The Implementation of Affiliate Marketing on Marketing Communication Strategy of Travel Tour Agencies to Build Awareness in Jakarta

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ABSTRACT: Travel and tour to certain locations is categorized as leisure for those who spend their holiday with their loved one or even on their own. Yet, nowadays, technology becomes a tool to support our existence in this world, including to do “show off” thing through social media for their leisure and holiday. This trend becomes phenomena and also the reason why travel agencies are confident to be stood tall to facilitate peoples’ trip although the competitors are everywhere out there. This study aims to uncover how affiliate marketing is effective and efficient to build travel and tour agencies awareness in Jakarta. Qualitative research with descriptive approach is implemented in the study because the primary data is obtained from in-depth interview toward the travel agency owners and a digital business consultant with Situation, Objective, Strategy, Tactic, Action and Control (SOSTAC) model analysis. The recommendations cover areas of: (1) Building awareness started with building trust (2) Social media which has close group feature plays the vital role on affiliate marketing implementation.

KEYWORDS: Affiliate Marketing, Building Awareness, Social Media, SOSTAC, Travel Tour Agency

I. INTRODUCTION

Travel and tour to certain locations is categorized as leisure for those who spend their holiday with their loved one or even on their own (Holland, 2017). Nowadays, when technology becomes a tool to support our existence in this world, people deliberately use it to do publication of what they doing through social media and fortunately, the other people who look on the people who do “show off” things on their social media, adoring it. It is not in contrast when Boss asked his staffs to do business trip, they also need accommodation when arrived the destination. This trend becomes phenomena and also the reason why travel agencies are confidence to be stood tall to facilitate peoples’ trip although the competitors are everywhere out there (Emperator Travel, 2016).

The business opportunity is supported by fact from Asosiasi Penyelenggara Jasa Internet Indonesia (APJII) (2018) of over 143,26 Million people in Indonesia are active Internet users in 2017, which means 54,68% of total population in the country. Favorably, this second, there are many tour and travel agencies that open membership to become down-liner and one of them has over 7000 down-liners, so, it is not surprising that the overwhelming turnover is over IDR 1 Billion in a quarter year and heading up. The process type to promote the business from travel agency that opens membership is business to business (B2B) marketing, because it uses affiliate marketing as marketing communication strategy to sell the product together with the down-liners before the product used by the customer. The problem is from the internal company if awareness in Jakarta about the travel agency, where most people lived in Indonesia is still low. The matter of fact, first thing to make people spend their money for a certain purchase is starting with awareness (SWA Magazine, 2015). David A. Aaker (2010) stated that awareness is also a goal of a brand or company to be the top of mind of a community in a certain region (p. 5). Nielsen (2015) emphasized that with nearly 60% people of a certain region prefer to purchase something with a brand they familiar with and 21% for brand they like.

Therefore, in this research the further elaboration on how the travel agency implements affiliate marketing in its marketing communication strategy to build awareness in Jakarta through online or traditional media. Because specifically, Pelsmacker, Geuens and Bergh (2013, p. 493) explained that affiliate marketing is one of marketing communication strategy through online media advertising.
Meanwhile, there is SOSTAC model, which is a methodology model to build awareness of the travel agency whether reaching the coverage or not, because Nia (2010) in her study stated that as a theory from PR Smith (2011), SOSTAC, which stands for situation analysis, objectives, strategy, tactics, actions and control. This study aims to uncover how affiliate marketing is effective and efficient to build travel and tour agencies awareness in Jakarta. Qualitative research with descriptive approach is implemented in the study because the primary data is obtained from in-depth interview toward the travel agency owners for the raw data and digital business consultant for the triangulation or validation, for the secondary data obtained from the previous study and the travel agencies document.

This study contributes as an academic literature of marketing communication strategy which implements affiliate marketing and to give more understanding referred to the previous study about affiliate marketing. Awareness is pretty important to community whose want to run a business to be noticed. This study can also become a student reference for the future research and give people explanation with the real phenomenon to do affiliate marketing for those who want to dive in digital or online marketing. For the practical contribution, this study is expected to reflect the business enterprisers build their brand awareness and hopefully can give them enlightenment to be the top of mind of people in a certain region. This study is also expected to give the travel agency administrators to improve their brand awareness with affiliate marketing implementation.

II. THEORETICAL FRAMEWORK

Marketing Communication

Kotler and Keller (2009) stated that marketing communication is the medium used by companies or communities to inform, persuade and remind the consumers directly or indirectly about the products and brand they sell (p. 158). Wardayana (2016) added that marketing communication divides into three stages (pp. 158-159), first about identifying the target of the message sent, second stage is about determining the communication purpose, and third stage is designing the message for the target market. Jugdal (2016) also stated that marketing communication activity is a method to objectify the product, service and idea by implementing the marketing mix, advertising, personal selling, sales promotion, direct marketing, public relation and publicity. William G (2006, p. 126) also added that marketing communication defined as a process of information exchange that carried out persuasively, so that marketing process can run effectively and efficiently.

SOSTAC, SMART, Affiliate Marketing

![Figure 1. PR Smith (2011) theory about SOSTAC model planning system for marketing communication strategy](image)

The implementation of SOSTAC model for this study:

- **S** for Situational Analysis
  The question of this step is “What we are now?” This means a step for elaborating the market place of the travel agencies, or in another phrase, it means the current situation of a certain entity. This step analyses about customer analysis include who, why and how. In another word, this step is for elaborating the strengths, weaknesses, opportunities and treats (SWOT) of the travel agency current situation.

- **O** for Objective Analysis
  Opening question of this step is “Where do we want to be?” Prisgunanto (2007, pp. 126-127) claimed that a
travel tour agency shall have specific, measurable, achievable, relevant and timed (SMART) objectives to analysis. Which means, this step is for elaborating the specific objectives of the business in term of building its brand awareness issue, not the challenge within the organization. The next step is measurable, which means the target of people awareness in Jakarta shall be able to be measured to monitor and have the exact number (the previous and after execution planning is upper or under the target), which analysis obtained by doing the pre-survey. After measureable analysis step, the next step is achievable or attainable, which means the strategies that has already been planned shall be achieved, because the plans assist to improve the tour agency performance to build its awareness. The next step to be analyzed is relevant, that implies to the tools that use for building the awareness. This research uses social media as relevant tool for the marketing strategy to build the travel agency awareness in Jakarta. The last but not least step to be analyzed is timed, that signifies the period or specific time to build the awareness, whether it is per semester or per year.

- **S for Strategy Analysis**
  The question of this step is “How do we get there?” which means, the narrower plan to build awareness which elaborating the positioning of brand studied, partnership (strategic alliances), process marketing automation), sequence (credibility before visibility), integration (info/database & OVP), and the last elaboration section, tactical tools (content marketing and social media).

- **T for Tactic Analysis**
  “How exactly do we get there?” is a question for the tactic step. This step focus on the details of the tactic programs of the travel agency does for building awareness in Jakarta, such as posting interesting contents on social media and make cognitive program like seminar to acknowledge people about its products.

- **A for Action Analysis**
  This question that generated at this step is “Who does what, when and how?” which means the elaborations to do the affiliate marketing implementation. In action step of SOSTAC, a consultant of AffiliateMarketingTraining.com (2018) emphasized that affiliate marketing is a pure business to do when the runner can see the business it is, because the business runners are affiliating with other parties. Haq (2012, p.129) explained well that the pioneer of affiliate marketing is Amazon.com in 1996 which has been offered the customers to join their website. Affiliate marketing program is similar yet different with Multilevel Marketing (MLM) program. MLM is not a sustainable business program because if a MLM member does not sell the product, they do not earn the money and they do not run their own business, while affiliate marketing member does. The scheme to further understanding about affiliate marketing is shown in the figure below.

![Figure 2. how the affiliate marketing works](Source: Pilatsky on Business2community.com)

On Fig. 2 shown above, the process starts by customer who clicks the affiliate website or application which offers desired product with a purchase, then the affiliate websites give a notification to the brand or seller of the product. Because when the purchase is occurred, the brand or seller gives a certain amount commission to the affiliate website which shows the product to the customer (2018).

- **C for Control Analysis**
  The last step has question frame “How do we know we will get there?” which represents who monitors, what and when. The findings of Macnamara (2018) also stated that the concern of control evaluates the factors about the brand plan and its effectiveness with generating the communication multi-step communication process, as input, output and outcomes (pp. 11-12).
### Conceptual Framework

![Conceptual Framework Diagram](image)

Figure 3. conceptual framework of the research

The conceptual framework on Fig. 3, begins from the travel agencies as a business which uses SOSTAC methodology. Then, the objectives explain the SMART which stands for specific, measurable, achievable, relevant and timed. Going deeper about travel agency that opens membership tactics through communication programs of marketing strategy which analyse in this research through Internet is with affiliate marketing model implementation. The last part to be analysed is control or evaluation that consists of inputs, outputs and incomes to maintain or fix the building of public awareness in Jakarta. After the analysis is done, the travel agencies public awareness in Jakarta can be built.

### III. RESEARCH METHODOLOGY

This paper is presented with qualitative research and descriptive approach to obtain the ideal results. It focuses on the definition and explanation because this method can clearly explain and apprehend the related phenomena as if this research is in natural setting conditioned (Irfan, 2017, p. 74). The paradigm that used in this research is post-positivism. Because based on Creswel and John (2007) statement, this paradigm categorizes an objectivity as an indicator of truth which underlies the whole research, conducted with inquiry of a series logically steps and gather information from the participant then elaborate the insight in analysis stage (p. 20).

Data collection technique of this research is divided into three parts: preliminary research, in-depth interview with travel agency owners who implement affiliate marketing as their marketing communication strategy also with the digital business consultant from Upnomal Pingfans for triangulation, and analysis with descriptive approach. Delia (2018, p. 34) in her study emphasized that, data analysis technique is a process of seeking and manage the data that gathered from interview, notes and documentations by organizing the data into categories, single out which one is more important to be studied and summarize it, so, that will be easier to be understood to the researcher and people who read it. For this research, the technique is by using narrative text of the data display in qualitative research to develop a descriptive information that constructed to infer and execute which served in data prevalent that commonly used (Atwar, 2009).

This research is limited to narrow about affiliate marketing implementation of travel agencies that open membership for down-liner to build awareness in Jakarta, so that the research does not have to exaggerate and bias. This research uses qualitative research which is unnecessarily the same with other businesses, but it does not close the door if the analysis can be implemented toward the other business sectors.

### IV. RESULTS

Using preliminary research and in-depth interview for obtaining the data, the list of questions delivered to the key-informants. In the interview, the primary data obtained at learning of the travel agencies background as the research objective, what they sell, the legalization certificate and the benefit to offer. Those factors are embedded in the conceptual framework of the research. To do analysis of affiliate marketing as marketing communication strategy to build awareness in Jakarta, SOSTAC model is a suitable method to elaborate the data thoroughly. This study uncovers the analysis about the way of travel agencies marketing communication strategy to build awareness in Jakarta with affiliate marketing implementation through what they have done so far to promote the membership, competition and evaluation.
Situation Analysis

The travel agencies that had been explored respectively have strength, weakness, opportunity and threat (SWOT) to be analyzed. For the two travel agency representatives that had been studied for this research, findings shown that both travel agencies have similar SWOT. For the strength, both have auto-issued system, which means buyers can directly do transactions via their website. This kind of travel agencies are strong if they emphasized the customer service, such as helping customers to check-in for flight ticket and a quick process to refund. This kind of travel agency categorizes as micro small and medium enterprises (MSME). Therefore, the key running for this kind of business is by being honest to customer to build trust (travel agency owner, personal interview, 2019). Yuan, et al (2018) explained that building trust is a strive to emphasize the competitive advantage or strength of an organization (p. 37).

Another finding proved that, one of them has emphasized the excellence of Bali Tour Package that rely on the good relationship between the travel agency owner and the confidant who is Bali local resident who is fluent about Bali tourism. The travel agencies which implement affiliate marketing as their marketing communication strategy admitted that to run a travel and tour agency, they need to do personal branding, not to fix the high price to build awareness. Maulana (2018) added that personal branding is not about being famous, but chosen (p. 30) because a brand already has uncovered about what they want to focus on, stated the perception appropriately and does not ‘create center of attention’ but ‘center of crowd’ (p. 31).

The weakness of this kind of travel agency is the lack of IT team for developing the system for the down-liner, because this kind of business (implement affiliate marketing) is still lack of authorities. For the opportunity, leisure and travelling have broad market and does not need to do trial and error activity, because the platform to sell the product are templated from the up-liner and are trained by them. Furthermore, in the digital era like now, people must open social media like Facebook, Instagram or Twitter for the latest information updates, this could be used as channels for promotion of tour packages. Lou (2017) also claimed that social media can be used as an advertising vehicle, also the information is available in real time.

The last part of situational analysis is threat, which is related to weakness of organization if it compounds with vulnerability, with bad impact of negative image if the analysis is too critical (Osita, et al, 2014, p. 26). The travel agencies were threatened by the airline policies that do not support the MSME business, like luggage allowance for certain airlines. Another threat for this kind of travel agency is the difficulty of bureaucracy in managing UMRAH and HAJJ permission. Because the requirements are complicated and only can be run by big travel agencies.

Objective Analysis

The objective of those travel agencies is to build awareness in Jakarta by 80% over the next year. Jakarta is the most populated city in Indonesia because of the role as capital city of the country and the center of government. As claimed by Kominfo (2013) that Internet users in Jakarta based on city in Indonesia is over 3.53 million Internet users. Stephens (2017) added that AIDA is a communication response model that relates to decision making process and hierarchy of effects (p. 45) which brings customer on six stages from becomes aware until purchase. The figure of AIDA model and decision-making process is shown on Fig. 4 below. Communication Response Models, introduced by Lewis and Strong (Wijaya, 2012, p. 73), divided into decision making process that involve cognitive, affective, behavior, AIDA model and Hierarchy of Effect model. Cognitive is the stage when advertisements expose the audience, this step is similar on AIDA model which stated at awareness stage, and for the hierarchy of effect is positioned at awareness and knowledge stage. This step reaches the most number of people for the whole steps.

Fig. 4 AIDA Model based on consumer journey cognitive - affective - action and hierarchy of effect Source: Li and Yu (2013, p. 48) and Stephens (2017, p. 45)

It decreases at interest and desire on AIDA model, this stage preferences people who put interest at the product of the ads, it is in affective stage of decision making process. For the Hierarchy of Effect, customer is at
the liking, preference and conviction stage. At this stage, people prefer a brand from relatives or people that have power to convince whether the brand deserves to be purchased or not. The last step on AIDA model is action, which at the same stage with behavior on decision making process and purchase on Hierarchy of Effect. This stage is a determination of the strives had done by brands to the target audience, whether their behavior is positive (purchase) or negative (deny). Li and Yu (2013) added that AIDA stands for attention, interest, desire and action (p. 48). Attention which describes the attraction or attention of the customer that has the highest conversion number of people in percentage and interest describes the raise of customer interest by focusing on and demonstrating advantages and benefits traditional advertising, desire describes on how to convince customers that the products will contended customer needs and action leads to customer take actions or purchase (p. 48).

For the name of travel tour agencies which mentioned for the preliminary research, it was obtained that 4 of 19 representative respondents in Jakarta aware about it shown on Fig. 5. Based on the preliminary research also, 17% people in Jakarta who aware of mentioned travel tour agencies name classified of their income per month is also shown on Fig. 5 below.

Figure 5. (a) Preliminary survey of travel agencies mentioned awareness in Jakarta (b) Preliminary survey of mentioned travel agencies awareness in Jakarta based on income per month

Source: Preliminary Research 2019

For the data obtained, most people who familiar about mentioned travel agencies are those who have highest income based on choice provided. To build awareness of mentioned travel agencies target market, the highest amount of people at awareness or attention stage is a must, because the amount will decrease as the lower steps goes. However, if the travel agencies under this study admitted their down-liner and the customers were over 7000 people, they surely are not from Jakarta.

**Strategy Analysis**

This stage explains about the approach to objectify the objectives. For obtaining the down-liner through seminar, the travel agencies under study promoting their program through online, for instance on websites and social media, they upload content at least three times a week, but within one week the theme is same. Example, the first upload is about seminars in Jakarta, also for second and third upload, but the variations of coming soon thing would be uploaded near the day, they mentioned the date, month, and year (travel agency owner, personal interview, 2019). Another strategic way of promoting their service is by posting customer satisfaction testimony. Testimonial by customer will be mentioned by a company through online to indicate that a company has credibility to run the business and to build the customer trust. Flecha et al (2018) firmed that testimony is an evidence that indicates the achievement of a certain objective of society defined by corresponding institution (p. 9).

**Tactic Analysis**

The tactic of the travel agencies to implement the affiliate marketing to build awareness are such as seminar and direct approach to customer. Advertisement through short message sent (SMS) boom or blast is effective to grab people attention, more over the SMS contents are triggering and influencing people to come depends on the venue and the time set. Fehrnstrom and Rich (2009) explained that seminar is a tactical model to implement the integrated marketing communication (IMC) program to be activated and it is such a moment to commit a customer-centric approach that informs all activities (pp. 36-37). Seminar event is an effective method to explain the prospective down-liners about the business detail, and efficient in term of inducing free engagement between the speaker and audience, perceived as “... both ‘retail’ and execution...” (p. 37).

They also can do online seminar and identify it to their social media channel, then mention the actual date, relevant hashtags and which parties that supported or sponsored that online event on the caption. The event held on WhatsApp with limited time, after the time has ended, the material of online seminar in the group will be disseminated by admin to each participant and the group will be dismissed. Online seminar is actually
the same thing with webinar which is affordable tools, enable synchronous communication, facilitate real-time multimedia demonstrations, facilitate multi-level interaction and provide an environment in which participants can archive seminar content for personal review or for people who missed the real-time session (Harrison, p. 10). Lawlor (2015) found that webinar is so effective because the marketer from company side can prospect a good chance of "...making a connection with a prospect while other would not otherwise make. ... and help to begin the sales process to convert prospects into customers. ..." While the disadvantages also appear side by side with advantages, those are slow network possibility, risk of Internet connection and minimal peer interaction (p. 12).

**Action Analysis**

Ehsan (2013) added that making a good colleague who has something valuable to the relative recommendation would generate brand awareness, because of the good experience in a high level (2013, p. 1). Luckily, a travel agency under this study had a colleague from Bali to be partnered with whose understand about plus and minus of Bali’s tourism to offer to customer. So that, this point can be bigger in term of building awareness through some channels.

In travel and tour business, the business runners need to have good co-selling partner, as explained by Young (2018) that "... something remarkable happens when businesses find the right strategic partner to combine their talents and reach for greater sales together. ... while co-selling may start off (in some ways) as a sales strategy, partnerships are the backbone of a solid branding strategy". For the affiliate marketing implementation, the most important is having many close groups that consist of people who know about the sender of information, because the information sender has authority and trusted by the group member. The structural organization of travel agencies that implement affiliate marketing as their marketing communication strategy is shown on Fig. 6 below. Having a structural organization to run the strategy of affiliate marketing, both in B2B and B2C is effective and efficient to build awareness. Tian and Tran (2013) believed that the determination of organizational structure is "... the established pattern of relationships among the components of company ‘the way a company is set-up’... formally defined framework of an organization’s task and authority relationships" (p. 230).

![Figure 6. Structural organization of travel agencies that implement affiliate marketing](image)

Do promotion about affiliate marketing that implemented by travel agencies and its down-liners through social media is effective efficient and, yet the power of word of mouth marketing (WOMM) is beyond that because it refers to someone’s preference that has emotional bonding which generate trust. Hence, deep conversation for consumer approach is quite important.

**Control Analysis**

This section defined by the travel agencies through evaluating their marketing performance to build awareness. Macro Model of Public Relation Evaluation by Macnamara (2018) is suitable to evaluate awareness and public relation, because the role of the travel agencies is not only managed marketing communication plan but also their public relation. The inputs of the travel agencies are posting the promotion contents through social media, proposing speaker list and program for event, and any other publicity of them through above the line (ATL) marketing through Internet and below the line (BTL) marketing through seminar (event). For the outputs, the travel agencies have done a lot to obtain the outcomes, as instance, held their own seminar event through online and through WhatsApp, did survey for customer and down-liner satisfaction, and gained the publicity. To build and increase awareness as outcomes, the effectiveness and the efficiency are the main things to get company’s intended result. Therefore, managing the target market based on age classification and their activity is a good step to control the awareness level (travel agency owner, personal interview, 2019). Although the age range is pretty wide (17-58 years old), it still classified as productive age, which means capable to do tasks (Organization for Economic Co-operation and Development, 2018).
Discussion

Based on qualitative research with in-depth interview method, affiliate marketing that has been implemented by the travel agencies under this study as marketing communication strategy to build awareness in Jakarta use social media for their marketing channel. It is obvious because Jakarta is the city with most social media users. Affiliate marketing definition based on deep research on literature review is one kind of online marketing method that rely on third party or referral channel to promote a brand. The market penetration is the way it works. The promotion can emerge through close groups on social media which official advertisement could not do so.

In its definition, affiliate marketing is the online version of MLM. So that means people will get rewards with certain actions that are expected from the company. The company has set up the behavior of doing affiliate marketing. For example, obtaining rewards when a friend clicks on a particular link you shared, or they also can get rewards when someone submits a database or when someone else shares it on social media. Also, they may get rewards because of purchase. The Digital Business Consultant explained about the similarity of MLM and affiliate marketing, yet the result obtained is kind of different form research. The travel agencies under this study perceived that the business is like a community of travel agencies that has level with paid membership, even so, the down-liner only get takings or reward once with the agreement of the amount, because the down-liner role here is to deliver the information about the tour package or any product of the up-liner. The interesting thing is, in the era of social media, especially in the era of close groups or can also be called as black conversation that cannot be penetrated by random people campaign or even information. Affiliate marketing is the most effective thing for promotion because groups on social media cannot be penetrated by non-members, advertisements cannot penetrate it by the official, but with affiliates is able. So, affiliate marketing is closely related to the dark conversation or black conversation. If people prefer Facebook as a channel for advertising, on WhatsApp there must have more potential groups, therefore when viewed from this perspective, Facebook is less significant. Building trust is important for business because it is the fundamental thing to make in affiliate marketing. Social media marketing strategy is also important to promote the business, especially a business that implements affiliate marketing to build awareness and generate sales. Moreover, it can promote to the available groups that joined by the affiliate person. It is highly effective to build awareness when a person uses this marketing communication strategy.

This strategy has advantages for reaching awareness, faster response by the seller and building trust. However, run the business which implements affiliate marketing plays on the market niche, because the product or service to sell is specific and the system has to be strong for maintaining the down-liners or members of the travel agencies.

V. CONCLUSION AND SUGGESTIONS

This study explains about the effectiveness and efficiency of using affiliate marketing as marketing communication strategy for travel agencies that open membership to build awareness in Jakarta. Determining the right social media channel is important depends on the target market of the company. The era of black or dark conversation on close groups is difficult to be penetrated by online marketer even from famous brand company for sharing information about the product, unless they are the member of that close group. Campaigning this strategy can be effective if doing both above the line (ATL) and below the line (BTL) marketing, hence, the role of social media is crucial to make a low budget high income marketing for promotion. Affiliate marketing as marketing communication strategy can refer to someone’s preference that has emotional bonding which generates trust, therefore, deep conversation for consumer approach is quite important. However, this strategy has plus and minus, depends on the readiness of the company which implements this strategy.

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