

## Digital marketing development in increasing Russian customer by The Apurva Kempinski Bali

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**Abstract:** This research aims 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 Technique, 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 and Spectacular Journey Compass as customer engagement reference at The Apurva Kempinski Bali.

**Keywords:** digital marketing, hotel, Russian customer, social media

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### Introduction

Nowadays worldwide is relying on digital technology as a crucial platform to meet everyone needs, as part of modern technology system, digital marketing performance has been rapidly increased due to globalization impact and developed in all aspect of industry. 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). 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). 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). Customer nowadays is more mobile and more personal (Rizkinaswara, 2019). 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 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). 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, by Central Bureau Statistic, it was ranked #12 of arrival in 2019 with total 143.238 Russian tourists or 2,28% from total 6.275.210 tourist arrival in Bali, and ranked #4 of arrival in 2020 with total 57.817 Russian tourists or 5,41% from total 1.069.471 tourist arrival in Bali. 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 researchers' 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). The researcher has vision that digital marketing with RACE framework (Rautela, 2021) 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 optimistic that research result will be able to be a great input for hotel of company to maximize its revenue production.

## Methodology

This research is using qualitative method to analyse the result, it is basically framed in term of words and open-ended questions. Qualitative research collects data qualitatively, and the method of analysis is also primarily qualitative. The goal of descriptive research is to describe a phenomenon and its characteristics. (Nassaji, 2015). The location of this research is at The Apurva Kempinski Bali located at Jalan Raya Sawangan, Nusa Dua, 80361, Bali, Indonesia. It was June-July 2022 when researcher conducted interview with 9 respondents and focus group discussion with 6 respondents. The respondents of interview are 10 natives, because the researcher would like to receive a real point of view from Russian natives' people, and 5 respondents are Indonesian who understand well regarding hospitality industry and digital marketing. Data analysis in this research is processed by researcher in order to achieve the objectives of research. The following are the stages in data analysis in this study are; data collecting, data reduction, data display and conclusion drawing and verification stage (Sugiyono, 2017)(Miles, 1994).

## Results and Discussions

The result for this research is classified by two segment. The first classification result is Resource Based View as an important discussion based on 4 indicators of RBV theory. The indicators are: (1) Valuable, which also mentioned topics of Place, Product and Price of 7P Marketing Mix, (2) Rare, (3) Imitability, which the respondents also mentioned topics of Physical Evidence of 7P Marketing Mix. The last indicator is (4) Organization which the respondents also mentioned topics People and Process of 7P Marketing Mix. This classification of discussion has important function to validate The Apurva Kempinski Bali as main object meets the criteria of research theories Resource Base View and 7P Marketing Mix. The second classification of discussion is Digital Marketing which has 3 topics during interview and FGD, there are: (1) The favourite digital marketing, (2) Content needed on digital marketing and (3) Suggestion and development of digital marketing. This particular classification is to approach the two formulation of problem result of this thesis research regarding appliance of digital marketing and to find the effective development model in digital marketing to increase Russian customers at The Apurva Kempinski Bali. Classification of research result by Nvivo can be seen in Figure 1 below.

Nodes			
Name	Files	References	
1. Resource Based View		0	0
1.1 Valuable		1	21
Place		1	8
Product		1	14
Promotion & Price		1	10
1.2 Rare		1	17
1.3 Imitability		1	14
Physical Evidence		1	4
1.4 Organization		1	14
People		1	15
Process		1	12
2. Digital Marketing		0	0
2.1 The favorite digital marketing		1	6
2.2 Content needed on digital marketing		1	13
2.3 Suggestion and Alternative of Digital Marketing		1	12

Figure 1. Classification of research result by Nvivo

The discussion result as Figure 2 creates “marketing” as the biggest letter at word cloud. The result shows that marketing was the most important focus stated by respondents. Everyone agreed that marketing is a crucial step in introducing and presenting a hotel to be well-known broadly by customers from around the world. The respondents are agreed that The Apurva Kempinski Bali has been doing a very good marketing apart from the unique and magnificent product itself.

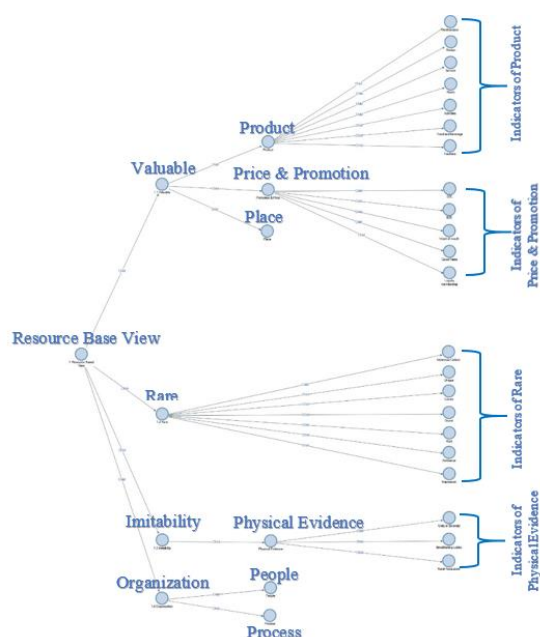


Figure 2. Word cloud of research result

**Resource Base View**

The research result based on indicators value at Resource Base View and 7P Marketing Mix. Resource base View Indicators is VRIO, stands from Valuable, Rare, Imitability and Organize. Meanwhile 7P Marketing Mix indicators is Product, Prices, Place, Promotion, Physical Evidence, Processes and People.

The Figure 3 below demonstrate that respondents agreed that The Apurva Kempinski Bali is worth as a product with Resource Base View identifications. It means during the interview and FGD generates statement which indicated towards each theories.



**Figure 3.** RBV discussion result

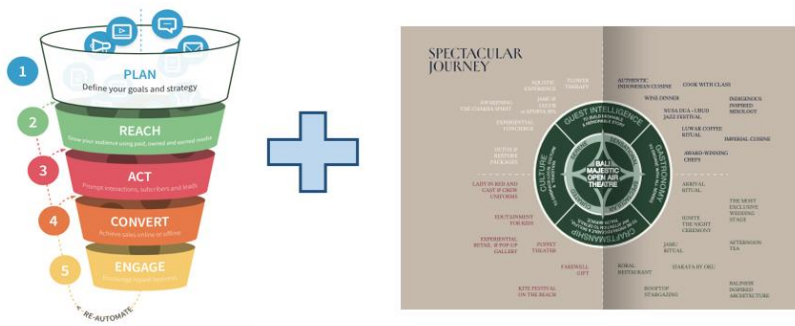
### Digital Marketing

The research findings on the Table 1 explained that the current favourite digital marketing in Russian customers from the most to the least favourite are: Instagram, Facebook, Youtube, Email, chat application and Google or Yandex as search engine. The findings of content needed in digital marketing exposure to Russian customers are: lifestyle or activity, guest facilities and room accommodation information. The last findings about suggestion and digital marketing development for Russian customers from the most to the least suggested are through channels: Google or Yandex as research engine, Telegram chat application, exposure with influencer that in line with hotel image and maximizing email promotion for B2B.

**Table 1.** Digital marketing discussion result

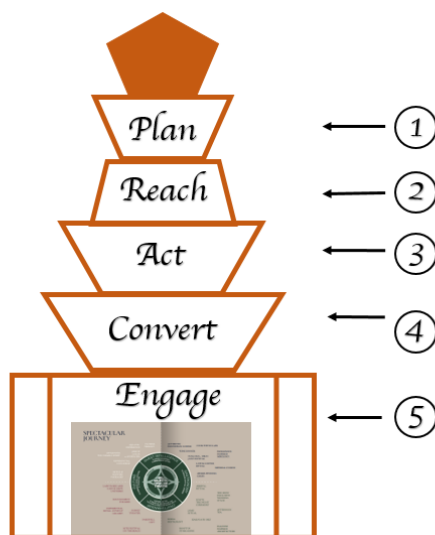
Topic Discussion	Description	References	Percentage
The Favourite Digital Marketing		6	10.53%
	Email	7	12.28%
	Facebook	11	19.30%
	Google	1	1.75%
	Instagram	21	36.84%
	Whatsapp or Chat	3	5.26%
	Youtube	8	14.04%
Total		57	100.00%
Content Needed on Digital Marketing		13	33.33%
	Facilities	10	25.64%
	Life style or Activity	12	30.77%
	Room	4	10.26%
Total		39	100.00%
Suggestion and Alternative		12	30.77%
	Email for B2B	1	2.56%
	Google or Yandex	16	41.03%
	Telegram	6	15.38%
	Thru Influencer	4	10.26%
Total		39	100.00%

The second research analysis process by FGD concluded a new hybrid model of Candi Candra Sengkala shape. The shape can be seen in Figure 5. The hybrid model is a mixture from RACE model combined with The Apurva Kempinski Bali Spectacular Journey Compass. The RACE model was found by Dr. Dave Chaffey from Smart Insight in 2010 and then updated in 2012 and 2015 (Naufal et. al, 2021). Smart Insights found that many businesses don't have well-formed digital marketing strategy and implementation plan. RACE model is designed to be customized and applied to all types of B2B and B2C from small business to larger organizations working on digital transformation. The RACE model combined with spectacular journey compass can be seen in Figure 4.



**Figure 4.** RACE Model combined with spectacular journey compass

RACE model covers the full customer lifecycle or marketing funnel from: (Plan) > Reach > Act > Convert > Engage. An additional first stage "Plan" not mentioned in abbreviation however the stage is vital which involves the overall digital strategy. Apart from the 4 stages, the model also mentions key KPIs for each stage. The last stage "Engage" is combined with Spectacular Journey compass of The Apurva Kempinski Bali. At RACE model, the funnel is getting smaller from the top to the bottom. However, by experience in hotel industry, the effort from plan stage to the customer's advocacy are getting huge and bigger from the top until the bottom. If the customers feel satisfied at the engagement, this will turn them into repeat customers.



**Figure 5.** Hybrid Model Candi Candra Sengkala

The Apurva Kempinski Bali has Candi Candra Sengkala as logo and one of signature statue around the hotel and also available in every rooms. Candi Candra Sengkala built in East Java in the year 1369. This is the most favourite candi of King Hayam Wuruk, the candi is

initially to protect the forest in Majapahit kingdom. Candi Candra Sengkala at The Apurva Kempinski Bali has a deep philosophy of safety and protection of the guests during their stay in the hotel. The researcher inspired by Candi Candra Sengkala to be the hybrid model of digital marketing development to increase Russian customer to The Apurva Kempinski Bali. The RACE model combined with Spectacular Journey Compass has similar stages with the shape of Candi Candra Sengkala.

## Conclusions

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 Marketing Mix, combines with the essence Spectacular Journey Compass to engage with Russian customers. The implementation will increase branding of The Apurva Kempinski Bali, the hotel branding will lead into upcoming business conversion of Russian customers.

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