

THE IMPACT OF POTENTIAL MARKET TOWARDS SHIPPING CARGO VOLUME SURVEY TO EASTERN INDONESIA

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ABSTRACT

The aim of this study is to determine and analyze the impact of potential market towards shipping cargo volume. The lack of modes of transport cause high cost of shipping goods to the eastern Indonesian region. It forces people in Eastern Indonesian region become consumptive. The potential market in Eastern Indonesian region is very large and still very possible to be explored deeper that could be an opportunity for PT AP Logistik Surabaya to attract the customers. This research used both methods of data analysis using simple linear regression analysis, correlation analysis, determinant coefficient analysis and hypothesis testing. The sample was 80 respondents taken from PT AP Logistik Surabaya customer who ship their cargo to Eastern Indonesian region. From the analysis and discussion shows the impact of potential market towards shipping cargo volume which is indicated by a simple linear regression equation is $Y = 32,251 + 0.456 X$, if the Potential Market (X) value is zero (0) or constant, the value of Shipping Cargo Volume (Y) will equal by 32,251. Based on the analysis of the correlation coefficient $r = 0,483$, meaning that there is influence between (X) and (Y) positive direction and moderate correlation. Determinant coefficient test shows 20.3%, while the remaining is 76.7% which is explained by other variables or factors that is not included in this model. The test result shows that the hypothesis is $t_{\text{score}} > t_{\text{table}}$ ($4.8712 > 1.665$). Then, H_0 is rejected and H_1 is accepted. This means that there is significant relationship between potential market towards shipping cargo volume.

Keywords: potential market; air cargo; shipping volume; simple regression linier

INTRODUCTION

Eastern Indonesian region consists of many islands and rarely connectivity between each island. It causes obstacle range between islands became constrained. The population growth as well as the population needs in the eastern Indonesian region quite increase. The development of technology information encourage the exchange of information to become faster, accurate and broad reach. People in remote areas at this time can exchange information more easily to meet the

daily needs because it is supported by the modern technology information. The variety requirement of the population needs is constrained by the lack of infrastructure and also transportation connectivity support. The lack of modes of transport cause the high cost of shipping goods into the eastern Indonesian region. Due to the reason above, the people in Eastern Indonesian region becomes consumptive. The potential market in Eastern Indonesian region is very large and still very possible to be explored deeper that could be an

opportunity for the shipping company to attract the customers. The potential market referring as a combination of favorable circumstances, location or time offering the prospect for exports, investment, resources or partnering in the domestic market and international market. As we know, the products or services produced by the company may not be able to find buyers or demand. Hence, the company should require consumers about products or services they produce, one of them by setting marketing targets. The target market has a very important role for the success of the company, especially in marketing. In addition, the implementation of a marketing strategy that has been prepared should be reviewed and developed in line with market developments and the market environment. Marketing strategies should be able to provide a clear and focus target markets by using any possible opportunities. The growing up of cargo shipping services company in Indonesia causes the competitiveness between shipping companies become increasingly stringent. The increasingly fierce competition forced the company to have a proper and accurate strategy. Therefore, the company can market a product or service and even become the market leader.

LITERATURE REVIEW

In an organization or company, management has a greatly important role. According to Wensveen (2007) management is the way in certain period of time to meeting the airlines goals through the coordination performance of planning, organizing, leading, controlling and evaluating. Also is the framework within which the management process can be carried out. It is a structure that enables a large company to attain the same efficiency as or greater efficiency than a small firm run effectively by a few employees. Schein (2008) gave the opinion of management as a profession that is required to

working professionally, its character is the professionals make decisions based on general principles, the professionalsg ottheir status because ofthey reachacerta in standard of work performance, and professionals should be determined by a strong code ofethics. According to Christopher (2011) logistics is the process of strategically managing the business of acquisition, movement and storage of material and end supplies, it also associated with the flow of information, through the organization and marketing track in some way to gain maximum profit or advantages in the future. Logistics understanding in accordance to Bowersox (2006) can be defined as the process of managing and controlling towards storing and moving of goods both raw material, intermediate goods also finished goods from the supplier, manufacture, warehousing, distribution and end-customer. Christopher (2005) defines logistics management as a co-operation and the recognition also trusting all the management of upstream and downstream relationship with suppliers and customers to deliver superior customer value at less cost in order to achieve a more profitable outcome for all parties that must be properly controlling to keep the customer loyalty.

Logistics management asstated by United State Agency International Development includes the sixth right of logistics, the right goods, in the right quantity, in the right condition deliver, to the right place, at the right time, for the right cost. According to Nasution (2005) transportation can be defined as the transference of goods and people from point of origin to point of destination. Transporting process itself is a movement from the place of origin, from which the transport activities started, to the destination, where the transport activities terminated. As stated by IATA (International Air Transport Association) cargoregulation (2006) can be defined as cargo/freight as the word implies refers to any type of goods

documented under an air waybill for carriage by air. However, it does not refer to General Post Office (GPO), Online Charging System (OCS) mail or passengers' baggage. Air freight is often combined with other modes of transport, which allows the use of more remote and less congested airports (Grosso and Shepherd, 2010). In accordance to Kadir (2008) air freight companies can be defined as a company that carrying passengers or cargo after dealing carried agreement and using civil. The company provides services eligible to each passenger or air freight. Shah (2017) explain, marketing is the activity set of organization for creating, communicating, delivering and exchanging offering that have value for customer in order to meet a customer need. Marketers need to understanding who they competing with, and what barriers to change currently exist in their own and partner organizations. Knowing who is the competitor can build up the feel of compete and push ahead employee in each department to achieving the company goals. Marketing management according to Lupiyo (2006) is an analysis, planning, implementation and control programs that have been planned in conjunction with exchanges desirable to targeting customers for personal gain or shared. Kumar (2016) stated the meaning of potential market is Potential market is the part of the total population that has shown some level of interest in buying a particular product or service. This includes individuals, firms and organizations. Potential market is also called Total addressable market (TAM). The size of a potential market is found by performing a market forecast. According to Kotler and Keller (2012) potential market is the sector of buyer needed and is an area of customer needs and interest that present a high profitability satisfying company that created the market opportunity. Marketing management according to Kotler and Armstrong (2008) is the marketing management philosophy that achieving organizational goals depends on

knowing the needs and wants of target markets and delivering the desired satisfactions better than competitors do.

METHODOLOGY

The approach used in this research is a quantitative correlation method (Kuntjojo, 2009). Quantitative correlation methods is the scientific method to understand the phenomenon of what is experienced by the subject of research for such as behavior, perception, motivation, action, holistic. This research was conducted at PT Angkasa Pura Logistik at terminal cargo of Juanda International Airport Surabaya East Java. Data collection by interview, observation, library research, questionnaire (Juliater Simarmata, Keke, Veronica, Silalahi, & Benková, 2017). The population on this research is average customer which is 80 customer. Data analysis technique by validity test, reliability test, simple linear regression analysis, simple correlation coefficient, determination coefficient, hypothesis testing with t-test.

RESULTS AND DISCUSSION

Before further analysis, the research using testing validity and reliability of the questionnaire examination as a measuring tool. The value is 0.220 and with the level of significant 5% which meaning the decision is H_0 rejected. It can be concluded that all the attributes of existing statements on market potential variables are valid. In each attribute statements on shipping cargo volume variable obtained values of *Pearson Correlation* (r_{xy}) more than r_{table} , where the r_{table} value is 0.220 and with the level of significant 5% than the decision is H_0 rejected. It can be concluded that all the attributes of existing statements on shipping cargo volume variables are valid. The calculation results obtained reliability testing for a variable potential market in the amount of 0.586. It can be concluded that all the attributes statement on variable potential market has been reliable.

A. Analysis The Overview of Potential Market To Eastern Indonesian Region by PTAP Logistik Surabaya

Based on the tabulation result, there is a statement that has the highest weight which is a statement that read "*PT APL menjadi pilihan utama untuk mengirimkan kargo udara khususnya wilayah Timur Indonesia*" with the amount of weight is 371 and the average is 4,6 these results indicate that the customer of PT AP Logistik Surabaya require and trusting the service especially cargo shipping to Eastern Indonesian region that's why the customer still regularly using their service as a main choice and it become the potential customer for PT AP Logistik Surabaya. While statement that has the lowest weight that is a statement that reads "*Terdapat branch office PT Angkasa Pura Logistik di beberapa daerah Indonesia Timur seperti Ambon, Kupang, Manado, Makassar*" as seen from the calculation results is amounted 346 and an average of 4,3 it shown that PT AP Logistik need to open a new branch office at Eastern Indonesian region to improving their service in order providing a better facilitate of customer, so they can more easily using the service of PT AP Logistik.

B. Analysis Shipping Cargo Volume To Eastern Indonesia Region By PT AP Logistik Surabaya

Based on the tabulation result, there is a statement that has the highest weight which is a statement that read "*Adanya lonjakan volume pengiriman kargo kewilayah Timur Indonesia berdampak pada penuhnya airport dan terminal kargo di daerah transit wilayah Indonenesia Timur*" with the number of weight is 381 and the average is 4,8 these

results indicate that there is an impact of the high intensiveness in transit airport and terminal cargo which is at Eastern Indonesian region which is usually during peak season. APLOG as a freight forwarding must doing improvement in order to managing the volume of outgoing cargo so it can be more optimal. While statement that has the lowest weight that is a statement that reads "*Adanya penambahan alokasi jadwal penerbangan rute Indonesia Timur*" as seen from the calculation results is amounted 351 and an average of 4,4 it shown that their regular customers who shipping the cargo to Eastern Indonesia region through APLOG Surabaya is constrained to the schedule of the airlines. Which is in some city it take more than 3 days shipping due to the transit time and also the direct flight schedule for some city is only two until three times a week. To support the results of the questionnaire answers regarding outgoing cargo volume to Eastern Indonesian Region at PT AP Logistik Surabaya, there will also be presented supporting data in the form of table and charts containing outgoing volume from September 2016 until November 2016 to Eastern Indonesian region.

C. Analysis The Influence Between Potential Market Towards Shipping Cargo Volume (Survey: To Eastern Indonesian Region By PT AP Logistik Surabaya)

Based on calculations performed above obtained α value is 32,251 and the value is 0,456 for simple regression linear equation as follows: $Y = 32,251 + 0,456X$. Based on the above equation is known for its constant α value is 32,251. It shown if the Potential Market (X) value is zero (0) or constant, the value of Shipping Cargo Volume (Y) will equal by 32,251. Regression coefficients

value or value is 0,456. It shown if the potential market has increased by one-unit hence the shipping cargo volume will increase by 0.456 with value of 32,251 constant. Also, illustrates that the direction of the relationship between independent variables (potential market) with the dependent variable (shipping cargo volume) is in single direction. Based on calculation above, the results of coefficient correlation obtained 0.483. According Pamungkas, et al (2016). Rvalue between 0,400 –0,599 interpreted as “moderate”. So coefficient correlation value is moderate and positive. It can be concluded that there is a moderate relationship and positive direction between potential market (x) and shipping cargo volume (y). From the calculation above the value of (R-Square) is 23,3%, it shown the positive contribution of potential market towards shipping cargo volume by PT Angkasa Pura Logistik amounted 23,3% while the remaining is 76,7% which is explained by other variables or factor that not included in this model, such as infrastructure, human resource, competitors and etc. Hypothesis testing aims to prove the truth of the hypothesis. Hypothesis used to determine whether there is a significant influence between the variables X and Y in this study, between potential market towards shipping cargo volume with the level of significance or alpha (α) is 5%. Based on the calculation, $t_{\text{calculation}}$ 4.872 is bigger than t_{table} of 1.665 then obtained decision H_1 rejected and H_0 accepted. So the conclusion is suspected there is a positive influence between the potential market towards shipping cargo volume is proven to be true.

CONCLUSION

Based on the analysis of the potential market, it may indicate that the potential market that shipping cargo to eastern

Indonesian region by PT Angkasa Pura Logistik Surabaya is already very well and potency an opportunity for company future. It showed by the statement “*PT APL menjadi pilihan utama untuk mengirimkan kargo udara khususnya wilayah Timur Indonesia*” with the highest weight is 371 and an average of 4.66. These results indicate that the customer of PT AP Logistik Surabaya trusting the service especially cargo shipping to Eastern Indonesian region that’s why the customer still regularly using their service as a main choice and it become the potential customer for PT AP Logistik Surabaya. The results of the analysis of the shipping cargo volume on PT Angkasa Pura Logistik Surabaya Eastern Indonesian region destination, may indicate that the shipping cargo increased that typically occur during peak seasons, it showed by the statement “*Adanya lonjakan volume pengiriman kargo ke wilayah Timur Indonesia berdampak pada penuhnya airport dan terminal kargo di daerah transit wilayah Indonesia Timur*” with the high est weight is 381 and the average of 4.8. its also supported by the outgoing volume data which is increasing during 3 months (September “16 until November “16). Results of statistical analysis relating the impact of variable potential market towards variable shipping cargo volume shows from the results of simple linear regression is calculated using SPSS version 22.0 system shows that the potential market is positive effected towards shipping cargo volume. This is shown in the regression equation in getting by $Y = 32\,251 + 0.456x$. Based on that equation if the potential market variable (X) moved up one unit then the variable shipping cargo volume (Y) can be expected to increase by 0456 (45.6%) on a constant 32 251. From the analysis of the correlation coefficient (r_{xy}) of 0.483 which can be interpreted as “moderate” and positive. Meaning, there is a moderate correlation between potential market towards shipping cargo volume in positive direction. From the

results of the determining Coefficient (KP) is amounted 23.3%. This shows the positive contribution of a potential market towards shipping cargo volume in PT Angkasa Pura Logistik Surabaya with the number of 23.3% and the remaining 76.7% is influence of other factors such as: competitors, pricing, human resources, infrastructure, logistics trend, economic growing in that country or city.

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