Business Strategy Based on Quantitative Strategic Planning Matrix on Golf Courses in Surabaya

Rathon Gendroyono

ABSTRACT---The concept of business competition in an industry of goods and services is very important, especially in the golf course business in Surabaya. There are only 3 international standard golf courses, namely Bukit Darmo Golf, Graha Family, and Ciputra Golf in Surabaya. From these three golf courses, it was known that there was a decrease in the number of golfers who played on the golf course in Surabaya for the period 2013 to 2017. The SPACE and QSPM matrices were used to analyze what positions and strategies needed to be applied by golf course managers to increase the number of golfer visits, namely by using a factor - internal and external factors of the company.

*Keywords : golf course, SPACE Matrix, QSPM*

I. INTRODUCTION

Every region and city in Indonesia is encouraged to increase tourist visits by developing existing tourism potential. Surabaya as the capital of East Java province and the second largest city in Indonesia, Surabaya has some tourism potentials that can be developed, for example the potential of culinary tourism, shopping tourism, and sports tourism. One of the famous sport tourism is golf.

Surabaya has 5 golf courses, namely:
1. Ciputra Golf & Family Club
2. Bukit Darmo Golf
3. Graha Family Golf & Country Club
4. Pakuwon Golf & Family Club
5. A Yani Golf Club

Of the 5 golf courses, only 3 golf courses, Ciputra Golf, Bukit Darmo Golf (BDG), and Graha Family, have international standard size. Each golf course has its own characteristics and challenges. From these three golf courses, it was found that there was a decline in the number of golfers playing on the Surabaya's golf course by 20% in the period 2013 to 2017 (see graph 1).
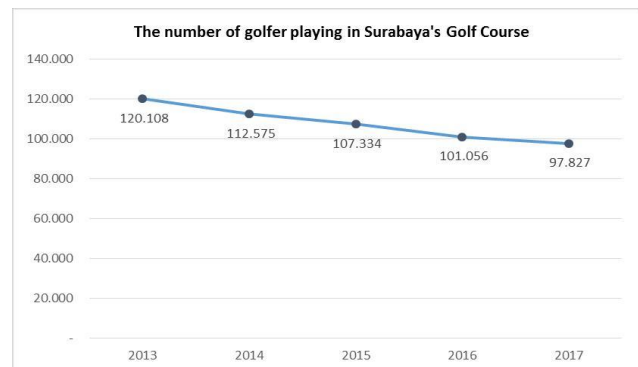
Source : BDG, Graha, Ciputra Golf Analysis

Graph 1. The number of *Golfer* playing in Surabaya's Golf Courses from 2010 to 2017

To be able to compete in the tight business competition and develop the business venture in the future, the owner and manager of golf courses in Surabaya, desperately needs an analysis of new business strategies in order to increase the number of *golfer* visit and expand business development. This needs to be done to anticipate the decline in the number of golfer and business loss through several strategic plans by looking at the strengths, weaknesses, opportunities, and threats that are being experienced and that is likely to occur in the future.

Formulation of the problem

Based on the background above, the formulation of the problem in this study is what strategy should be carried out by the manager of the golf course in Surabaya in increasing the number of golf players ?

Objective of the research

The purpose of this research is to determine the appropriate strategy to be implemented by the manager of the golf course in Surabaya in increasing the number of golf players..

II. LITERATURE REVIEW

External Factor Evaluation (EFE) Matrix

The EFE matrix is used to evaluate the external factors of a company. External data are collected to analyze issues concerning economic, social, cultural, demographic,

Rathon Gendroyono Faculty of Economic and Business, University of Airlangga, Surabaya, Indonesia, (rathon1979@gmail.com)

environmental, political, governmental, legal, and technological subjects. In addition, these data can also be used to analyze the competition in the industrial market where the company is located. This is important because external factors have a direct or indirect influence on the company.

Internal Factor Evaluation (IFE) Matrix

The IFE matrix is used to determine the internal factors of a company with regard to the strengths and weaknesses in the company's functional areas. This matrix is also used to provide a basis for identifying and evaluating relations between these regions. *Intuitive judgment* is needed in the use of the IFE Matrix.

Competitive Profile Matrix (CPM)

The Competitive Profile Matrix identifies the main competitors of the company including their main strengths and weaknesses in relation to the company's strategic position. *Weight*, *Rating* and *Score* on both CPM and IFE have the same purpose. Both analyses focus on internal factors. However, there are some important differences between IFE and CPM. First, the *critical successfactors* in CPM are broader, but do not include specific and actual data and it evenfocuses on different internal results from IFE. Second, the *critical success factors* in CPM are also not grouped into strengths and weaknesses as those in IFE. In CPM, *rating* and *score* for rival companies can be compared with the companies studied. Comparative analysis can provide information about important internal strategies which will be used at the Matching Stage by SPACE Matrix.

Strategic Position and Action Evaluation (SPACE) Matrix

SPACE (*Strategic Position and Action Evaluation*) Matrix is a management tool used to map the condition of the company using the model represented by using a Cartesian diagram consisting of 4 (four) quadrants of the same size scale [2]. The framework of the four quadrants will indicate *aggressive*, *conservative*, *defensive* or *competitive* strategies for the analyzed companies. EachSPACE matrix axes states two internal dimensions, namely *Financial Strength(FS)* and *Competitive Advantage (CA)* and two external dimensions, namely *Environmental Stability (ES)* and *Industry Strength (IS)*. These four factors are themost important determinants for determining the company's strategic position.

Quantitative Strategic Planning Matrix (QSPM)

QSPM is an analytical technique in the literature regarding a design to determine *relative attractiveness* of applicable alternative strategic actions [4]. QSPM uses the *input* from the results of analysis in the first stage and the *matching* results in the second stage which provides information for furtheranalysis. QSPM is a recommended tool for researchers studying strategies to evaluate alternative strategies objectively, based on the main internal - external success factors previously identified. Conceptually, QSPM establishes *relativeattractiveness* in various strategies based on the condition of the company over themain external and internal success factors that can be known by the strategist.

III. RESEARCH METHODOLOGY

This study uses a descriptive quantitative method. Study with a quantitative descriptive approach emphasizes the analysis of numerical data treated with the method of numerical analysis which is then translated into an analysis form. Further researchers emphasize numerical processing that is not processed by statistical tools, but by a combination of predetermined assessment numbers. The descriptive quantitative approach is basically carried out on the type of inferential research results and conclusions that are based on the probability of rejecting the null hypothesis. With quantitative descriptive method, it is possible to get group differences or the significance of the relationship between the variables studied. When research is simplified based on a quantitative approach, the analysis of in-depth research used is quantitative for descriptive.

Descriptive analysis study that has been analyzed in combination with the company's management analysis tools in measuring performance will make understanding and conclusion easier in the current study. The larger descriptive study aims to explain facts and characteristics about a particular field systematically and accurately further. Analyses commonly used in descriptive study are percentage and trend analyses. Data analysis only looks for measures of centrality and dispersion data accompanied by various graphs. Since this study combines the IFE and EFE Matrix into the SPACE Matrix, a formula is needed to calculate the metric.

The theoretical framework is described in Figure 1. The first stage is the initial input stage by using EFE (*External Factor Evaluation*) to determine the external environmental factors, IFE (*Internal Factor Evaluation*) to determine internal environmental factors, and CPM (*Competitive Profile Matrix*) to find out the competitive position of the golf course compared to its competitors [1].
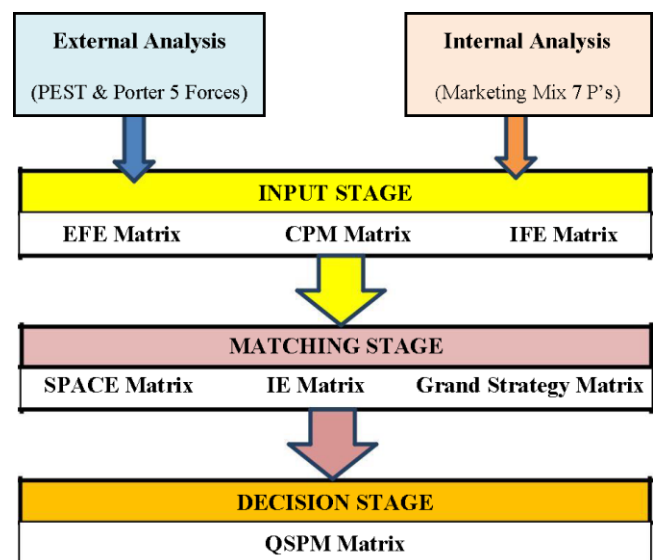

Figure 1. Theoretical Framework

The second stage is *the matching stage* where researchers use SPACE Matrix to map all internal and external factors into the Cartesian diagram to find out alternative strategies that can be applied. The last stage as the decision stage, where the researcher try to provide a strategy alternative proposal that could be implemented by the managers of the golf course in Surabaya

Data Collection

Data collection is conducted by performing survey using questionnaires and interviews. The distributed questionnaire consists of 2 (two) types, namely:

a. Preliminary Questionnaire

Fifty preliminary questionnaires were distributed to golfers playing at all golf courses in Surabaya. This questionnaire aimed to determine factors influencing golfers in choosing a golf course. The result of the preliminary questionnaires led to research questionnaires which were then distributed to respondents.

b. Research Questionnaire

As many as 200 questionnaires were distributed. 178 of 200 questionnaires were deemed valid for further processing. This questionnaire aimed to determine the importance and satisfaction level for golf players in choosing a golf course.

IV. IV. ANALYSIS RESULT

Input Stage

The score of external factor analysis for Surabaya's golf courses was 2.53 whereas the score of internal factor analysis was 2.84.
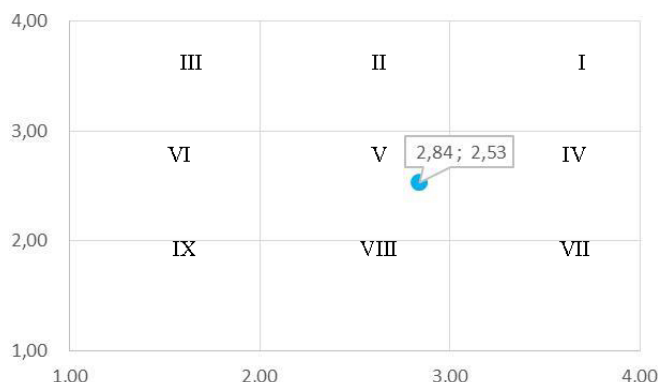

Figure 2. Surabaya's golf courses position on IE Matrix

Matching Stage

At this stage, researchers used the SPACE Matrix, and determined the key factors of Surabaya's golf courses as shown on Table 1 :

	FINANCIAL STRENGTH (FS)	RATING			ENVIRONMENTAL STRENGTH (ES)	RATING
1	Revenue Growth	2		1	Information Technology Development	-4
2	Liquidity	3		2	Inflation rates	-3
3	Working Capital	2		3	Golf course business competition	-3
4	Corporate profits	2		4	Macro economics condition	-2
	AVERAGE	**2,25**			**AVERAGE**	**-3**
	AXES - Y = 2,25 +(-3) = -0,75					
	COMPETITIVE ADVANTAGE (CA)	RATING			**INDUSTRIAL STRENGTH (IS)**	RATING
1	Golf course quality	-5		1	Growth Potential	2
2	Market Share	-3		2	Financial Stability	3
3	Brand Image	-1		3	Produktivity	3
4	Customer Loyalty	-2		4	Profit Potential	5
	AVERAGE	**-2,75**			**AVERAGE**	**3,25**
	AXES - X = (-2,75) + 3,25 = +0,5					

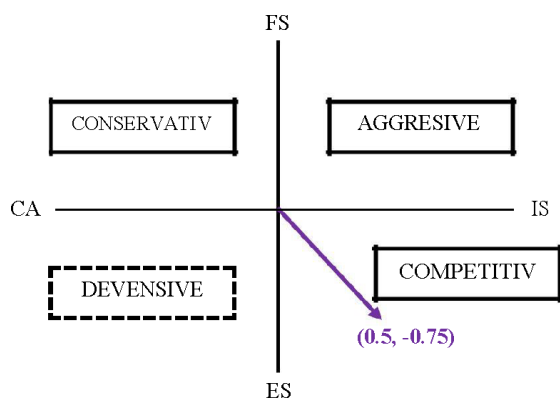**Table 1. SPACE Matrix questionnaires summary**

Figure 3. Position of Surabaya's Golf Courses on SPACE Matrix

The result of the analysis by using the SPACE Matrix indicates that Surabaya's golf courses is in the ***competitive*** quadrant. This indicates that company is in a competitive situation and strategies that can be used includes backward integration, forward integration, horizontal integration, market penetration, market development, and product development.

Decision Stage

In this stage, an objective evaluation of alternative strategies from the results of the second stage is carried out, namely matching stage which uses the input from the first stage to provide an objective basis for the selection of the most specific strategies. At the decision stage, researchers use the QSPM (Quantitative Strategic Planning Matrix)

technique to show which alternative strategies are best chosen by Surabaya's golf courses. The highest TAS value (Total Attractiveness Score) is the most suitable alternative strategy for Surabaya's golf courses. Table 2 shows the results of QSPM indicating that Surabaya's golf courses really needs to improve service quality to the golfer.

ORDER	STRATEGIC ALTERNATIVES	TAS' SCORE
1	Increasing the service quality to *golfer*	7,58
2	Increasing the quality of *golf course.*	7,09
3	Establishing market price strategies in facing competition.	6,72
4	Making programs that can attract *golfer* visits	5,92
5	Increasing collaboration with government and private agencies, even with the *golfer* communities.	5,57
6	Continue to explore the creativity of more employees in working	4,94

Table 2. QSPM Result of Surabaya's golf courses

The result of this QSPM is in accordance with Thaweephon's (2016) study stating that there are 3 factors that influence success in the golf course industry that are golf course quality, service quality, and appropriate price [6]. The results showed that the strategy that should be run by Surabaya's golf courses is related to *positioning*, where each Surabaya's golf courses needs to put the *brand* in the minds of consumers by maximizing the service and quality of the golf course to increase the number of golfers visits.

V.   CONCLUSION

It can be concluded from the study that

a.   Surabaya's golf courses needs to improve the service and quality of the golf course to increase golfer visits in order to compete with other sport facility.

b.   The result of the SPACE Matrix indicates that Surabaya's golf courses can apply market penetration and product development strategies. In terms of market penetration, golf courses needs to add network and *distributionchannels* to increase market share. While in terms of product development,golf courses need to increase sales by developing other new products or services, such as the development of restaurants and *convention hall*.

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