



# Strategic Planning and Product Portfolio Development at Umrah Al Hijrah Travel Agents in the Era Digital Competition in the Surabaya Area

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Received: 22-06-2025

Accepted: 29-06-2025

Published: 30-06-2025



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**Abstract:** The Umrah travel industry in Indonesia has undergone significant transformation along with the development of digital technology. The emergence of app-based travel agencies and digital platforms has created disruption to conventional Umrah travel business models. This research aims to analyze how strategic planning and product portfolio development can be effectively implemented by Al Hijrah Umrah travel agents in facing the era of increasingly fierce digital competition. This study employs qualitative research methodology with in-depth interview techniques and direct observation of Al Hijrah's promotional activities and services on social media and digital platforms. Primary data was obtained from Al Hijrah's management and operational staff, while secondary data came from internal company documents and related literature. The research results show that Al Hijrah has implemented digital transformation through various platforms such as Instagram, TikTok, and WhatsApp Business, and developed an

official website with live chat features and digital payment systems. The company also diversified its products by offering thematic packages such as Millennial Umrah, VIP Umrah, and Umrah Plus Turkey. SWOT analysis reveals that Al Hijrah's strength lies in its good reputation and strong relationships with partners in Saudi Arabia, but faces challenges in limited digital technology expertise. Market response to Al Hijrah's digital innovation has been very positive, especially from the 25-40 age group. This research concludes that the implementation of adaptive strategic planning and market-oriented product portfolio development is key to success in digital competition, by utilizing CRM technology, online reservation systems, and integrated digital marketing strategies.

**Keywords:** Strategic Planning, Product Portfolio, Umrah Travel, Digital Transformation, Digital Competition

## Introduction

The Umrah travel industry in Indonesia has undergone a significant transformation along with the development of digital technology. The emergence of app-based travel agencies and digital platforms such as Traveloka, Tiket.com, and other religious marketplaces has created disruption to the conventional Umrah travel business model. This disruption forces traditional agents to adjust their business strategies to remain relevant and competitive in an increasingly dense and digitalized market. As explained by Suryantara (2019), the birth of application-based travel agents has caused competition in this industry to intensify and requires business actors to innovate strategically. In this context, strategic

planning is an important key for Umrah travel agents to survive and thrive. One crucial strategic approach is through product portfolio development based on changing market needs, especially in the context of digitalization. This includes diversification of Umrah packages, personalization of services, and the use of technology such as mobile applications for reservations, travel information, and communication with pilgrims. Research conducted by Wirawan et al. (2024) shows that the application of digital marketing has a significant effect on the marketing effectiveness of travel and umrah services.

This finding confirms that the integration of digital marketing strategies, such as the use of social media, SEO, and online communication platforms, can increase the reach and loyalty of pilgrims. The same thing is also reinforced by Andriyani et al. (2021) which states that digital promotion has a positive and significant influence on public interest in performing Umrah. Not only in the marketing aspect, product portfolio development in the digital era must also consider market segmentation and increasingly diverse customer needs. Adjustment of technology-based services such as flexible schedules, digital payment systems, visa document tracking, and interactive communication via applications is a special attraction, especially for the younger generation and customers who are accustomed to the digital ecosystem. In addition, the COVID-19 pandemic that has hit in recent years has also accelerated the shift in consumer behavior to digital platforms. Yuliar & Fadhillah's (2021) study revealed that Umrah agencies that quickly adapt to digital strategies, such as virtual services and online booking systems, are able to maintain business operations and customer trust during times of crisis. With this background, it is important to conduct this research to analyze how strategic planning and product portfolio development can be effectively implemented by Umrah travel agents in the era of increasingly competitive digital competition. The main focus is on how digital strategies can support product innovation, operational efficiency, and increased pilgrim satisfaction.

This research aims to 1) find out how the form of strategic planning applied by Umrah travel agents in facing competition in the digital era; 2) find out how product portfolio development can improve the competitiveness of Umrah travel agents in the midst of digital disruption; 3) find out what are the challenges and opportunities faced by Umrah travel agents in integrating digital technology into their business and product strategies; and 4) determine the extent to which the implementation of digital strategies, such as digital marketing and service applications, contributes to marketing effectiveness and customer satisfaction.

## Theoretical Foundation

One form of marketing today that shows rapid development is e-marketing (electronic marketing or electronic marketing). E-marketing is a company's effort to convey information, communicate, promote, and sell products and services using the internet. Marketing using a digital or electronic base is useful for companies to provide information, communicate to be offered through promotions in selling products and services made by companies via the internet. Umrah worship means visiting the temple, performing tawaf and sa'i with predetermined conditions and time. Umrah linguistically means visiting and in terms is visiting the temple by carrying out the conditions that have been determined in order to get closer to Allah SWT. PPIU is an organizer of Umrah worship trips, Umrah worship trip organizers must meet the requirements as stated in article 89 of Law No. 8 of 2019.

In order to provide an understanding of the theory used in this study, researchers will describe the development theory of organizing Umrah, and E-Marketplace, as well as strategic management. researchers will first describe the theory of development in business or business. Business development is a process of implementing a business regarding potential growth opportunities during the business. In this case companies can leverage each other's expertise, technology or intellectual property to expand their capacity to identify, research, analyze and bring to market new businesses and new products, business development focuses on the implementation of strategic business plans through equity financing, acquisition / divestment of technology, products, and others.

So, business development is a form of effort for the business itself in order to develop for the better to reach a point of success and profit. Development as a process or way of changing, growing, using a systematic and organized procedure involving knowledge, technology both theoretically and practically for specific purposes. Implementation is the process of preparing an organizational structure that is in accordance with the objectives of the organization, its resources and the environment that surrounds it. The meaning of this understanding can be concluded that the development of Umrah organization is a process or way to improve and manage the organization of Umrah in order to provide convenience and satisfaction to the congregation.

- a. In order for the implementation to always adapt to changes in the surrounding environment, it is necessary to have forms of implementation that pay attention to things such as organizational structure, policies, human resources, management information systems, and infrastructure.
- b. Organizational structure as an internal relationship related to the functions that carry out organizational activities.
- c. Management policies, in the form of the organization's vision and mission

- d. Human resources, which relate to the quality of employees to work and work optimally
- e. Management information system, which relates to the management of database to be used in enhancing organizational performance.
- f. Facilities and infrastructure owned, which relate to the use of technology for the implementation of the organization in every organizational activity.

### **Research Method**

Using qualitative research methodology, this research will try to understand thoroughly and deeply how Al-Hijrah Umrah travel agent in Surabaya plans strategies and develops its product portfolio in the face of fierce competition in the current technological era. A qualitative approach was chosen because the phenomenon under study is very complex and changing and relies heavily on subjective understanding and experience. Assessing the meanings, reasons, perceptions, and processes underlying the actions and decisions of travel agents is not the main objective. Primary and secondary data are the main data sources in this qualitative research. Primary data comes from informants at Al-Hijrah umrah travel agents and will form the basis of research to obtain in-depth, complete and up-to-date information. Secondary data can come from internal company documents, news articles, or information about the business.

The technique that will be used to collect relevant and rich data is to conduct in-depth interviews. Key informants who have direct knowledge and experience in strategic planning and product portfolio development at Al-Hijrah umrah travel agency will be selected for interviews. Interviews will be semi-structured, so that researchers can get richer and more indepth information by continuing further or following the flow of conversation that develops. With the application of this qualitative research method, it is expected to provide an in-depth and rich picture of how Al-Hijrah umrah travel agent adapts and innovates in online competition in Surabaya. This research will also provide valuable insights for the umrah travel industry and strategic management studies.

### **Results and Discussion**

This research was conducted by gathering information from direct interviews with the management and operational staff of Al Hijrah Umrah Travel Agency, as well as directly observing their promotional activities and services on social media and other digital platforms. In addition, the analysis was also strengthened with data from various literatures, previous research, and official documents. From the findings, it can be seen that Al Hijrah is in an important phase to carry out digital transformation in order to remain competitive in the midst of intense competition in the Umrah travel business, especially in urban areas such as Surabaya. Al Hijrah began to realize that careful strategic planning was

necessary to maintain the sustainability of their business.

The concrete step they took was to start implementing digitalization in various aspects, from promotions, customer service, to internal administration systems. One of the main breakthroughs made was to build a digital presence through popular platforms such as Instagram, TikTok, and WhatsApp Business. They have also developed an official website that not only contains travel package information, but also provides features such as live chat, online registration forms, and an integrated digital payment system. In terms of services, Al Hijrah has updated its product portfolio to suit the needs and tastes of the current market. If previously they only offered standard packages, they now provide a wide selection of thematic packages such as Millennial Umrah, VIP Umrah, Umrah Plus Turkey, and Umrah for the elderly. Each package is equipped with additional services such as five-star hotels, city tours, and certified worship companions. This innovation not only adds to the agent's selling point, but also opens up opportunities to reach a wider market segment.

### **SWOT Analysis of Al Hijrah Travel**

#### **1. Travel agency digital transformation**

Zhang (2023) examined the pattern of digital transformation in tourism companies and suggested four main strategies: increasing knowledge about customers, building IT infrastructure, applying new technologies (such as AI, big data), and developing social responsibility programs.

The link to Al Hijrah's SWOT:

- a. Weakness-Opportunity (WO): Strengthen IT systems and web-based HR training per Zhang's recommendation, to remedy system integration and digital literacy flaws.
- b. Strength-Opportunity (SO): Build customer insight by capitalizing on its positive image, and use CRM information to guide product development.

#### **2. Digital disruption by OTA platforms**

The Valsamidis et al. (2022) research shows that digital OTAs such as Airbnb and Booking have a disruptive business model rooted in economies of scale, ease of use, and the speed of technological fit compared to Al Hijrah's SWOT:

- a. Threats: Al Hijrah must deal with real threats from tech-powered peers - they must respond by offering the same user experience, or offering differentiated value.
- b. ST Strategy: Play on reputation and personal service to create a high-end/personalized service to not lose out to mass platforms.

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> <li>• Good reputation &amp; partner base</li> <li>• Thematic products, digitally aware</li> </ul>	<ul style="list-style-type: none"> <li>• Human resources &amp; digital infrastructure shortag</li> <li>• Digital illiteracy in the elderly segment</li> </ul>	<ul style="list-style-type: none"> <li>• Digitalization &amp; halal tourism trend</li> <li>• Digital technology &amp; social partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Disruption by digital OTAs (Airbnb, Umroh.com)</li> <li>• Price and efficiency competition from digital players</li> </ul>

### Explanation of SWOT Table Al Hijrah Umrah Travel Agent:

#### 1. Strengths

- Good reputation with local pilgrims

Al Hijrah is known to have good relationships with Saudi Arabian partners and reliable services. In Kotler & Keller (2016) brand equity theory, positive reputation is an important asset in developing long-term customer loyalty as well as sustainable competitive advantage.

- Thematic Umrah product innovations

Products such as Millennial Umrah, Umrah Plus Turkey, and VIP Umrah demonstrate adaptability to the millennial and Gen Z consumers. This follows the mantra of customer-driven innovation and market segmentation (Andriyani et al., 2021) that posit that product differentiation based on customer wants determines marketing success.

#### 2. Weaknesses

- Lack of sufficient digital expert personnel and IT infrastructures

The results revealed that Al Hijrah has not done its best with regards to employing internal technologies such as reservation systems or keeping track of pilgrim data. Zhang (2023) reports that IT infrastructure preparedness and seasoned human resources are required in digital transformation so that technology adoption can run smoothly.

- Low digital literacy among older consumers

Traditional means are the choice of most elderly pilgrims. This is a weakness in implementing an end-to-end online system, and points to a hybrid system (online + offline) being required.

#### 3. Threats

- Competition from digital-based Umrah agents such as Umroh.com

Established digital platforms are able to offer low prices, fast service, and a friendly user interface. Valsamidis et al. (2022) emphasize that digital platforms (OTAs) rely on advantages in scale, user experience, and process efficiency - things that are still a big challenge for conventional agencies like Al Hijrah.



- Price wars and high efficiency expectations

The high customer expectations of speed, transparency, and digital app-based services are creating pressure. Therefore, Al Hijrah must be able to provide more value-for example in the form of personalized services, certified worship companions, or spiritual consultation services.

#### 4. Threats

- Competition from web-based Umrah operators such as Umroh.com

Anchored platforms can have low cost, fast service, and a good user experience. Valsamidis et al. (2022) note that online platforms (OTAs) rely on the economies of scale, user comfort, and process effectiveness - benefits that are still a big issue for established agencies like Al Hijrah.

- Price wars and high efficiency expectations

Pressure is being exerted by the high customer expectations for speed, transparency, and digital app-based services. Al Hijrah therefore has to be in a place to provide value addition-for example, in terms of tailored services, certified prayer companions, or spiritual advisory services.

### Business Challenges and Opportunities

In an effort to carry out digital transformation and develop product services, Al Hijrah is faced with a number of serious challenges. One of the main challenges is the low ability of some prospective pilgrims, especially the elderly, to use digital technology. Many of them still feel more comfortable with conventional methods, such as coming directly to the office to register, rather than using online services. Another challenge comes from outside, namely fierce competition with established digital-based Umrah agents, such as Umroh.com and other religious marketplace platforms. This competition is not only about technology, but also about price wars and the ease of service offered by competitors.

On the internal side, Al Hijrah is also still constrained by limited technological infrastructure. Some of their work systems have not been fully integrated, so the process of verifying and updating pilgrim data is still slow. If not fixed immediately, this could have an impact on customer satisfaction and overall work efficiency. Nevertheless, Al Hijrah still has ample opportunities for growth. They have a fairly strong base of regular customers, especially in Surabaya and surrounding areas.

In addition, the post-pandemic trend of digitization in worship also opens up new spaces for services such as online manasik and online consultations, which of course makes it easier to reach pilgrims from outside the region, even abroad such as the migrant worker community in Malaysia or Saudi Arabia. Another opportunity comes from the growing trend of halal tourism. Al Hijrah can take advantage of this moment by offering umrah

packages combined with international religious destinations, such as Turkey, Uzbekistan and Palestine. This strategy not only expands options for consumers, but can also attract the upper middle segment who want to get a memorable worship experience as well as spiritual tourism

### **Market Response to Al Hijrah's Digital Innovation**

Based on the results of a simple survey and monitoring of activities on social media, it can be concluded that the public response to the digital transformation carried out by Al Hijrah is very good, especially from the age group of 25 to 40 years. Many of the customers conveyed their positive experiences, especially regarding the ease of accessing information, registering online, and fast response services via WhatsApp and direct messages on Instagram. The various features offered, such as tracking the visa and departure process, automatic reminders for manasik schedules, and online consultation services through Zoom, are very helpful for pilgrims who have high mobility or live outside the city. In addition, the presence of educational content such as worship guides, umrah travel tips, and pilgrim testimonials in the format of reels and stories also strengthens Al Hijrah's image as a progressive and informative umrah travel agent.

Even so, there are still challenges faced, especially related to the limited digital literacy of the elderly. Many of them still need help from family members to access online registration services. Therefore, a marketing approach that combines digital and conventional methods (offline-online/hybrid) is considered necessary to be maintained so that all consumer segments can be reached optimally. Overall, Al Hijrah's digitalization and service development measures have proven to have a positive impact on increasing market reach, customer loyalty, and operational efficiency. If strengthening in the field of technology, service quality, and promotional strategies continues to be carried out on an ongoing basis, it is possible that Al Hijrah will become one of the leading digital Umrah travel agents in the Surabaya area, even at the national level.

### **Conclusion**

Al Hijrah needs to have an adaptive and market-oriented strategic planning process if it wants to compete more successfully. Agents need to make the most of digital technology applications, including creating an online booking system, using customer relationship management (CRM) software, and implementing digital marketing campaigns through social media and SEO. In addition, Al Hijrah can diversify its product offerings through flexible umrah packages that suit the tastes and capabilities of various market segments, ranging from budget packages, premium packages, to umrah plus halal travel packages. Better after-sales services, including worship tips, 24-hour customer service, and electronic



recommendations from previous pilgrims, can further increase the trust of prospective pilgrims. Finally, market research and continuous monitoring of program performance are essential to adjust strategies according to industry developments and customer demands in the modern digital era.

In responding to the challenges of the digital competition era, Al Hijrah Umrah travel agency in Surabaya needs to conduct intensive strategic planning and focus on developing an innovative product portfolio. Al Hijrah is proposed to conduct continuous market analysis so that it can study consumer behavior patterns and tastes, so that it can develop targeted strategies. Diversification of umrah products, such as standard packages, special packages, and umrah plus tours, needs to be developed to target various market segments. In addition, utilizing electronic technologies such as online reservation systems, social networking sites, and interactive communication channels is essential to increase service awareness and effectiveness. Al Hijrah should build a good reputation for its brand through excellent service, word of mouth, and assurance of trust and travel safety. Through flexibility and well-planned strategies to adapt to technological changes, Al Hijrah can increase its competitiveness and maintain its business sustainability despite facing fierce competition in Umrah travel.

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