

FORMULATION OF DISTRIBUTION CHANNEL STRATEGY TO INCREASE GARUDA INDONESIA AIRLINE SEAT SALES

Mustika Sari^a, Didit Anthony^b, Amelia Shabirah^c, Nida Shakirah^d

^{a b c d} Faculty of Management and Business, Institut Transportasi dan Logistik Trisakti,
Jakarta, Indonesia

Corresponding Author: mustika0017@gmail.com

Abstract: Garuda Indonesia is a leading airline in Indonesia known for its premium image and higher ticket prices, which are justified by the quality of its services. This research explores the optimal sales strategy for Garuda Indonesia, using qualitative research through interviews and questionnaires with senior management and employees, as well as using analysis such as SWOT/TOWS matrix, IE matrix, EFE and IFE matrix, SWOT Quadrant matrix. The analysis results show that Garuda's strength lies in its strong reputation and industry experience, which fosters customer loyalty. However, its image as an expensive and exclusive airline and limited human resources are major weaknesses. A key opportunity for Garuda Indonesia is achieving five-star airline status, while intensifying competition poses a significant threat. Therefore, the recommended strategy is to expand international and domestic routes, innovate in terms of passenger experience, expand flight network, increase aircraft fleet, and capture more market share.

Keywords: *Distribution Strategy, Seat Sales, Garuda Indonesia Airlines, Strategy, Marketing*

a. Introduction

One of the domestic and international airlines is Garuda Indonesia, an airline company involved in the air transportation economy in Indonesia that has a long history in the Indonesian aviation sector. It was established in 1949 as the first commercial airline in Indonesia. The airline was founded as a result of Indonesia's struggle for independence and is a symbol of national pride. Garuda Indonesia Airlines has successfully built an image as a world-class airline with quality services. Garuda Indonesia airlines have a challenge in managing distribution channels in terms of ensuring equitable availability of tickets across various platforms, both online and offline. As a national airline, Garuda Indonesia has an extensive distribution network, but there are often gaps in ticket pricing and availability between distribution channels.

From 2019 to 2023, Garuda Indonesia's passenger data shows changes that are influenced by various external factors. One of them is the global COVID-19 pandemic, which has had a major impact on the aviation industry. In 2019, passenger numbers remained stable and showed a positive trend, indicating increased demand for domestic and international air flights. However, global travel restrictions led to a drastic decline in 2020. This decline continued until early 2021, when lockdown policies in many countries and in-state declines in economic activity led to a sharp drop in passenger numbers. In mid-2021 to 2022, passenger data showed a gradual recovery as a result of easing restrictions and increased passenger confidence in air travel. Garuda Indonesia responded

to this recovery by optimizing domestic routes and developing services that support health protocols. In 2023, a significant positive trend emerged as a result of the normalization of the aviation industry and increased market demand. To strengthen its position in the market, Garuda Indonesia continues to optimize services and innovations to enhance the passenger experience.

Picture 1. Garuda Indonesia Passenger Data 2019-2023

Years	2019	2020	2021	2022	2023
Total Passangers (Million)	19,67	5,31	3,44	5,56	8,29

Source: Garuda Indonesia Annual Report 2023

Picture 2. Garuda Indonesia Passenger Data 2023-August 2024

Year	2023	2024
Domestics	1.613.365	986.277
International	343.789	211.389
Grand Total	1.957.154	1.197.666

Source: Garuda Indonesia Airlines

One of the main challenges is the formulation of an effective distribution channel strategy. Distribution channels are one of the key elements in marketing strategy, especially in the aviation industry where airlines use them to sell airplane tickets to customers. Effective distribution channels are critical to increasing airline sales and profits as they make it easier for buyers to purchase tickets. For example, Garuda Indonesia airlines can use effective distribution channels to achieve sales targets, improve customer satisfaction, and remain competitive in an increasingly competitive market.

The aviation industry has undergone a major transformation in recent decades, mainly due to digitalization and changes in consumer behavior. Customers today rely more on the Internet to compare prices, search for information about flights, and book tickets. Therefore, digital platforms such as websites, mobile apps, offline travel agents, and online travel agents (OTAs) are becoming increasingly important in the ticket sales distribution channel. In addition, to increase ticket sales, Garuda Indonesia Airlines has employed various sales and marketing strategies, such as customer loyalty programs, discount promotions, and e-commerce platforms. Distribution through OTAs is often superior in offering competitive pricing compared to the airline's official channels, leading to the perception of price discrepancies in the eyes of customers. Reliance on third-party distribution channels can reduce the airline's control over pricing and customer experience, and reduce profits from direct sales which should be the main focus.

To create a more targeted strategy and understand customer preferences, data analysis is also key. Seeing from these problems, researchers are interested in conducting research on distribution channels on Garuda Indonesia airlines with the research title **“Formulation of Distribution Strategies to Increase Sales of Garuda Indonesia Airline Seats”**.

Relevant Research Review

Title and Year	Methods	Results
Strategy Formulation in Increasing Seat Load Factor for Garuda Indonesia Flights on the Surabaya-Lombok Route (2020)	1. SWOT analysis 2. Cartesian diagram 3. Internal-External Matrix and SWOT Matrix	1. Based on the IE Matrix, Garuda Indonesia is in quadrant II, namely the growth and development strategy. 2. On the 4-K SWOT diagram, the company's position is in quadrant I, which means that the company is in an aggressive position. 3. The strategy that can be applied to the SWOT matrix is the SO strategy which uses strengths to take advantage of the opportunities the company has. 4. In the results of the SWOT matrix, Garuda Indonesia is expected to implement growth and marketing mix.
Business Strategy Formulation for Air Export Shipping (2019)	1. Analyze the internal (strengths and weaknesses) and external (opportunities and threats) environment of the company which is the basis for conducting SWOT analysis. 2. Using IFAS, EFAS, IE, SWOT 4K, BCG and Grand Strategy matrix to analyze and formulate alternative strategies.	1. PT Logwin Air and Ocean Indonesia has experienced a decrease in the number of air cargo export shipments over the past 3 years. This is a problem that needs to be addressed. 2. Based on the IE matrix analysis, PT Logwin's current position requires a strategy to maintain its performance. 3. Based on the results of the SWOT analysis and grand strategy matrix, the company has strengths and opportunities to increase air export shipments. 4. The resulting two alternative strategies, namely market penetration and product development can help improve company performance. Market penetration is a priority strategy. 5. Implementation of the right strategy is expected to solve the problem of declining air export shipments faced by the company. 6. The analysis conducted in this journal can be used as a reference in formulating and selecting business strategies for the Company.

Formulation of Strategy to Increase Sales of Cargo Service Center PT Citilink Indonesia (2020)	1. SWOT analysis (Strength-Weakness-Opportunity-Threat) 2. Internal-External (IE) Matrix 3. 4-Quadrant SWOT Matrix 4. Boston Consulting Group (BCG) Matrix 5. Competitive Profile Matrix (CPM) 5. 6. Quantitative Strategic Planning Matrix	1. Based on SWOT analysis, the position of PT Citilink Indonesia's Cargo Service Center is in cell V in the IE matrix, namely the hold and maintain or stabilization strategy. 2. From the 4-Quadrant SWOT matrix, the position of the Cargo Service Center is in quadrant II, so the right strategy is the WO (weakness-opportunities) Strategy. 3. According to the CPM matrix, PT Citilink Indonesia occupies the strongest position among its main competitors. 4. Based on BCG analysis, PT Citilink's Cargo Service Center is in the star quadrant, so the right strategy is market development. 5. Two alternative strategies are obtained to increase sales, namely Market Penetration and Product Development. The first priority strategy is the development of commodity goods, followed by the second priority strategy to increase the capacity of the freighter fleet.
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b. Literature Review

b.1 Management

Management is a series of activities carried out by one or more individuals to coordinate other activities to achieve results that cannot be done with just one individual (Handoko, 2018). Management can be defined as a process that has 4 main functions, namely planning to set organizational goals and formulate strategies to achieve them, organizing to establish organizational structures, managing resources and coordinating organizational activities, leading to motivate, influence, and direct employees to achieve organizational goals, and controlling to monitor performance, evaluate, and make improvements to strategies (Samson & Daft, 2014). The purpose of management is planning, organizing, actuating and controlling (POAC), which in a series of processes must be carried out systematically. Efficiency and effectiveness are concepts in management. Efficiency is the capacity to complete a task correctly. Effectiveness is the capacity to set and achieve the right goals with the right tools for the job. Drucker (1964), cited in Handoko (2018), asserts that efficiency is doing the right things, while effectiveness is doing the right things. As such, the most important factor is not how to complete a task correctly, but rather how to identify the right tasks to complete and focus resources and efforts on them.

b.2 Marketing Management

Marketing management is a planning and implementation effort consisting of organizing, directing, coordinating, monitoring, or controlling marketing activities in an organization or company to achieve goals efficiently and effectively. company to achieve goals efficiently and effectively (Novi Angga, 2023).

The American Marketing Association (AMA) defines marketing management as the process of planning, implementing, realizing, pricing, advertising, distributing goods and services, and ideas to create sharing with customers and audiences that fulfill organizational goals (Ainun N et al., 2022).

Marketing has a scope called marketing strategy, which can be said to be the central and very important marketing content for the company going forward. One of the marketing strategy plans commonly used by companies is the Marketing Mix.

According to Kotler and Armstrong (2019; 62), the marketing mix is "a set of marketing tools (marketing mix) that companies use to achieve company goals in their target markets". The marketing mix basically consists of goods and services, has the main components of the marketing mix of a product which consists of four types and is commonly referred to as "4P", namely: Product, Price, Place, and Promotion. The marketing mix of service companies includes seven elements to improve customer-oriented services, where the seven things in the company are 4P plus 3P. The 3Ps are People, Process, and Physical Evidence. (M. Setiawan, 2023).

b.3 Distribution Strategy

Distribution strategy according to Tjiptono (2002: 205) (In Hernanta, Reza Fahrizi, 2014), is related to the selection and arrangement of channels through which producers market their goods and services to ensure that these products can reach target consumers in the required quantity and type, at the right time, and at the appropriate location. The purpose of this technique is to find out how many intermediaries are involved in the distribution of goods from producers to consumers. Both direct and indirect distribution can be chosen as alternatives. Tjiptono (2002:206) lists several techniques for choosing between different distribution channel construction strategies, including the Goods Approach, Financial Approach, Delay-Speculation Theory, and Other Considerations.

b.4 Strategy Management

Strategic Management is defined as the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its goals (David & David, 2015, 3). Three steps make up the strategic management process: strategy formulation, strategy implementation, and strategy evaluation. Strategy implementation requires several things such as the formulation of annual goals, policies that motivate employees, and the allocation of resources by the company so that the formulated strategy can be implemented. Strategy evaluation has three fundamentals: reviewing the internal and external factors on which the current strategy is based, measuring the performance of managers and employees, and taking corrective action. The three main components of strategy evaluation are assessing the performance of managers and

staff, taking corrective action, and assessing the internal and external elements on which the current plan is based.

b.5 SWOT

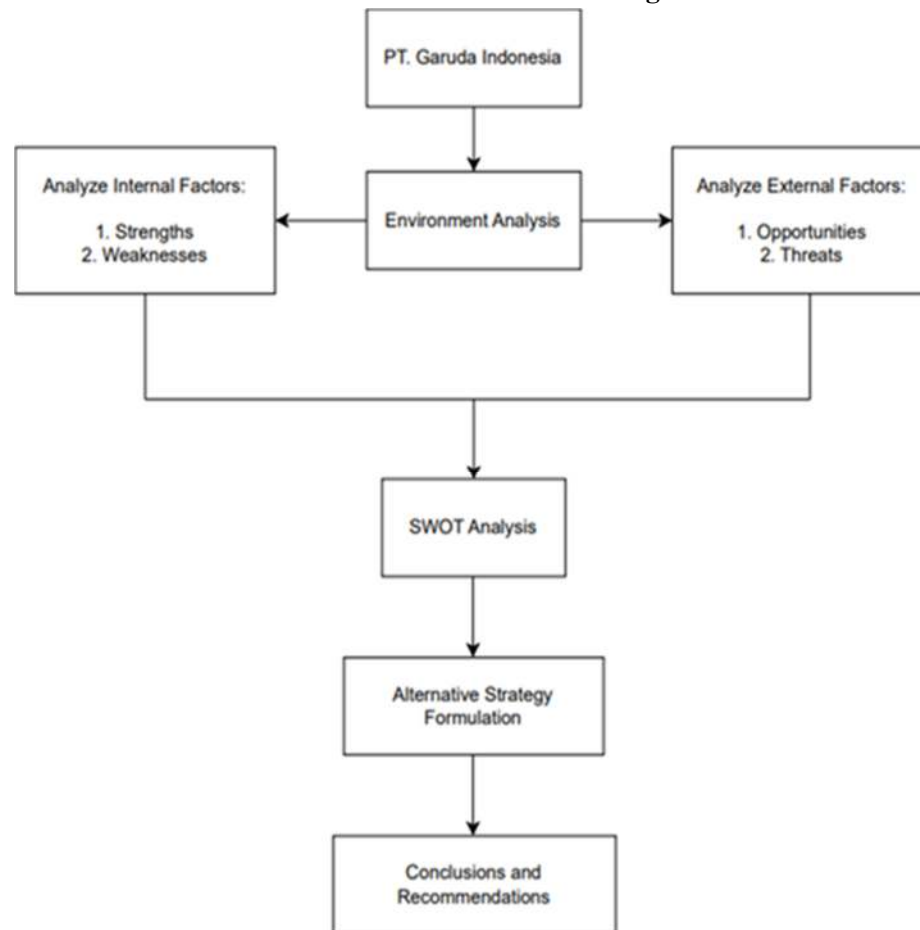
According to the SWOT philosophy, if we have S, we will have the ability to get O, while if we have W, there will be T (threat). Therefore, S should be improved to increase the opportunities for greater O, and W should be reduced to minimize the level of T. SWOT will produce a matrix that shows the current position of the company in a particular quadrant, based on measurable calculations. The term “measurable” refers to how the IFAS (Internal Factors Analysis Strategy) and EFAS (External Factors Analysis Strategy) diagrams convert subjective factors into objective (measurable) values by calculating weights and scores.

The SWOT matrix is often also called the TOWS matrix, whose main philosophy emphasizes the T (Threat) to ensure that management is always alert and not too comfortable with the existing situation. According to Wheelen and Hunger (2021), although SWOT has several weaknesses identified by management experts such as the use of a single level of analysis, vague words and phrases, and lack of linkage to strategy implementation this method is still often used in strategic planning (Nasution et al., 2020).

In SWOT analysis, some researchers, such as Sarinah, Qibtiyah, and Nurhayati (2019), found that the company's position is in an aggressive growth position, and that market implementation, market development, and product development are strategies that can be used based on the IE and SWOT matrices. Other studies, such as Yosita, (2019); Pramitha, Wasito, and Ozali, (2018), found that the SWOT diagram of the company's position is in quadrant I, which is SO utilizing strengths to take opportunities that the company has (Alif Wicaksana et al., 2020)

b.6 Framework of Thought

This study uses SWOT analysis to identify internal factors (strengths and weaknesses) and external factors (opportunities and threats) of the company and researches to determine the status of Garuda Indonesia Airline. Data regarding internal and external factors of the company the author obtained from the interview process and the distribution of questionnaires to the Garuda Indonesia airline in accordance with the perceived condition.

Picture 3. Framework of Thought

Source: Author's processing

c. Research Method

This research uses a qualitative approach method with SWOT analysis, by conducting direct interviews with one Garuda Indonesia airline employee who has a high position in the Garuda Indonesia airline company located at Jalan Gn. Sahari No.1, RT.1 / RW.1, Gunung Sahari Selatan, Kemayoran, Central Jakarta City. The analytical tools used in this research are IE or IFE and EFE matrices, SWOT Quadrant matrices, and SWOT/TOWS matrix analysis. The interview was conducted using a direct question and answer dialog technique using notes and recording devices with an interview duration of 2 hours. In addition, questionnaires were distributed to 5 Garuda Indonesia airline employees who have high positions in the company. The questionnaire uses a Likert scale technique which is a measurement technique in surveys that is often used to assess respondents' attitudes, opinions, or perceptions of a statement or question. In the Likert scale, the variables measured are categorized into variable indicators, and the answers to each question have a range from very positive to very negative which can be expressed in the form of words, such as: Very Important (VI) with a weight of 4, Important (I) with a weight of 3, Less Important (LI) with a weight of 2, Not Important (NI) with a weight of 1 (Sugiyono, 2016). In addition, it uses literature study to conduct research used in data collection. In this study, using Spradley's data analysis

model which consists of 12 steps, starting with identifying key informants. Key informants are informants who are authoritative and trusted by researchers to “open the door” to research subjects. Then the researcher conducts an interview. Then the researcher turned his attention to the research subject and asked descriptive questions, followed by interview analysis (Wijaya, 2015). Based on the results of the interview analysis, the researcher conducted a domain analysis to get an overview of the data in answering the research focus. The author searches for data and information through websites, journals, books, and Garuda Indonesia airline company documents in the form of electronic documents to support the writing process.

d. Results and Discussion

Garuda Indonesia airline is one of the airlines in Indonesia, the airline is known for its premium image because the ticket price is quite expensive, but it is comparable to the facilities provided. However, in the current condition of the aviation business, with many airlines offering cheaper ticket prices compared to the prices provided by Garuda Indonesia airlines. Based on several journals that the author knows, the SWOT analysis technique (Strengths, Weaknesses, Opportunities, and Threats) is a business environment model that can be suitable for knowing the company's current position and implementing the right strategy to use the company's weaknesses and threats as strengths and opportunities to compete with other companies (Setiawati et al., 2020). After conducting research in the form of interviews and questionnaires to Garuda Indonesia airline employees, data can be generated in the form of matrices in the form of IFE, EFE, IE, SWOT Quadrant and SWOT/TOWS matrices.

Analysis Based on IE Matrix or IFE and EFE Matrix

The Internal External Matrix positions the various divisions in nine cells. The IE matrix requires a lot of information from the various divisions because each division has different implications on each cell of the matrix. The IE matrix consists of two main dimensions: the total IFE weight score on the X-axis and the total EFE weight score on the Y-axis.

Table 1. Major External Factors (EFE) of Garuda Indonesia Airline

No.	Major External Factor	Weight	Rating	Weighted Score
1.	Joining as a member of a global airline alliance called Skyteam Global Airline Alliance	0,08	3	0,24
2.	Advances in technology and information	0,10	4	0,40
3.	Rapid developments in the Indonesian and Asia Pacific aviation industry	0,10	3	0,30

4.	Government policies as a BUMN company get full facilities and support from the government	0,10	4	0,40
5.	Garuda Indonesia Airline is recognized as a 5-star airline	0,10	4	0,40
6.	Public culture, love for domestic companies will provide advantages in business development	0,10	4	0,40
SUB TOTAL OPPORTUNITIES		0,58		2,14
1.	Competition in the airline industry is getting tougher	0,10	3	0,30
2.	Increased capacity, lower ticket prices and more new flight routes opened by other airlines.	0,06	3	0,18
3.	Uncontrollable factors that hinder flight punctuality	0,06	3	0,18
4.	Domestic political situation	0,06	3	0,18
5.	The existence of natural disasters such as volcanic eruptions, disease outbreaks, etc that can result in a decrease in demand	0,08	3	0,24
6.	Other airlines that are cheaper and have more capacity	0,06	3	0,18
SUB TOTAL THREAT		0,42		1,26
Total		1,00		3,40

Source: Author's processing

In table 1, Garuda Indonesia's total EFE is 3.40, so it can be concluded that Garuda Indonesia can handle threats from outside or external to the company

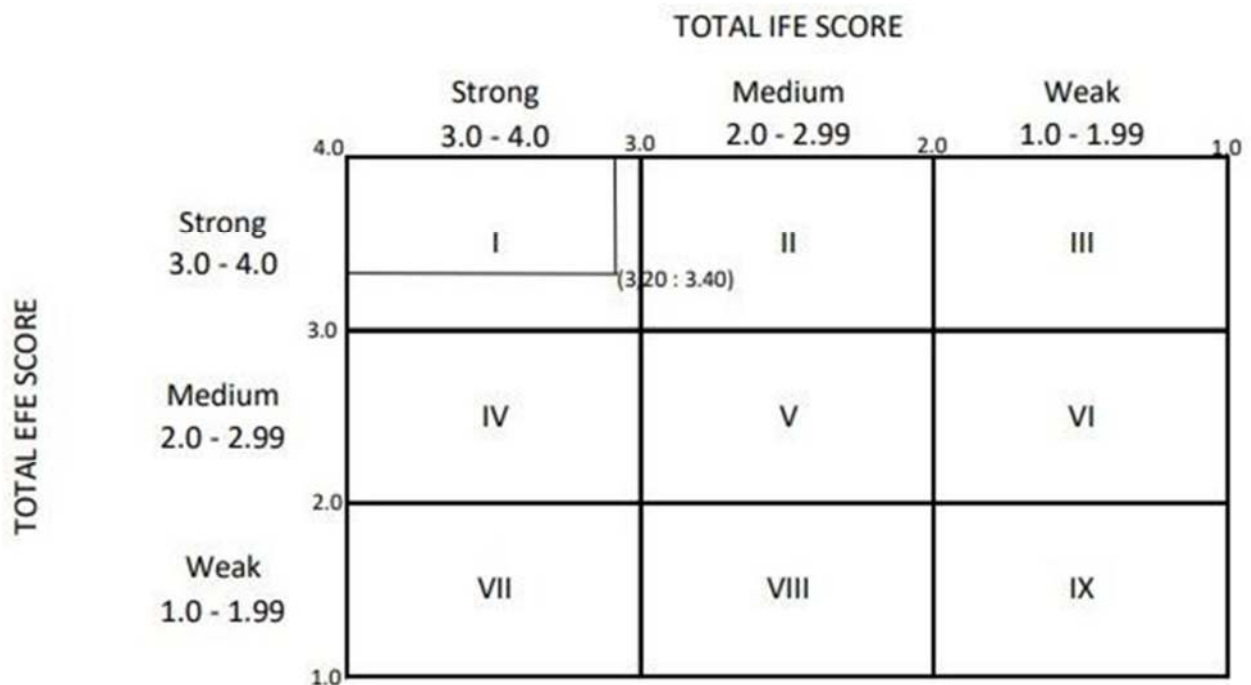
Tabel 2. Major Internal Factors (IFE) of Garuda Indonesia Airline

No	Major Internal Factors	Weight	Rating	Weighted Score
1.	Have a good image and experience in the aviation business	0,11	4	0,44
2.	Has several principals with whom we have a long-standing working relationship	0,09	4	0,36
3.	Has subsidiaries in the field of aviation or cargo	0,09	3	0,27
4.	Has branches that have spread across various regions in Indonesia	0,09	4	0,36
5.	Successfully ensure that customers get quality services that are comparable to the tariffs issued and can gain loyalty and trust from the community.	0,11	4	0,44
6.	Having the latest search engines and information technology in running the business	0,9	3	0,27
SUB TOTAL STRENGTH		0,58		2,14
1.	Exclusive image as an airline and considered an expensive and exclusive airline	0,08	3	0,24
2.	Lack of sensitivity to market conditions	0,06	2	0,12
3.	High operating costs lead to higher airfares compared to other airlines.	0,06	3	0,18
4.	Less special promos and not as many promo flights as other airlines.	0,06	2	0,12

5.	A limited number of operational human resources	0,08	3	0,24
6.	Ticket prices are not affordable for all	0,08	2	0,16
SUB TOTAL WEAKNESSES		0,42		1,06
TOTAL		1,00		3.20

Source: Author's processing

Based on Table 2, the total IFE of Garuda Indonesia is 3.20 so it can be concluded that Garuda Indonesia has stronger strengths when compared to its weaknesses. It can be concluded that Garuda Indonesia can overcome its weaknesses. Based on the total of each factor, the position of Garuda Indonesia based on the Internal External matrix can be seen in the figure below.

Figure 2. Garuda Indonesia airline IE matrix**Source: Author's processing**

The position of Garuda Indonesia airline based on the IE matrix analysis is in cell I, namely grow and build. With a total score on internal factors of (3.20) and a total score on external factors of (3.40), it can be concluded from the results of the score calculation that the position of Garuda Indonesia Airlines in the **Grow and Build** area. So the appropriate strategy for airline companies in this location is to carry out intensive strategies such as market penetration, forward integration, and horizontal integration or integrate such as backward integration and horizontal integration.

Analysis Based on SWOT Quadrant and SWOT Matrix Analysis

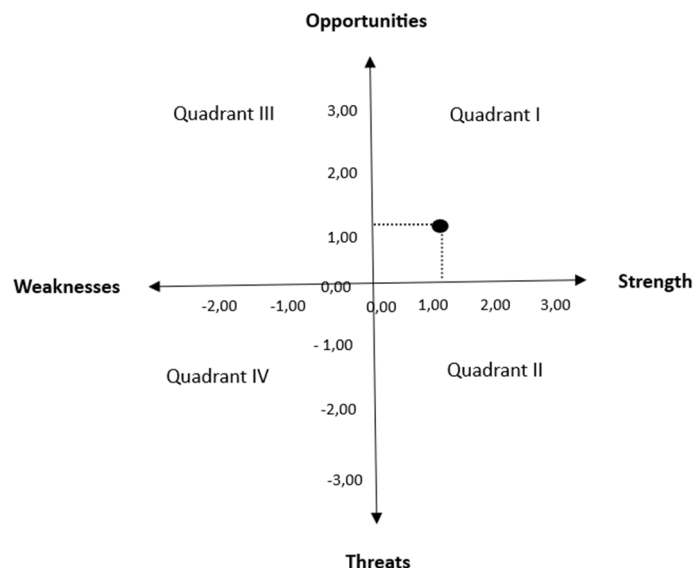
Based on the results of the author's data processing, the weight, order, and score of internal factors, namely internal factors of Strengths and internal factors of Weaknesses, as well as the most important external factors, namely external factors of Opportunities and external factors of Threats, are obtained.

Picture 4. Garuda Indonesia Airline SWOT Matrix

Internal \ Eksternal	Strength (S)	Weaknesses (W)
	Opportunities (O)	Threats (T)
Opportunities (O)	Strategi SO = 2,14 + 2,14 = 4,28	Strategi WO = 1,06 + 2,14 = 3,20
Threats (T)	Strategi ST = 2,14 + 1,26 = 3,40	Strategi WT = 1,06 + 1,26 = 2,32

Source: Author's processing

Based on the difference in scores from the strengths, weaknesses, opportunities, and threats factors, the coordinates (1.08 ; 1.08) are used in determining the position of Garuda Indonesia Airlines on the SWOT diagram shown in the diagram below.

Picture 5. Garuda Indonesia Airline SWOT Quadrant Diagram

Source: Author's processing

Alternative strategies for Garuda Indonesia Airlines can be identified by analyzing the company's internal and external factors, including strengths, weaknesses, opportunities, and threats. The SWOT matrix can help explain the alternative strategies that will be selected based on the above factors. The SWOT matrix consists of:

Picture 6. Garuda Indonesia Airline SWOT Matrix

Internal External	Strengths	Weakness
	1. Have a good image and experience in the aviation business 2. Has several principals with whom we have a long standing working relationship. 3. Has subsidiaries in the field of aviation or cargo 4. Has branches that have spread in various regions in Indonesia 5. Successfully ensure that customers get quality service that is comparable to the tariffs issued and are able to gain loyalty and trust from the community. 6. Has the latest search engines and information technology in running the business 6.	1. Exclusive image as an airline and considered an expensive and exclusive flight 2. Lack of sensitivity to market conditions 3. High operational costs lead to higher airfares compared to other airlines 4. Lack of special promos and do not have as many promo flights as other airlines 5. Limited number of operational human resources 6. Ticket prices are not affordable to all
Opportunities	Strategy SO	Strategi WO
1. Joining as a member of the global airline alliance called Skyteam Global Airline Alliance. 2. Advances in technology and information 3. Rapid development in the Indonesian and Asia Pacific aviation industry 4. 4. Government policy as a state owned company gets full facilities and support from the government 5. Garuda Indonesia is recognized as a 5 star airline 6. Public culture, love for domestic companies will provide advantages in business development	1. As the only Indonesian airline to join the global alliance named Skyteam global airline alliance, it can be a great opportunity for airlines to expand their fleet of aircraft and open new businesses and routes with more potential or by looking for new principals or partners to strengthen the company's business so that it continues to gain loyalty and trust from the public. (S1, S2, S3, S4, S5, O1, O3, O5) 2. With the rapid and rapid development of the aviation industry, airlines can use modern information technology for their operational business activities supported by full support from the government and public love for domestic products can make this a great potential for airlines to develop well in Indonesia and Asia (S6, O2, O3, O4, O6).	1. Open job vacancies for workers who are professionals in the fields needed by airlines (W5, O4)
Threats	Strategi ST	Strategi WT
1. Increased competition in the airline industry 2. Increased capacity, reduced ticket prices and more new flight routes opened by other airlines 3. Uncontrollable factors that hinder flight punctuality. 4. Domestic political situation 5. The existence of natural disasters such as volcanic eruptions, disease outbreaks, etc. which can lead to a decrease in demand 6. Other airlines that are cheaper and have greater capacity	1. Continue to provide a good flight experience image for air transportation passengers (S1, S5, T1, T2, T6). 2. Adding a fleet or using a larger fleet on the most flight routes to meet passenger demand (S2, O2)	1. Conduct regular training and development to improve employee competence, especially in the field of customer service, recruit employees who are competent in the fields needed by the airline and launch attractive loyalty programs to retain loyal customers and attract new customers (W4, W5, T1, T2).

Source: Author's processing

Based on the IFAS and EFAS calculations, the resulting weight, weighted score, and rank are generated from the weight multiplied by the rank (weight x rank). Garuda Indonesia's

position in the Internal-External (IE) Matrix is in the grow and build strategy which consists of horizontal integration, forward integration, backward integration, and market penetration.

The figure above shows that Garuda Indonesia Airline is in quadrant I in a situation where the company utilizes its strengths to take advantage of opportunities. To make a successful plan, the business can use its strong resources and competitive advantages. In this situation, the SO (Strength-Opportunities) strategy will be used to support an aggressive growth policy. Garuda Indonesia airlines should focus on the opportunities that exist and capitalize on the strengths they have. Optimizing the strengths owned and remaining competitive and able to compete in the aviation industry are the main objectives of implementing this SO strategy.

Formulation of Distribution Channel Strategy on Airline Seat Sales of PT. Garuda Indonesia airline

Based on the analysis that has been carried out, Garuda Indonesia Airlines is in a good development situation to develop business in the aviation industry. The appropriate strategy for Garuda Indonesia Airlines to implement is an Intensive or Aggressive Strategy, which includes the following:

1 Market Penetration

Market Penetration Strategy or also known as "Market Penetration" which is widely used in combination with other strategies to achieve the goal of increasing the market share of existing goods and services in the current market through greater marketing efforts. There are two sales methods, namely Direct Selling is a method of selling tickets directly to passengers without intermediaries. For example, such as sales channels through official websites and applications airlines, through airline call centers, and visiting airline sales offices. sales office. Indirect Selling is a method of selling tickets through intermediaries to sell tickets to customers. For example, Conventional Travel Agent can be visited, through Online Travel Agent download applications such as Traveloka, Tiket.com, and several GDS systems that have collaborated such as Galileo, Amadeus, and Sabre.

- **Promotion**

Garuda Indonesia Airlines can carry out various kinds of promotions by utilizing technology and information that is currently growing rapidly. Conducting various promotions and advertisements through Garuda Indonesia's social media accounts, such as Instagram (@garuda.indonesia), Youtube (GarudaIndonesia), website (<https://web.garuda-indonesia.com/oc/id>), as well as through Garuda Indonesia's booking application (FlyGaruda).

- **Price**

Garuda Indonesia Airlines every month offers price promos or what is commonly called a Travel Fair so that Garuda Indonesia Airlines can still compete with other airlines in Indonesia abroad. Garuda Indonesia Airlines cooperates with various Online Travel Agents (OTA) and conventional Travel Agent (CTA), and provides call centers and special offices for ticket sales.

2 Market Development

This strategy aims to increase sales by marketing goods or services to new territories, demographics, or market segments.

- **Place**

Utilizing the opportunity of being a member of the SkyTeam Global Airline

Alliance and the development of airports and the emergence of new airlines, it can expand the market by opening more international destinations without having to operate direct flights

to all destinations and passengers will enjoy faster and easier connections between Garuda Indonesia airline flights and other SkyTeam member flights. In addition, by using other distribution channels such as Online Travel Agent (OTA), websites, applications, and collaborating with other parties. other parties.

- People

In order to fulfill the human resources required, Garuda Indonesia airlines must recruit because it requires prospective employees who already have the abilities, skills, and certifications that are in accordance with the position needed, because quality and quantity are not always directly proportional.

3 Product Development

This strategy aims to expand the company's product portfolio, increase competitiveness, and adjust to changing consumer demands.

- Products

Garuda Indonesia Airlines can develop its products by introducing new cabin classes that offer different facilities and more premium comfort. Currently, Garuda Indonesia Airlines is known to have 3 types of subclasses, namely economy class, business class, and first class.

- Process

Garuda Indonesia Airlines can be paid through ATMs or transfers through the Virtual Account (VA) found on the web page/application/email. Garuda Indonesia Airlines has special offers for loyal Garuda Indonesia airline members, passengers can enjoy several exclusive benefits and privileges, such as special check-in counters at the airport, additional baggage quota, priority baggage handling, priority waitlist for ticket reservations, access to Garuda Indonesia airline airport lounges, and attractive offers from Garuda Indonesia airline partners around the world.

- Physical Evidence

Garuda Indonesia Airlines has its head office located at the Garuda Indonesia airline building JL. Kebon Sirih No. 44, Central Jakarta, and has 8 branch offices spread across various regions. When it comes to employee uniforms, Garuda Indonesia Airlines is famous for its iconic flight attendant uniform, with a batik patterned 'Lereng airline Garuda Indonesia' paired with a plain Kartini kebaya in four different colors: Blue, Tosca, Orange, and Purple.

- Forward Integration

Garuda Indonesia is launching a travel fair called Garuda Indonesia Travel Fair. Garuda Indonesia Travel Fair is a travel exhibition organized by Garuda Indonesia to reach potential passengers directly and promote travel packages and services.

- Backward Integration

Garuda Indonesia built partnerships with several aircraft component manufacturers to obtain better prices and a more stable supply. Garuda Indonesia also established a Maintenance, Repair, and Overhaul (MRO) facility, PT Garuda Maintenance Facility Aero Asia (GMFAA) to reduce dependence on third parties and to improve aircraft maintenance efficiency.

- Horizontal Integration

Garuda Indonesia Airlines cooperates with corporations such as PT Angkasa Pura and has alliances with SkyTeam, and PT Aerofood Indonesia, which partners with technology and services such as Sabre, Amadeus, and Galileo. As well as using the Altea system to store airline booking data inventory. The Garuda Indonesia airline distribution channel is divided into two, namely Online Travel Agent (OTA) which has collaborated with Traveloka, Tiket.com, and

Versa Teknologi, and there are still 15 other OTAs, while Conventional Travel Agent (CTA) Garuda Indonesia Airlines have collaborated with CTA 200 to 300 companies such as Panorama, Aviatour and Bayu Buana, as well as several agents who open offline stores in malls.

e. Conclusion

Based on the analysis and discussion that has been carried out by the author regarding internal factors of strengths and weaknesses, as well as external factors of opportunities and threats owned by Garuda Indonesia Airlines in increasing seat sales, several things can be concluded by the author, namely

1. Based on the results of interviews with Garuda Indonesia Airlines, the most profitable distribution strategy for Garuda Indonesia Airlines is sales through Online Travel Agent (OTA) which reached a profit of around 400 billion because Garuda Indonesia Airlines has a sales target for OTA and more customers book tickets through OTA. Meanwhile, sales through Conventional Travel Agent (CTA) reached a profit of around 70 billion because Garuda Indonesia has a sales target for CTA and there are still customers who book tickets offline such as Panorama, Aviatour, and some agents who open offline places. From the OTA and CTA, some partners have joined IATA and non IATA. In addition, to improve their distribution strategy, they provide fees to OTAs and CTAs, with different amounts for domestic and international flight routes. For domestic routes, Garuda Indonesia currently provides a fee of 4% for companies that have cooperation with IATA and 2% for companies that do not have cooperation with IATA, while for international routes Garuda Indonesia provides a fee of 6% for companies that have cooperation with IATA and 3% for companies that do not have cooperation with IATA.

2. Based on the results of interviews with Garuda Indonesia Airlines, the strategy used to increase sales of Garuda Indonesia airline seats is to offer price promos at Travel Fair events held every month, as well as promoting travel packages and services. At the Travel Fair Event, the airline collaborates with OTAs and CTAs for the type of promotion in the form of discounted airplane tickets in several cabin classes, cashback, and early bird promos and adds bonuses in the form of GarudaMiles points that can be exchanged for airplane tickets, upgrade classes or exchanged for hotel vouchers.

3. Based on the analysis of Garuda Indonesia's internal factors, the strengths with the highest score owned by Garuda Indonesia are having a good image and experience in the aviation business and successfully ensuring that customers get quality service that is comparable to the fares issued and can gain loyalty and trust from the public. As for the weaknesses owned by Garuda Indonesia Airline, namely the exclusive image as an airline that is considered an expensive and exclusive flight, as well as the limited number of operational human resources.

4. Based on the analysis of external factors of Garuda Indonesia Airline, the opportunity with the highest value owned by Garuda Indonesia Airline is Garuda Indonesia Airline is recognized as a 5-star airline. As for the threats posed by Garuda Indonesia Airline, namely competition in the aviation industry which is getting tighter.

5. So it can be formulated that the distribution channel strategy that can increase sales of Garuda Indonesia airline seats is by developing products by innovating their services, forward integrating, backward integration, and horizontal integration.

f. Implications

This research was conducted with limited time, because the data collected was limited to a one-month period, from July 2024 to August 15, 2024. The complexity of airline distribution channels; such as OTAs, traditional agents, and direct sales, are often complex and extensive. The overlapping of channel functions makes it difficult to simplify. There are influential external factors such as government regulations example is upper limit ticket pricing, economic situation, competition, and changing customer preferences. Limiting the topic to distribution strategies without considering these external factors can oversimplify a more complex problem. In addition, the journals and data that the author obtained were very limited so that the author experienced difficulties in writing in this study. For future research, the author hopes to obtain more journals.

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