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Marketing Strategy Analysis for Developing a Small-Scale Business in Tourism, in Island Atauro Tourism Object, Dili Timor Leste

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#### Abstract

This study aims to determine "How is the marketing strategy for Small Medium Enterprises in the tourism sector, in Atauro tourism object, Dili, Timor-Leste based on SWOT analysis" with indicators of this marketing strategy using the marketing mix or 7P, including: Product (The Services) /, Price, Place / Business Location, Promotion / Promotion Strategy, People / Human Resources (HR), Process / Process or Business Activities, Physical Evidence / Company Physical Evidence. The population in the research or key informants are business actors in the field of tourism, tourists and local officials, with a total of 34 informants with saturated sample determination to take all small and medium-scale business activities in the tourism sector from 4 predetermined villages and the accidental sampling method for tourists. or visitors and probability sampling methods for local officials. The type of data used in this research is qualitative data and data sources will be obtained through interviews, focus group discussions, and direct observation at the place of the research object, with the analysis tool used in this research is SWOT analysis. The results of the analysis, through the evaluation of internal and external matrices, show that the average value is 1.00, the total score for external evaluation is 2.52, the Matrix and EFE results, can be found through the total IFE score with a value of 2.77 as well as the total EFE score of 2.52. Based on the internal and external matrix, the results show that the achievements of the Small and Medium Enterprises group in the tourism sector of Atauro Island, Dili, Timor-Leste are in the quadrant position of column V which means "stability" with a stable position. Strategies that are suitable for this position are market penetration and product development.

**Keywords:** Marketing Strategy Analysis; Small and Medium Enterprise Development in the Tourism Sector

#### Introduction

Strategic planning is an organizational process in determining strategic or direction and decisions on how organizational resources are to be used to achieve long-term goals. The preparation of strategic

planning makes an organization more planned and systematic in achieving its goals. (Hasibun) In general, the strategic planning process is a step to organize and prepare an organization to achieve the desired conditions in the future.

Marketing has various meanings "from a managerial point of view" that marketing is the process of planning and implementing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational goals "(Kotler and Keller, 2007: 38).

Marketing strategy consists of specific strategies related to target markets, marketing mix, and the level of marketing spending, (Kotler, 2013) basically, the goal of companies adhering to the marketing concept is to provide satisfaction to consumers and other communities in exchange for profit, or comparisons between profitable income and costs, this means that the marketing concept teaches that the formulation of a marketing strategy as a plan that is prioritized to achieve these goals, must be based on the needs and desires of consumers.

Meanwhile, the marketing mix is a good tool within a company, in order to influence target responses. In the marketing mix there is a set of tools known in the term 4P, namely product (product), price (price), place (place or distribution channel), and promotion (promotion), while in service marketing it has several additional marketing tools such as people), physical evidence (physical facilities), and process, so that it is known as 7P, it can be concluded that the marketing mix is product, price, place, promotion, people, physical evidence, and process.

In increasing the competitiveness of tourism objects, a marketing strategy is needed for the continuity of a business in that sector. To be able to increase market share requires an appropriate marketing strategy because in the tourism business, service is the basis and main motivation of the business being carried out and in the tourism business service is seen as one of the determining variables of satisfaction (Priyanto, 2016).

Timor Leste is a new country on the Southeast Asian continent, whose economy is still dependent on oil and gas products that are being produced in the gap sea through cooperative relations with the State of Australia and foreign companies. However, what needs to be realized is that oil and gas are natural resources that cannot be renewed to ensure the sustainability of the national economy. Thus it is necessary to develop alternative sectors that can ensure the sustainability of the national economy, so one potential sector for the country of Timor Leste is the tourism sector. , because this sector has the potential and advantages in each of the territorial areas of Timor Leste in terms of tourism objects, culture / customs, and historical sites, both in the era of ancestors and legacies of the colonial era.

This tourism sector needs to be handled seriously and sustainably, because it will be a potential source of state revenue in the future, one of the only sources to bring in State revenue. However, it can be seen from the data on foreign tourist visits to the Timor Leste region from 2017-2019 which is shown in the table below

Table 1: Tourist visit data in 2017-2019

No	Period 3 years	Visits	Growth%
1	2017	1700	-27.66 %
2	2018	400	-76.48 %
3	2019	50	-87.5 %

Data source: Ministry of Tourism of Timor Leste, 2019

Based on tourist visit data for the past 3 years, the growth rate has decreased drastically, which is seen from the growth rate, it shows that in 2017 it decreased by -27.66%, Then in 2018 it decreased by -76.48% and lastly in 2019 it only reached 50 people with the percentage of -87.5%. Atauro tourism object is one island that has tourism potential. Geographically, this island covers an area of 140.50 km or 38.17%, tourist attractions in several areas in Timor-Leste that have been mentioned above.

In addition, the results of a survey conducted by the Ministry of Tourism and the NGO Haburas Foundation show that Atauro Island has several tourism objects, including: natural animals (Koral), Mount Manu koko, and ecological diversity. In addition, other business activities or services developed by local communities include: typical food, development of traditional houses, Bari lodging, traditional boats, Tais, Atauro dolls.

In addition, pre-historical sites such as traditional marine dances and mythological stories. Then from the Historical Site of the struggle for freedom in the homeland of this island, this island has its own history because in the Portuguese colonial era this island was used as a prison for prisoners who violated the colonial rules of the Portuguese nation and later in the colonial era of Indonesia this island was used as a place of exile for the freedom fighters for the nation of Timor Leste and also there are other attractive festival activities.

Ironically, according to government data, especially the SERVE Institution which handles the business licensing process, it is noted that Atauro Island currently has only nine (9) businessmen in the field of hospitality and lodging (Guest House), but compared to other tourist objects, they are still surprised to be superior.

Table 1.2. namely data on types of business activities in the field of tourism objects

18	Table 1.2. namely data on types of business activities in the field of tourism objects			
No	Type of Tourism	<b>Business Sector</b>	<b>Activity Location</b>	
1	Estatua Ai Sagrada	Cultural	Makili	
2	Cemiterio Comuns	Historico	Beloi	
3	Fatuk Kuak Gerra Mundial II tempo Jepaun	Historico	Beloi	
4	Tembok Pertahanan/ Forte AINARA	Historico	Macadade	
5	Raut Budu Tasi	Agro Turismo	Villa no Biqueli	
6	Be'e Manas Uaroana no Vatu'u	Natureza	Biqueli	
7	Be'e Manas Maumeta	Natureza	Makili	
8	Fatuk Kuak Sarang Ba Manu Wallet	Natureza	Macadade	
9	Festival Saint Petrus (29 Juni)	Religioso	Makili	
10	Foho Manucoco	Natureza	Macadade	

Data source: Ministry of Tourism of Timor Leste, 2019

Based on table 1.2 shows the types of business activities in the field of tourism objects, divided into 5 sites, including: Cultural Sites, Historical Sites which consist of 3 types of businesses, Agro-Tourism, Ecological Sites which consist of 4 types of businesses, and Religious Sites. Thus, a total of 10 of these types of activities are currently running on Atauro Island.

However, at that time there had not been any focus on the development of the tourism sector because in terms of infrastructure such as: roads, bridges, ports, and airplanes which had not been properly facilitated so that the island's tourism sector had not been properly utilized. Then the transportation system has not been properly regulated, and there are no concepts and policies at the regional and national levels to improve the transportation system which has been running according to the conditions and as it is. The transportation system that has been implemented and currently running is marine transportation, namely public transport ships (Ró Susesu), boats to facilitate destinations or tourists who want to visit Atauro Island, and boats (traditional Bero) which facilitate tourists to visit several areas. in the Atauro Island region. Then from the land transportation side use public transportation such as: ojek, microbus and taxi.

In addition, the communication system and facilities are still considered minimal so that it becomes an obstacle to attracting tourists to visit the island because the communication system and facilities that have so far existed on Atauro Island are internet installations only in large hotels on Atauro Island, Office or public institutions but not yet in public places, public cell phones that have not been applied on the island, besides that communication etiquette owned by the local community is also a major obstacle to stimulating and creating emotional bonds with tourists visiting the island of Atauro.

These problems are obstacles and challenges to the development of the tourism sector in Timor Leste, especially the island of Atauro, because in the current context of globalization, economies around the world have undergone extensive social and economic transformation, the transformation referred to is the growth of the service sector. Today, the service sector is one of the most important sectors of the economic activity of every society and is closely related to all other sectors of the economy. The service sector like any other sector is characterized by strong competition. The company is always trying to retain existing customers and acquire new ones.

The goal of tourism development will be optimal if it is supported by regional potential in the form of tourism objects, both natural tourism and man-made tourism. However, efforts to develop tourism require sufficient skills and knowledge, in this case one skill and knowledge that is essential in the tourism development process is the marketing strategy.

#### Literature Review

Marketing according to Kotler and Keller (2013: 6) is a social and managerial process where individuals and groups get what they need and want through the creation, offering and exchange of valuable products. The definition rests on core concepts: needs, wants and demands, products, value, price and satisfaction, exchanges, transactions and relationships, markets and marketers. Thus, the starting point for marketing discipline lies in the marketer's ability to identify consumer needs and wants.

According to Fredy Rangkuti, (2001: 48) Marketing is an activity process that is influenced by various social, cultural, political, economic and managerial factors. The result of the influence of these various factors is that each individual or group gets their needs and wants by creating, offering and exchanging products that have commodity values.

Marketing strategy is a plan that allows the company to make the best use of its resources to achieve company goals. Marketing strategy consists of two elements (1) selection and analysis of target

markets and (2) creating and maintaining a suitable marketing mix, a combination of product, price, distribution and promotion. " (Machfoedz, 2005: 73).

From the definitions according to some of the experts above, it can be concluded that marketing is an attempt to combine strategic plans directed at a business that aims to meet the needs and desires of consumers to obtain the expected benefits of the transaction process. The marketing activities of a company must be able to provide satisfaction to consumers if they want to get good responses from consumers.

# **Marketing Mix**

Marketing mix or marketing mix is a sales or promotion strategy and pricing that is unique and designed to produce mutually beneficial exchanges for the target market. Growing up, the 4P Marketing Mix became the 7P. This marketing mix is increasingly developing, especially in the service sector, not only covering: Product, Promotion, and Price (4P), but also observing in terms of Place, People, Process, and Physical Evidence which is hereinafter known in the term service marketing mix as 7P. This concept will later be adjusted to the conditions of the service company that will implement it, but in general, this 7P concept (Product, Price, Place, Promotion, People, Process, and Physical Evidence) is used to make decisions in making a marketing communication strategy. The marketing mix is defined as a set of tactical marketing tools that can be controlled by the company to produce the desired response in the target market (Kotler and Amstrong, 2012: 62). 1) Product (The Services) / Products or Services; Service products are products that can provide benefits, meet consumer needs, and can satisfy consumers. In fact, customers do not buy goods or services, but buy the benefits of something that is offered. 2) Price; Pricing is an important matter. The company will do this with full judgment as pricing can affect total revenue and expenses. Price is the main determining factor for position and must be decided according to the target market, product mix and services, and competition. 3) Place / Business Location; The coverage of the place is something that must be considered carefully, strategic places certainly have better opportunities for public access, but the rental fee from these places must also be taken into account as a consequence of easy access to consumers. 4) Promotion / Promotion Strategy; Promotion is an activity and material which in its application uses techniques, under the control of the seller / producer, which can communicate interesting persuasive information about the products offered by the seller / producer, either directly or through parties that can influence purchases. 5) People / Human Resources (HR); People are the main asset in the service industry, especially businesses that require high performance resources. Consumer needs for high-performing employees will cause consumers to be satisfied and loyal. Good knowledge skills will be a basic competency within the company and a good image outside. 6) Business Process / Process or Activity; Service or product quality is highly dependent on the process of delivering services to consumers. Given that the driving force of service companies is the employees themselves, to ensure the quality of service (quality assurance), all company operations must be carried out in accordance with standardized systems and procedures by employees who are competent, committed, and loyal to the company where they work. 7) Physical Evidence of the company; Building or building is part of physical evidence, a characteristic that is a requirement that adds value to consumers in a service company that has character. Attention to the interior, building equipment, including lightning systems, and a spacious layout are important concerns and can affect the mood of visitors. The building must be able to create an atmosphere by paying attention to ambience so as to provide experience to visitors and can provide added value (Surplus Production) for visitors, especially being the main requirement for service companies with a special market class.

# **Marketing strategy**

Marketing strategy is very important for a company where the marketing strategy is a way to achieve the goals of a company. So that in running a small business, in particular, there is a need for

development through its marketing strategy. Marketing strategy is explicitly the key to the success of a company in facing changes in the business environment and strategy is a comprehensive plan to carry out actions aimed at meeting the needs of certain companies operating in certain environments.

According to Tjiptono in Tambajong (2013: 1293), marketing strategy is a fundamental tool that is planned to achieve a company by developing competitive advantage through the entered market and marketing programs used to serve target markets. Sutojo and Kleinsteuber (2008) state that marketing strategy includes how the elements are related. Of the kinds of elements, here are the main elements on which the marketing element strategy is focused at Selection of markets that the company wants to serve effectively (Market Selection) Market segmenting and market targeting

#### **Definition of Small Scale Business**

Michael Harris (2000: 19), states that "successful entrepreneurs generally have competence as knowledge, skills and individual qualities (entrepreneurial attitudes). Knowledge alone is not enough for entrepreneurs, but it must also be accompanied by managerial skills, conceptual skills, skills to understand, communicating and relating, Skills to formulate problems and how to act, and to use skills, and certain other technical skills Geoffrey G. Meredith, 1996 (Suryana 2006: 24) Stating the entrepreneurial traits of self-confidence and optimism, and task-oriented results, Taking risks and likes challenges, leadership, originality, and future-oriented Arthur and Kuriloff (1993) in (Suryana 2006: 25) reinforce that entrepreneurial characteristics in the form of values and entrepreneurial behavior such as commitment, moderate risk, seeing opportunities, objectivity, feedback, money optimism and proactive management.

According to Pariwocoro (2001), quoted from the book Entrepreneurship UKM in Timor Leste that small and medium scale businesses are activities that have characteristics: Flexible in facing obstacles in running their business, they will easily move to other businesses, capital does not depend on outside capital but can developing with the power of their own capital, able to repay loans with high interest rates.

Strategy Miles & Snow (2003) focuses more on strategy orientation, classifies 3 (three) types of strategies related to good performance, namely propector, defender, and analyzer, and the type of strategy reactor is more related to poor performance.

According to Augusto Soares (2014) that there are things that are interesting and need to be studied in the SME industry in Timor-Leste so that they can be more empowered, namely: 1) SMEs are industries that have bright prospects, both for the domestic market and for the foreign market, 2) On the other hand, SME business performance is still not optimal in terms of its contribution. 3) The low business performance of SMEs is caused by several factors, one of which is the low managerial performance in Timor Leste.

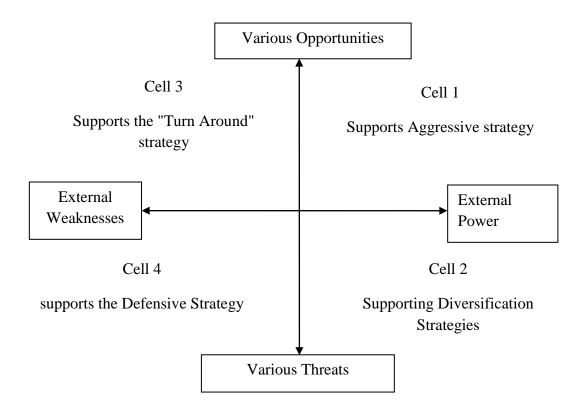
Stoner (1996), has identified three kinds of basic skills, namely: Technical skills, namely, the human ability to use procedures, techniques and knowledge of special fields. Human skills, namely, the ability to work together, understand and motivate others as individuals or groups. Conceptual skills, namely, the ability to coordinate and integrate all the interests and activities of the organization, including seeing the organization as a whole, understanding how its parts are interdependent, and anticipating how changes in a part will affect the entire organization.

# **SWOT Analysis**

According to Roger and Robert (2015: 5) SWOT analysis is a formal framework for identifying and formulating organizational growth possibilities. SWOT stands for strengths, weaknesses, opportunities,

and challenges (Threats) of a business. SWOT is an easy-to-use framework for focusing on the fact that a company's growth opportunities result from a precise match between the company's internal capabilities (which are manifested in strengths and weaknesses) and the external environment that is reflected in opportunities and challenges.

According to Rangkuti (2015:19) SWOT analysis is the systematic identification of various factors to formulate a company strategy. This analysis is based on logic that can maximize strengths (Strengths) and opportunities (Opportunities), but simultaneously can minimize weaknesses (Weaknesses) and threats (Threats). The strategic decision-making process is always related to the development of the company's mission, objectives, strategies and policies. SWOT can be used in many ways to aid strategy analysis. The most common way is to use SWOT as a logical framework for directing a systematic discussion of the company's situation and the basic alternatives that the company can consider. External opportunities and threats are systematically compared with internal strengths and weaknesses in a structured approach. The aim is to identify one of the 4 different patterns in the mix between internal and external situations This pattern is represented by the 4 cells in figure 2.



Source: Freddy Rangkuti, 2015

Quadrant1: Is a very favorable situation. The company has opportunities and strengths so that it can take advantage of existing opportunities. The strategy that must be applied in this condition is to support an aggressive growth policy (growth oriented strategy).

Quadrant 2: Despite facing various threats, this company still has strength from an internal perspective. The strategy that must be applied is to use strength to take advantage of long-term opportunities by means of a diversification strategy (product / service).

Quadrant 3: The company is facing a huge market opportunity, but on the other hand, it faces several internal constraints / weaknesses. The focus of this corporate strategy is to minimize internal problems in the company so as to seize better market opportunities. For example, Apple uses a technology review strategy that is used by offering products in the microcomputer industry.

Quadrant 4: this is a very unfavorable situation, the company is facing various internal threats and weaknesses.

# Conceptual Framework

Various threats were found



SCALE BUSINESSES

STRENGTHS (S) WEAKNESESSES (W) **INTERNAL FACTORS** Various powers were Various weaknesses were found found EXTERNAL FACTORS **OPORTUNITIES (O) STRATEGY SO** STRATEGY WO Various opportunities were found (Growth) **Stability** THREATS (T) **STRATEGY ST STRATEGY WT** 



(Diversification)

# Methodology

The research method used in this research is descriptive qualitative method using SWOT analysis of the small-scale business marketing strategy of SMEs or tourism objects in Atauro Island. Data processing in this study was carried out qualitatively and quantitatively because this study was conducted in two stages, namely the SWOT and IFAS / EFAS analysis. This SWOT analysis will be used by researchers to determine alternative marketing strategies for small-scale business groups or SMEs in Atauro Island tourism objects. IFAS and EFAS analysis will be used after the results of the SWOT analysis are obtained, IFAS and EFAS will serve as a tool to determine which strategies should be prioritized by small-scale business groups or SMEs in Atauro Island tourism objects to support their marketing activities. The population in the research or key informants are business actors in the field of tourism, tourists and local officials, with a total of 34 informants with saturated sample determination to take all small and medium-scale business activities in the tourism sector from 4 predetermined villages and the accidental sampling method for tourists. or visitors and probability sampling methods for local officials. The type of data used in this research is qualitative data and data sources will be obtained through interviews, focus group discussions, and direct observation at the place of the research object, with the analysis tool used in this research is SWOT analysis.

#### Results

# **Marketing Strategy Analysis**

#### 1. Market Selection Strategy

The market selection strategy that has been carried out by Atauro Island is as follows:

- a. Market segment; Atauro Island destinations are foreign tourists from Australia, Portugal, Switzerland, Indonesia, China, and domestic tourists.
- b. Market Targeting; Atauro Island's target market is foreign tourists from Australia, Portugal, Indonesia and domestic tourists.
- c. Market Positioning; Atauro Island tries to position its position as a tourist village that offers naturalness, culture, local products, in another sense, namely, the development of community-based tourism villages or Community Based Tourism.

#### 2. Marketing Mix Strategy

- a. Products (Product); The products provided by Atauro Island are in the form of beaches, nature, culture, handicrafts, local food products, and art.
- b. Price (Price); The price offered for each of the products and services offered varies widely. There is no same price for the same item and it is very affordable.
- c. Promotion (promotion); The promotion applied by Atauro Island was in the form of a new brochure prepared by one of the quest houses on Atauro Island. And tourist arrivals are much influenced by word of mouth promotion.
- d. Place; Atauro Island is an island that is located in the municipality area of Dili which consists of 5 villages (Beloi, Makili, Bikeli, Vila-Maumeta and Makdadi) which have very strategic tourism

potential because they have excellent marine beauty and several other potentials such as: local products, religious places and historical places.

- e. People; The community is very friendly in dealing with tourists, but has not made tourists satisfied and loyal because they do not have the ability or good knowledge in dealing with existing business opportunities.
- f. Process; Business Process or Activity; Service or product quality is highly dependent on the process of delivering services to consumers. Given that the driving force of a service company is the employees themselves, to ensure the quality of service (quality assurance), all company operations must be carried out in accordance with standardized systems and procedures by employees who are competent, committed, and loyal to the company where they work.
- g. Physical Evidence; Physical evidence of Atauro Island is an added value for tourists, but SMEs need to pay attention to facilities such as roads, public toilets and roomy layouts which are an important concern and can affect the mood of visitors / tourists.

#### **SWOT Analysis**

- 1. External Factors
- a. Opportunities (Opportunities)

What is an opportunity to increase tourist visits to Atauro Island is

- 1) Government regulations that support the development of tourism in an area
- 2) Tourist visits are increasing
- 3) One of the foundations for government in increasing state revenue is through tourism.
- 4) The potential of Atauro Island as a tourist spot
- 5) Tourists who come to visit again.
- b. Threat (Threat)
- 1. There is an incoming foreign culture
- 2. Arrival of foreign investors.
- 3. Political conditions
- 4. Unstable economic conditions
- 5. Lack of security guarantees
- 2. Internal factors
- a. Strength (Strength), which is the strength in increasing tourist visits are as follows:
- 1) Strategic location because it is located not far from the city of Dili
- 2) Friendly community and aware of tourism developments.
- 3) Affordable product prices.
- 4) The name Atauro Island is well known by the outside community
- 5) Has marine wealth and seabed beauty
- 6) Has historical sites.
- 7) Product Quality
- b. The weaknesses of the small-scale business groups in the tourism sector, Atauro Island are:
- 1) Lack of promotion by village and government officials, both print and digital media
- 2) Inadequate facilities.
- 3) Human resources who are not yet professional in service and knowledge about tourism
- 4) Insufficient transportation to bring tourists to Atauro Island and also a lack of local transportation connections within the Atauro area

- 5) Lack of innovation in producing products
- 6) Lack of capital in business development.

From the results of the SWOT matrix analysis above, it can be explained that four kinds of strategies are carried out to cover or monitor the weaknesses and threats faced, including:

- 1. Strategy (SO) Strength-Opportunities is a strategy by using existing strengths to take advantage of opportunities.
- a. Professionalism in serving consumers, namely the community serving tourists in accordance with Standard Operating Procedures, the community has a good grooming and attitude, there are guest comments for better service improvisations.
- b. Developing the water tourism sector, this means that the beauty of Atauro Island seen from the beach and the beauty under the sea means that water tourism can be developed such as banana boat, snowkling, diving, jet sky, and planting of coral grass.
- c. Product innovation, that is, the community innovates products from existing ones that are currently more invited to gain experience by involving tourists in cultural and artistic activities so that tourists get experience when visiting. The product innovations that are carried out are products that should be done, namely, innovation in processing fish into smoked fish, presto fish, and processing seaweed into traditional snacks, and woven bamboo can be used as products containing the name of Atauro island and offering clothes with the words I love Atauro, as well as offering swimming, diving, sowkling equipment and the provision of various souvenirs called Atauro.
- d. Develop new markets; Seeing the opportunities for many Chinese tourists visiting a country, it is necessary to attract Chinese tourists and develop Asian markets. And it is necessary to target the millennia market. Based on a survey, the Millennial market really likes selfies and culinary tours at affordable prices.
  - e. Developing Spiritual Tourism, which means that in addition to developing UKM, spiritual tourism needs to be developed because of the potential for historical sites, therefore it needs to be equipped with brochures containing stories about these historical sites.
  - f. Increase the role of government as a facilitator; The government provides assistance in participating in promoting, providing training and providing infrastructure, transportation assistance and facilitating working capital loans with easy procedures and low loan interest.
  - 2. WO strategy (Weakness-Opportunities), is a strategy used to overcome weaknesses by taking advantage of existing opportunities including:
    - a) Increased promotional activities such as: creating social media and print media so that it is easier to always update the latest promotions such as Facebook, Instagram and websites. And participate in exhibition activities both local and foreign.
    - b) Improve foreign language communication skills. Tourists who come to visit various countries need to be given training in foreign languages, namely English that is recognized by an international language or other foreign languages that are tailored to the target market.
    - c) Providing excellent service training to the community; Considering that tourism products are very dependent on the services provided, the community needs to know which services are in accordance with hospitality standards so that tourists feel satisfied and want to come back.
    - d) Provision of public facilities; This means that currently the number of tourist visits is increasing, it needs to be supported by public facilities such as, toilets, trash bins, garbage dumps, sports venues, parks, reception, self-tourism.
    - e) Increase transportation volume; There needs to be additional sea transportation from Dili to Atauro at an affordable price. And the need for land transportation to cross the island.
    - f) Create a tourist village master plan; We plan to create a master plan for the long term to make Atauro Island a populist-based tourist spot.

- 3. ST (Strength-Threats) Strategy, is a strategy used by exercising strength to avoid threats, including:
  - a. Natural beauty is a tourist attraction. This means that the existence of tourist attractions in the form of nature, beaches, culture, makes tourists interested in coming. So it is necessary to be equipped with existing facilities and infrastructure.
  - b. Cooperate with travel agents and hotels in promoting products to customers. Currently guests who come not only walk in but also through a guide or travel. So it is necessary to have good cooperation with travel agents so as to increase visits.
  - c. Developing a creative economy; This means that the community plays a major role in improving the economy in an area. In this case, local products must be a priority in meeting the needs of tourists. such as, food, handicrafts, culture, arts that must be offered from the people by the people to tourists.
  - d. Provide additional value with environmentally friendly products, treatment products used from natural ingredients without chemicals so that they are safe

#### **Conclusion**

Based on the IE (Internal - External) matrix consisting of the IFE (Internal Factors Evaluation) and EFE (External Factors Evaluation) matrices, a coordinator point (2.77: 2.52) is obtained where the total score of the IFE matrix is greater than 2.0, namely 2.77, this shows that Atauro Island's position is stable or moderate, by maximizing its strengths and minimizing existing weaknesses. Meanwhile, the EFE result is also greater than 2.0, namely 2.52, which states that externally Atauro Island is in a stable or moderate position, by taking advantage of opportunities and avoiding existing threats. Based on the IE (Internal - External) matrix, Atauro Island is in the quadrant column V, namely Stability. The strategies used by Atauro Island to improve:

- 1. Market penetration strategy, in this case Atauro Island has a great opportunity to retain existing customers and reach new customers with efforts such as providing this strategy can be implemented with more intensive promotion through existing social media or create a new one.
- 2. Product development strategy, this strategy aims to enable the company to increase sales and further improve quality by making new innovations.

#### Theoretical and Practical Implications

#### **Practical Implications**

This research also makes a practical contribution to small-scale business actors in the tourism sector, Atauro Island, Dili, as follows:

- 1. The results of Reasech's analysis show that Atauro Island has the strength and opportunity in the tourism sector so that it needs to be developed intensively in order to be able to make Atauro Island a tourism village that develops sustainably.
- 2. The results of this reseach analysis show that small-scale business groups in the tourism sector have several weaknesses and threats that require serious subscribers through marketing strategies to develop small-scale business groups in a sustainable manner.

# Theoretical Benefits

Theoretically, the results of this reasech are expected to develop the science of SMEs and also develop management knowledge, especially marketing science in the form of empirical marketing strategies on the island of atauro.

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