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Product Development Strategy of the Wildlife Park of Medan, Indonesia

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Abstract:

The purpose of this article is to formulate a product development strategy of the Wildlife Park of Medan (WPM) based on the SWOT analysis has been done in previous research. The method used is observation and in-depth interview with the manager and the expert of the wildlife park. The formulation of the exact strategy for WPM is very important for business continuity and business profit. The increasingly of the fierce competition to convincing the manager of WPM which the exact strategy should be owned and implemented well. Moreover, nowadays there are many tour objects which are not similar but provide the animal as the additional object to attract the tourist to visit the place. The SWOT analysis is indicate that the position of WPM now in the quadrant I, which means a favorable situation. WPM has the opportunity and strength so that can exploit the power to reach for the opportunities that exist. The strategy which applied in this position is a strategy which support the policy of WPM's aggressive growth. The Manager of WPM can do any activity to the WPM's progress in the future in accordance with the expectation of the visitors.

Keywords: Product development strategy, aggressive growth strategy, swot analysis, wildlife park of medan

1. Background

1.1. Background

Wildlife Park of Medan (WPM) is the only one of animal's tour object in the city of Medan. With the presence doesn't has a competitor in a similar business then actually WPM has a tremendous opportunity to make a profit. But unfortunately, the facts on the field show that WPM hasn't managed optimally. This matter showed by the presence of animal and cage that hasn't been well maintained, as well as cleanliness, personnel service, the condition of the road in the park also the other matters that need special attention in the management of WPM in the future. Based on the SWOT analysis has been done shown that the visitor wants to improve the conditions of WPM related to the assessment component, there are animal, cleanliness, comfortable, service, facility, development (Amanah, 2015).

The result of the SWOT analysis to map the existence of WPM compared with other tour object which offered in the city of Medan also the strategy that can be applied for WPM further in the future. Strategy of product development is part of a corporate strategy which have advantage or benefit can help the manager in running the organization. WPM is necessary to consider doing the product development because the product development will be increase the opportunity of success and minimize the cost and risk. Product development done by company to add the benefit, characteristic, design and service on the goods and service which managed. Kotler and Armstrong (1996) said that the product development was strategy for the company's growth by offering new or modified product to current market segment. Product development is a need and desire are always changing because there is new segment or there is competition and technology change (Guiltinan, 1994).

So we can conclude that product development is an attempt by the company through improved the shape, simplification, reshaping, add a design or model with the purpose to increasing the satisfaction of customer. Based on the mapping matrix, IFAS, EFAS and SWOT analysis, WPM is currently in quadrant I which means a favorable situation. WPM has the opportunity and strength that can exploit the power to reach for the opportunity that exist. The strategy applied in this position is a strategy that support the policy of WPM's aggressive growth. Manager of WPM can do any activity directed to the WPM progress in the future in accordance with the expectation of visitor.

1.2. The Purpose

Formulate the strategy of product development of the Wildlife Park of Medan based on SWOT analysis.

1.3. Benefit

Increase the opportunity of success and also minimize the cost and risk of the Wildlife Park of Medan with the application of exact development strategy.

2. Study of Literature

2.1. Strategy of Product Development

2.1.1. Definition of Product Development

Product development is an activity undertaken in the face of the possibility of changing a product to a better direction so can provide the power efficiency and greater satiation (Assaury, 2003).

Stanton (2002) said that the product development is a term that limited include the technical activity, such as product research, engineering and design.

According to Sigit (2002) said that the product development is also called merchandising is the manufacturer activities (maker of the goods) or middlemen (intermediary) who intends to make adjustment for the goods made or offered for sale at the request of the buyer.

Meanwhile, according to Simamora (2002: 458) product development is process of the finding idea for new goods and service and convert them into additional product line which commercially successful, based on the assumption that the customer wants new elements that will help to achieve the company's goal. As according to Ulrich - Eppinger (2008: 2) in the book "Product Design and Development" product development is a series of activity that start from the analysis of perception and market opportunity, and then the end by the production phase.

New product development is the development of original product, product improvement, product modification, and new brand through the effort of R & D company (Kotler and Armstrong, 2010). The development and launch of successful new product is one of the most important thing for the company and the most challenging task for manager (Hauser, et al 2005). From the point of view of strategic, the new product both in accordance with the wish of the customer as well as technically superior, budget designed and launched to the market, it will provide a real competitive advantage for company (Nikolaoes, et al 2004).

Besides that, the new product development is the lifeblood of companies, and the best hope for the growth in the future. During for many year, it has been perfected by observing the consumer (Hoffman, et al, 2010; Fuchs, et al, 2010), development process (Cooper, 2009), the characteristic of product (Decker and Scholz, 2010), the channel (Lan, et al, 2007); the characteristic of the market place (Fuller et al, 2009, Arakji, and Lang, 2007) and the concept of product (Whyld, 2010). Despite the effort to improve and the need for change is still going continuously. (Szymigim, et al, 2010).

Launching the new product and service in the market is essential to increase the size and profitability of the company. The success of introducing a new product in the market is an important problem of the currently marketing program (Mccole 2005, and Hoffman, 2005).

Benefit of the product development for the company is able to compete better than competitor and expected to produce a dominant market position (Fred and Erik 2009, Hoechst, 2000).

It can be concluded that product development is an important activity that should be done by the company to create a product that is new or different from the product that have been previously marketed in accordance with customer expectation and will create the competitive superiority also provide the advantage for the company.

2.1.2. The Purpose of Product Development

One of the purpose of product development is to increase the sale result that will affect to company profit. A company must have other purpose is to maintain its present position as a innovator and keep the market sagment.

According to Alma (2009: 101) the purpose of product development are:

- a. To meet the consumers who haven't satisfied
- b. To increase the sale turnover
- c. To win the competition
- d. To utilize the production resources
- e. To increase the profit by the use of the same material
- f. To utilize the material remainder
- g. To prevent the boredom of consumers

2.1.3. The Phase of Product Development

The new product development is one of important decision in the marketing mix, but need to attentioned that the activity of product development need the big cost and the risk of failure which high.

To overcome the problem described above, so in doing the new product development need to do two important things: there are increasing the effectiveness for all of the organization management in handle the phase of process of the new product development with good technique until the new product can be implementationed in effectively and efficiently.

In order for the implementation of product development can be do effectively and efficiently, so the company need to arrange the good organizational structure. The phases of product development according to Kotler (2000: 335) described as follows:

1. Idea Generation
2. Idea Screening
3. Concept Development and Testing
4. Marketing Strategy Development

5. Business Analysis
6. Product Development
7. Market Testing
8. Commercialization

2.1.4. Strategy of Product Development

According to Saladin (2003: 79), there are several strategies in product development, there are:

1. Improve the existing product
2. Expand the product line
3. Change an existing product
4. Imitate the strategy of competitor
5. Add the new product which unrelated to the product line

2.2. Diagram of SWOT Analysis

2.2.1. Definition of Diagram of SWOT Analysis

This diagram determines the position of a company into the one of four quadrants have been determined based on the value of the matrix of IFAS and EFAS had previously measured (Rangkuti, 2002: 20).

2.2.2. Image of Diagram of SWOT Analysis



Figure 1

Source : Rangkuti (2002:19)

Explanation of the diagram as follows:

1. Quadrant 1: is a situation that very profitable for the company.
The company has opportunity and power until can take advantage of existing opportunity. The strategy should be applied in this condition to support the policy of aggressive growth.
2. Quadrant 2: despite faced the various threat, this company still has strength from internal. The strategy should be applied is to use the strength to take advantage of the long-term opportunity by the diversification strategy (product or market).
3. Quadrant 3: the company faced the enormous market opportunity, but on the other hand the company faced the obstacle or internal weakness. The strategy focus of this company is to minimize the internal problems of company until can seize the better opportunity.
4. Quadrant 4: is a situation that very unfavorable for the company.
The company faced the various threat and internal weaknesses.

3. Method of Research

3.1. Location of Research

The Wildlife Park of Medan is location of this research at Jalan Raya Namo Rambe, Simalingkar B, Medan Tuntungan.

3.2. Population

All visitor of the Wildlife Park of Medan totaling 10.000 in one month be the population in this research.

3.3. Sample

Amount to 96 visitors into the sample with the withdrawal technique is accidental sampling..

3.4. Technique of Data Collection

a. Observation

Done by the observation of WPM and visitors during the research process.

b. Interview

Interview done with manager and the expert of wildlife park to discuss the formulation of strategy based on the result of SWOT analysis at previously research.

3.5. Technique of Data Analysis

Technique of data analysis which used in this research is descriptive analysis.

3.6. Definition of Variable Operational

Strategy of product development (Saladin, 2003: 79) is the company's activities to improve the existing product, expand the product line, change an existing product, imitate the strategy of competitor or add the new product which unrelated to the product line.

4. Result and Discussion

4.1. Result of Research

4.1.1. Factors of Internal Strategy (IFAS)

| Factors of Internal Strategy | Heavy | Level | Heavy x Level |
|--|-------------|----------|---------------|
| Strength (S) | | | |
| 1. It is the only one wildlife park in Medan | 0.24 | 4 | 0.96 |
| 2. The admission price is relatively achievable | 0.24 | 4 | 0.96 |
| 3. The number of animal that so many | 0.18 | 2 | 0.36 |
| 4. The wide area | 0.11 | 1 | 0.11 |
| 5. The ride of outbound, flying fox, rock climbing | 0.18 | 3 | 0.54 |
| | 0.05 | 1 | 0.05 |
| Total of Strength (S) | | | 2.98 |
| Weakness (W) | | | |
| 1. The location is far from Medan | | | |
| 2. The lack of promotion by the manager's WPM | 0.13 | 1 | 0.13 |
| 3. The condition did not suit with the naming of wildlife park | 0.09 | 2 | 0.18 |
| 4. The lack of animal care | 0.09 | 3 | 0.27 |
| 5. The condition of cage inadequate | | | |
| 6. The layout is less attractive | 0.13 | 1 | 0.13 |
| 7. The road condition is not good | 0.09 | 1 | 0.09 |
| 8. The lack of cleanliness | 0.09 | 1 | 0.09 |
| 9. The comfortable of visitor is less attention | 0.06 | 2 | 0.12 |
| 10. There is no place of worship of Muslim | 0.06 | 2 | 0.12 |
| 11. The lack of toilet quantity and quality | 0.04 | 4 | 0.16 |
| 12. The service of officer is unfavorable | 0.06 | 2 | 0.12 |
| 13. There is no sign to the area of animal | 0.06 | 2 | 0.12 |
| | 0.06 | 3 | 0.18 |
| Total of Weakness (W) | 0.04 | 4 | 0.16 |
| | | | 1.87 |

Table 1

4.1.2. Factors of External Strategy (EFAS)

| Factors of External Strategy | Heavy | Level | Heavy x Level |
|---|-------|-------|---------------|
| Opportunity (O) | | | |
| 1. Wildlife park which has high potential to evolve | 0.10 | 4 | 0.40 |
| 2. Alternative of tour object in Medan | 0.14 | 3 | 0.42 |
| 3. Recreational Park for the society of Medan | 0.19 | 2 | 0.38 |
| 4. Place of wildlife conservation | 0.19 | 4 | 0.76 |
| 5. Education tool for visitor | 0.19 | 4 | 0.76 |
| 6. Can be an icon of Medan | 0.14 | 3 | 0.42 |
| 7. Increase the local revenue | 0.05 | 2 | 0.10 |
| Total of Opportunity (O) | | | 3.24 |
| Threat (T) | | | |
| 1. Appearing dissimilar tour place which provide a mini zoo | 0.40 | 1 | 0.40 |
| 2. Increasing the number of visitor is not significant | 0.10 | 4 | 0.40 |
| 3. Visitor have a tendency to quickly saturated and repeatedly to visited WPM | 0.30 | 2 | 0.60 |
| 4. Program of adoptive parent for animals are still foreign to the society | 0.20 | 2 | 0.40 |
| Total of Threat (T) | | | 1.80 |

Table 2

4.1.3. Matrix of IFAS and EFAS of Wildlife Park of Medan (WPM)

| IFAS EFAS | Strength (S) | Weakness (W) |
|------------------------|--|---------------------------------|
| Opportunity (O) | SO 2.98 + 3.24 = 6.22 | WO 1.87 + 3.24 = 5.11 |
| Threat (T) | ST 2.98 + 1.80 = 4.78 | WT 1.87 + 1.80 = 3.67 |

Table 3

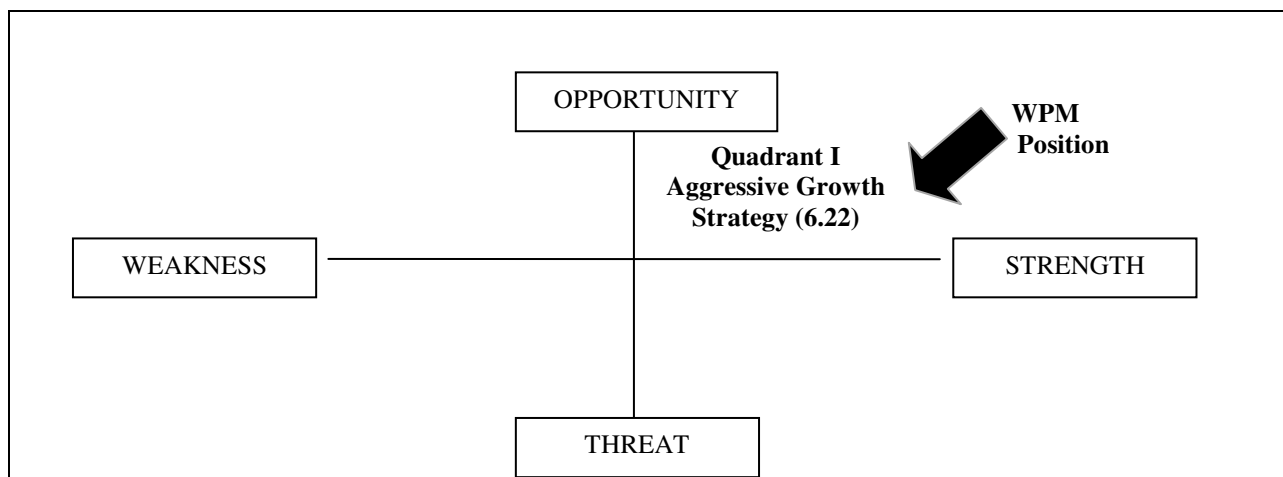


Figure 2

4.1.4. Diagram of SWOT Analysis of WPM

4.2. Discussion

Analysis of strategy for all situations (SO, WO, ST, WT) is as follows:

SO Strategy

1. Utilizing the existence of WPM as the only one tour object of animal in Medan
2. Maintaining the ticket price achievable
3. Maintaining the number of animal, a lot and well-care

WO Strategy

1. Increasing the promotion
2. Animal and cage more attentioned
3. Placement of the cage made in more attractive
4. Service to visitor must be improved

ST Strategy

1. Utilizing the remainder area for the development of the necessary
2. Add the species of animal
3. Socialize the program of adoptive parent of animal

WT Strategy

1. The comfortable of visitor must be improved
2. Be responsive to the dissimilar tour object which offer similar product

4.3. Implication of the Research

Formulate the strategy for Wildlife Park of Medan (WPM) is strategy of aggressive growth for the existence of WPM in the future and growing in line with the expectation of visitor. Manager of WPM can make the improvement and development that useful for visitor and also for increasing the revenue of WPM such as the condition of animal, cage, visitor facilities, cleanliness and so forth.

5. Conclusion, Limitation and Suggestion**5.1. Conclusion**

1. The value total of the strength at IFAS matrix is in the amount of 2.98.
2. The value total of the weakness at IFAS matrix is in the amount of 1.87.
3. The value total of the opportunity at EFAS matrix is in the amount of 3.24.
4. The value total of the threat at EFAS matrix is in the amount of 1.80.
5. The number total of SO is in the amount of 6.22.
6. The number total of WO is in the amount of 5.11.
7. The number total of ST is in the amount of 4.78
8. The number total of WT is in the amount of 3.67.
9. Based on the result above it can be concluded that WPM had strength and great opportunity with the sum of the greater value than another value is 6:22.
10. The value of 6:22 indicated that WPM in the quadrant I, it means can do the strategy of aggressive growth in line with the expectation of visitor to progress the WPM forward.

5.2. Limitation

1. The length of the research time make in the result research were less maximal. Many factor actually still have to be analyzed and considerationed to obtain the result of research that really can solve the problem of the company.
2. The management and manager who uncooperative in providing information to the researcher so that the researcher couldn't obtain the information which actually needed for the accuracy of research and solve the problem of company.

5.3. Suggestion

1. The management need to do promotion which more aggressive so that the society know more about the existence of WPM remember the location that far from Medan.
2. Continue and add the adoptive parent of animal so that food, health and care for animal more guaranteed.
3. Improve the condition of cage so that the animal more comfortable and healthy.
4. Make developments are beneficial for the comfortable of visitor such as road repair in park, place of worship, public toilet, visitor health post, seating, cleanliness.

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