

Residential Estate Marketing Optimisation with Swot and Marketing Mix Methods (A Case Study: Diamond Regency Surabaya)

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Abstract - The rapid economic growth in Surabaya helped the property sector grow. Since the beginning of 2017, property in Surabaya has increased. The rising in property sector is supported by the increase of land and house sub-sector. In this case, home sector is the dominant one according to Potential investment in Asia based on the assessment of global property portals. Population and new family growth in Surabaya are increased, so the necessity for shelter and house are also increases. The development of residential city of Surabaya itself is divided into West and East Surabaya. West Surabaya area is the development of house with the capacity for upper middle class while for East Surabaya area are develop for middle to lower class occupancy capacity. Because East Surabaya area are residential development or the middle class, the number of developers with middle class capacity to develop and offer occupancy in the area of Keputih, Merr, Pandugo and surrounding areas. Many middle class housing developers who offer residential in East Surabaya, but in the turnover are not quite successful enough and less recognizable by the society. Therefore, in this study will be research about marketing issues related to residential real estate product. To simplify the research, this paper will take a case study of Diamond regency, one of the middle class housing in East Surabaya area that has the potential to compete with its class if maximized in development and marketing.

The results obtained through this study is that the marketing mix variables can have a strong and influential relationship to the progress and development of middle class housing. Marketing mix variables that can influence the success in marketing and developing Diamond Regency is Product, Price, Promotion, Place, Participant, Process, and Physical Evidence. However, it can not be separated from the management and coordination of the marketing mix by the manager / developer of residential estate against the developer competitors of similar class. The implication of this research result is the application of marketing mix as one aspect of marketing that can maximize development and marketing of residential real estate product.

Keywords : Marketing Mix, Residential, Housing, Real Estate, Middle Class Housing.

I. INTRODUCTION (BACKGROUND)

The rapid economic growth in Surabaya helped make the property sector grow. Since early 2017, overall property in Surabaya has increased by 1.73%. This increase is supported by the increase of land sub-sector by 12.02% and homes by 2.73%. In the figure, the dominant increase is the housing sector by 64.83%. (UrbanIndo 2017)

Surabaya was chosen as the top five potential property area of Asia because it has a lot of potential for real estate investors. The capital economic growth of East Java is at 7.6 percent. In this Hero City, the retail sector is getting more and more growing, while infrastructure growth is more adequate. Local governments began to try to connect the western and eastern side of the city. This move will attract many foreign investors and support business owners to take advantage of the growing office space in Surabaya. In addition to its high economic growth, the capacity of Surabaya's infrastructure is also sufficient. The selection of Surabaya as the top five potential investment areas in Asia based on the assessment of global property portals. (beritasatu 2017)

Population and new family growth in Surabaya is higher so the need for shelter are also increases. The development of residential city of Surabaya itself is divided into West and East Surabaya. West Surabaya area is a residential development with capacity for upper middle class while for East Surabaya area itself is the development of occupancy for the middle to lower class capacity. Since East Surabaya is a middle-class residential development area, many developers with medium-class capacity develop and offer residential areas in Keputih, Merr, Pandugo and surrounding areas. But with the rapid growth of middle-class housing is not a few also experienced a failure in marketing efforts, so that residential estate products are not accompanied by a good occupancy and balanced with the number of housing developed

Middle class residential estate products have the potential to be developed and will be in demand and can become a market idol if it can be maximally managed, well understand what the interests, demand, and market tastes are then balanced with good marketing techniques. Therefore in

this study will examine the marketing issues associated with a residential real estate product and how to maximize it.

II. LITERATURE STUDIES AND METHODS

A. Residential Real Estate

Residential properties include one single-family residence (one-family) in the form of a landed house, as well as one residence containing many families (multi family) can be apartment, flat and condominium. James D. Shilling (2002).

Real Estate Housing includes private residences such as government, institutional housing, providing the satisfaction required by the population. This large source of demand is the service of professional property managers. Robert & Flyod, (1991)

B. Residential Estate Trends

The large market share that comes from the middle and lower class makes sectoral property is dominated by lower middle class housing. Based on the type of house, the slowdown in house prices occurred in the type of large house 0.05 percent. Meanwhile, the highest increase in house prices occurred in small type of building by 3.76 percent compared to quarter in 2015, while the lowest increase occurred in large type of house which reached 1.32 percent compared to last year. Ali Tranghanda (2017).

Now, green concept of residence to be considered for some people in choosing a dwelling. The growing awareness and critical attitude of the community is realized by the developer to refine the project that carries the concept of eco green living as one contribution to the balance of nature and increase selling point in terms of marketing.

C. Marketing

According to W Stanton marketing is the overall system of business activities devoted to planning, pricing, promoting and distributing goods and services that can satisfy the needs of both buyers and potential buyers.

D. Marketing Mix

One of the strategies related to the company's marketing activities is the marketing mix strategy defined by Kotler and Armstrong (1997) which states that marketing mix as the set of controllable marketing variables that the firm bleads to produce the response it wants in the target market".

From the above definition can be interpreted that the marketing mix is controllable variables are combined to generate the expected response from the target market. And for the service business there are 7 elements of marketing mix (Marketing Mix-7p), namely: Product, Price, Promotion, Place, Participant, Process, And Physical Evidence

E. Buying Decisions

The process of purchasing decision according to Kotler (1998) through five stages as shown in the following figure:



Picture 1. Buying Process Model (Kotler, 1998)

After purchasing a product, consumers will experience a certain level of satisfaction or dissatisfaction. If the consumer is satisfied, he or she will show a higher probability to buy the product again and vice versa.

F. Methods

The strategy in this research is case study or descriptive field research with SWOT analysis. Case study or field research is intended to intensively learn about the background of the current situation, and position of an event, as well as the environmental interaction of a given social unit of a given nature. According to Yin (1993), case studies can be exploratory and descriptive. In addition, Yin (1993) argues that case studies focus more on trying to answer the questions, how and why, and to some extent also answer what questions.

Based on these explanations, it is compatible with this research, especially to knowing the correlation between the marketing technic in residential estate product with the success in residential estate development.

The SWOT analysis compares the external factors of opportunity and threats with internal strengths and weaknesses, as illustrated (Rangkuti, F., 2009: 19-20) in the following diagram :

A L I A L E	Strengths (S) 1. 2. 3. 4. 5. dst	Weaknesses (W) 1. 2. 3. 4. 5. dst	
	Opportunities (O) 1. 2. 3. 4. 5. dst	STRATEGI S-O	STRATEGI W-O
	Treaths (T) 1. 2. 3. 4. 5. dst	STRATEGI S-W	STRATEGI W-T

Picture 2. SWOT Matrix Diagram

III. ANALYSIS

To simplify the analysis in this study will be use a case study of a residential real estate products contained in the eastern Surabaya area, the Diamond Regency housing. Diamond Regency housing was chosen as a case study for this study because it has criteria that are considered to represent a potential residential estate product, but have failed in marketing.

In analyzing the marketing techniques undertaken by a product, it is necessary to describe the following marketing variables :

Variable	Definition	Indicator	Source
Product	Products are everything that can be offered to the market, to satisfy the needs and desires of consumers.	<ul style="list-style-type: none"> Product diversity Product Quality 	Kotler dan Armstrong (2004:56)
Price	Price is the amount of money charged on a product or service amount or value exchanged by a consumer for the benefits of owning or using a product or service.	<ul style="list-style-type: none"> Price compliance Pricing 	Kotler dan Armstrong (2011)
Promotion	Promotion as a variety of activities conducted between companies to communicate the benefits of its products and to convince target consumers to buy it.	<ul style="list-style-type: none"> Advertising intensity Public relation Selling promotion Marketing office 	Kotler (2006)
Place	Place is a combination of location and decision over distribution channel, in this case relates to how to deliver services to consumers and where the strategic location.	<ul style="list-style-type: none"> Ease of access Location credibility level Visibility level 	Lupriyanti (2001)
Participant/Consumer	Participant is the person who contributes in the marketing process. In this case is the service provided by the marketers. Things that can facilitate customers, personal selling, etc.	<ul style="list-style-type: none"> Customer service quality Alertness to consumer complaints Marketers understanding level 	Ma'arif dalam Dewiasih (2014)
Physical Evidence	Physical environment refers to the design of the environment through visual communication, lighting, color, circulation, access area, completeness of facilities to attract customers and emotional responses and	<ul style="list-style-type: none"> Availability of security facilities Availability of supporting facilities (fasum) 	Lavy dan Weitz (2004:609)
	ultimately affect consumer buying behaviors.	<ul style="list-style-type: none"> The quality of the untreated parks / terraces 	
Process	Process is an activity that shows how the service is provided to the consumer during the purchase of goods. Managers of the residential marketing office usually offer to assist in viewing the sample houses, trying to explain about the various types of products to persuade consumers to take or buy their products.	<ul style="list-style-type: none"> Easy transaction Ease of bureaucratic management Ease in understanding the product to be purchased 	Ma'arif dalam Dewiasih (2014)

Table 1. Marketing Technic Variable

A. Variable Product

The proliferation of middle-class residential development in eastern Surabaya especially makes residential competition more strict. But the large number of middle-class residential is not followed by a balanced occupancy rate. The occupancy rate of Diamond Regency housing has not reached its maximum level yet, it can even be said that this housing is inadequately heard and known by the people of Surabaya.

Therefore, to improve the quality of the product from Diamond Regency's own housing, the manager and the developer should recover all their unsold residential units as well as build the supporting facilities to then be used as the appeal of residential sales

B. Variable Price

Although price is not the only factor that can affect the console to buy shelter, but the option price offered by Diamond Regency can be an important role for a housing developer with a fairly tight competition. If the same type of occupancy, in this case the middle class, then the price is a distinguishing factor that can make consumers decide to buy residential in Diamond Regency compared with other middle-class housing. The price of occupancy offered by Diamond Regency can be said to be quite competitive

C. Variable Promotion

In the face of competition among middle-class housing developers, especially in this case attract consumers to buy occupancy more strict, it is necessary special strategies to survive in the middle of the competition. To be able to compete and survive the managers and developers of the housing must work hard to create an attractive promotional strategy to be able to continue to increase consumer interest to choose residential in the housing. Such as through advertising / sales promotion as well as implementing management and good marketing office.

D. Variable Place

Determination of location along with supporting facilities and infrastructure becomes very important, this is because so that consumers can easily reach the location of a dwelling. Less strategic locations can reduce consumer interest in choosing a dwelling.

- Accessibility

Accessibility provides easy access for visitors or residents of housing to go in and meet all their needs. This accessibility can be demonstrated by road function, road conditions, traffic conditions and public transport

- Visibility

Road class conditions have an impact on the visibility of housing and traffic density. With the density of traffic, it will be more and more passed by people thus it will be more visible to the public. Therefore, the laying of signage indicating the presence of housing on the main access road is important.

• Proximity

The proximity referred to in this rule is the value of the Diamond Regency housing location. Strategic residential location, close to the place - the place of fulfillment of necessities can increase the value and interest of the community to choose the hunian as a place of residence. The closeness will be illustrated with proximity to educational sites, retail / CBD, hospitals, tourist attractions and competitor housing

E. Variable People

Managers are staff who are sensitive and friendly and understand everything about the housing they manage. With the presence of such managers and staff is expected to increase comfort for residents while for potential buyers or other consumers can function to be able to convey detailed information about the housing they manage then can then be interested to then buy and participate in the resident housing.

F. Variable Process

For the development process undertaken by developers of the Diamond Regency housing itself until now can be considered stalled, the developer does not continue the development of the Diamond Regency housing and tend to let the house with existing conditions with existing residents.

The marketing side of the diamond regency itself does not conduct the ongoing bidding process and only serves the questions of the consumers who come to the marketing office located within the Diamond Regency housing itself.

G. Variable Physical Evidence

Diamond Regency Housing has the appearance or the concept of residential with a modern minimalist theme For the facet of the facility and the overall appearance of housing, Diamond Regency has not yet provided housing support facilities that can be used communal residential residents, as well as undeveloped development land is not managed so as to cause the impression of unkempt.

H. SWOT Analysis

After identifying the internal and external factors of the Diamond Regency housing consisting of Strength, Weakness, Opportunity, and Threat, then all the factors found can be arranged into the SWOT matrix for then can be analyzed and can be known what strategy should be used for further development in the future.

Internal Factor \ External Factor	Opportunity					Threat		
	1	2	3	4	5	1	2	3
Strength	SO Strategy					ST Strategy		
Be in a strategic location in East Surabaya	1	1. maximizing well the development of housing to synergize with its strategic location				1. improving the quality of the access to housing and supporting facilities on housing		
Adjacent to a complete facility	2	2. working with other developers to build the image exclusive area to residential area				2. maximize marketing through mix technique marketing to attract wider market interest		
minimalist dwelling design modern, public taste	3	3. to develop alternative design of the dwelling in accordance with the taste market and in line with the price of the middle class				3. promote supporting facilities and residential concept which suits the tastes of society and prices that competes		
Weakness	WO Strategy					WT Strategy		
access to housing near the slums	1	1. improve the quality of housing security systems for security on the environment outside of housing.				1. studying competitors of dense and closed class take advantage of it and develop more than the competitors offer		
less adequate security system	2	2. enlarge the extent of road access both inside and outside housing to balance with regional developments (trade, OERR line)				2. marketing steps to do after to the whole concept of development housing should be massive and using all the opportunities available to avoid it lagging behind market momentum		
residential area is not well groomed	3	3. balance the number of residential units on the housing in order to marketed well and in accordance with the facility inside housing and infrastructure facilities are growing in East Surabaya area				3. to anticipate the tendency of accessibility further from strategic location than with competitors, then maximize that land have not been developed to build facilities supporters to increase the value of housing.		
accessibility path to housing is narrow	4	4. marketing housing that has been developed and improved in such a way with the marketing mix strategy to maximize and attract wider market interests						
division of residential units not balanced	5							
undeveloped land unkempt, slum	6							
less active marketing little enthusiasts	7							

Table 2. Diamond Regency SWOT Table

• Strenght – Opportunity Strategy

This category contains various alternative strategies that take advantage of opportunities by utilizing the strengths / advantages possessed by Diamond Regency housing that can then be strengthened to run their marketing using the advantages that have been owned and then developed. From this S-O strategy then found some strategy, that is :

1. Maximize with good housing development so as to synergize with the strategic location
2. Working with other developers to build an exclusive regional image to the residential area.
3. Developing alternative residential designs that suit the market tastes and prices of the middle class.

• Strenght – Threat Strategy

This alternative category of strategy utilizes or leverages the power to cope with threats. After knowing what threats are considered to hinder the development and marketing process of the Diamond Regency housing then if it is met with the power factor owned, it is expected to be able to cope with the threats that will be faced. From this S-T strategy then found some strategy, that is :

1. Improve the quality of access to housing and supporting facilities on housing.
2. Maximize marketing through mix marketing techniques to attract broader market interests.
3. Promote support facilities with the concept of hunia in accordance with the tastes of society and competitive prices.

• Weakness – Opportunity Strategy

Categories that take advantage of external opportunities to overcome weaknesses. From this W-O strategy found several strategies, that is :

1. Marketing Improving the quality of the housing security system for securing the environment from outside the housing.
2. Increase the extent of road access both inside and outside housing to balance with regional development (trade, OERR line).
3. Balance the number of residential units in housing to be marketed well in accordance with the facilities in housing and infrastructure facilities that developed in East Surabaya area.
4. Housing that has been developed and improved in such a way as to maximize and attract wider market interest.

• Weakness – Threat Strategy

An alternative category of strategies as a solution to the assessment of weaknesses and threats faced, or avoiding threats to overcome weaknesses. From this W-T strategy hence found some strategy, that is :

1. Learn the competitors of the closest kind of classes and take advantage of them and develop more than those offered by competitors.
2. The marketing step that must be done after fixing the whole concept of housing development must be large - scale and use all the opportunities that exist so as not to lag the market momentum.
3. To anticipate accessibility that tends to be farther from strategic location than competitors, then maximize undeveloped land to build support facilities to increase the value of housing



Picture 3. Diamond Regency Existing

IV. CONCLUSION

Based on the analysis results it can be seen that the result of this study is that the success in marketing and product development is influenced by seven factors in marketing mix technique, namely product, price, promotion, place, people, process, physical evidences.

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