months)

Digital Ecosystem Development: Build comprehensive digital ecosystem including enhanced website with virtual tour features, customer portal for managing bookings and accessing travel

information, mobile app for customers featuring itinerary access, real-time tour leader location, travel journal, loyalty program, social community platform where customers can share experiences, tips, connect with fellow travelers creating engaged community. Investment: IDR 150-250 million for complete ecosystem development.

Market Expansion: Expand destination portfolio beyond East Java and Bali to include emerging destinations: Sumatra (Lake Toba, Bukit Lawang), Kalimantan (Tanjung Puting, Derawan), Sulawesi (Toraja, Bunaken), Nusa Tenggara (Komodo, Sumba). This geographic diversification attracts different customer segments and reduces seasonal concentration. Gradually introduce inbound tourism targeting international travelers with English-speaking guides and international standard services. Investment: IDR 40-60 million for destination development, partnerships, marketing.

Technology Integration: Implement advanced technologies including AI-powered chatbot for 24/7 customer inquiry handling, dynamic pricing algorithms optimizing revenue based on demand, virtual reality destination previews allowing customers to experience locations before booking, blockchain-based customer loyalty programs, data analytics platform for business intelligence and customer insights. Investment: IDR 80-120 million for technology implementation.

Sustainability Leadership: Position as sustainable tourism leader through carbon offset programs, partnerships with conservation organizations, community-based tourism initiatives benefiting local economies, education programs for travelers on responsible tourism. This not only aligns with global sustainability trends but also appeals to growing segment of conscious

travelers willing to pay premium for responsible tourism. Investment: IDR 20-35 million for program development, certifications, partnerships.

CONCLUSION AND SUGGESTION

This research provides comprehensive analysis of the 7P marketing mix implementation in Farel Tour & Travel, revealing both strengths that have driven success and critical gaps that limit growth potential. The findings demonstrate that in service businesses, particularly experiential industries like tourism, the expanded 7P framework provides superior analytical lens compared to traditional 4P, as the additional elements—People, Process, and Physical Evidence—are often the primary sources of competitive differentiation.

Farel's competitive strengths lie in personalized service delivery, passionate and customer-oriented staff, thematic product differentiation, flexible pricing, and strong word-of-mouth reputation. These strengths have enabled sustained growth and customer loyalty in a challenging competitive environment. However, significant weaknesses in digital infrastructure, process automation, systematic marketing, professional development, and physical evidence presentation create barriers to scaling the business and accessing higher-value customer segments.

The strategic recommendations provided offer a roadmap for addressing these gaps through phased implementation aligned with resource availability. The short-term priorities focus on foundational elements—digital infrastructure, brand standardization, process documentation—that are prerequisites for growth. Medium-term initiatives build organizational capabilities through training, product innovation, and strategic partnerships.

Long-term vision positions the company for sustainable competitive advantage through digital ecosystem, market expansion, technology integration, and sustainability leadership.

Critical to success is recognizing that marketing mix elements are interdependent and mutually reinforcing. Investments in digital infrastructure (Place) enhance promotional reach and process efficiency. Professional development (People) improves service delivery (Process) and enables product innovation (Product). Brand standardization (Physical Evidence) strengthens promotional effectiveness. Therefore, the recommendations should be implemented as integrated strategic program rather than isolated interventions.

The total investment required for comprehensive transformation is substantial—approximately IDR 500-800 million over 24 months. However, this can be phased according to revenue generation and cash flow. The most critical immediate investments are digital infrastructure and brand development (IDR 100-140 million) which enable revenue growth that funds subsequent initiatives. For small-medium enterprises with limited capital, the phased approach allows sustainable transformation without excessive financial strain. This research contributes to both theoretical and practical domains. Theoretically, it enriches understanding of the application of the 7P marketing mix in the context of Indonesian travel agencies, providing empirical evidence of the relative importance of different elements and their interrelationships. The findings support assertions from Zeithaml et al. (2018) that in services, People, Process, and Physical Evidence are as critical as the traditional 4Ps. The research also demonstrates the relevance

of the service-profit chain model in the travel industry where employee satisfaction and capability directly impact customer experience and business performance.

Practically, the research provides an actionable roadmap for travel agencies, particularly small-medium operators facing digital disruption challenges. The detailed analysis of gaps and structured recommendations offer practical guidance for strategic planning. The case insights on implementation challenges and success factors are valuable for practitioners navigating similar contexts. The research also highlights the importance of an integrated strategic approach rather than piecemeal interventions in marketing mix optimization.

For policymakers and industry associations, the findings underscore the need to: support SME tourism operators in digital transformation through training programs, technology grants, advisory services; establish industry quality standards and certification programs that enhance sector professionalism overall; facilitate collaboration among operators, destination management organizations, local communities for sustainable tourism development; and promote domestic tourism with targeted campaigns supporting local operators.

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