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JAPANESE MULTINATIONAL CORPORATIONS EXPANSION STRATEGY
CASE STUDY: HONDA MNC EXPANSION STRATEGY IN INDONESIA

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Abstract

MNCs in Indonesia seeks to provide an overview of activities in Indonesia. Especially in the automotive sector, Astra Honda Motor, which merged with Astra International. This research uses the strategies used by MNCs to dominate and expand the market.The main objective of MNC is to gain profit, present globalization to be one stepping stone for MNC to achieve the goals. Globalization offers interconnection in various fields and disguises national borders, thus the market will be easier to carry out its economic activities.Indonesia is one of the countries that are friendly to investors, Indonesia has an agreement that gives freedom to multinational coorporation in developing their business in Indonesia.In this discussion, the author discusses the discussion about thinking to analyze research problems, namely the market domination strategy of motorcycle sales carried out by PT. Astra Honda Motor in Indonesia, using descriptive analysis. The basic thinking that is used is trade liberalization to explain market activity which will run better if it does not get more assistance from the state, then globalization which provides convenience in all activities and MNC movements in obtaining goals that are truly by following market developments.The explanation in the discussion has four parts. First, regulations in Indonesia are related to multinational coorporation. Second, bilateral relations between Indonesia and Japan. Third, Characteristics of Japanese multinational coorporation. Fourth, Honda's market dominance strategy.

Keywords: *Global Political Economy, Economic Liberation, Multinational coorporation; Honda strategy.*

Introduction

The grouping of countries in the world into the first, second and third worlds emerged during the cold war. The First World State refers to America and its allies. Characteristics of implementing democracy and the capitalist economic system. The Second World refers to the Soviet Union and its allies who subscribe to the communist-socialist system. While the third world refers to countries that are only influenced by the United States and the Soviet Union.(nuraeini s deasy silvya arfin sudirman 2010)

In the mid-1960s in the third world, it was symptomatic of inviting foreign capital in the form of multinational corporations to help to increase economic growth, create jobs and gain technology. The term of a multinational corporation was first introduced by David E.Lilienthal in a paper entitled The Multinational Corporation (MNC) in 1960 at a scientific meeting held by the Carnegie Institute of Technology on Management and Corporations. The presence of foreign capital in the form of multinational corporations is expected to grow/give birth to other businesses (forward linkage and backward linkage), which will also increase people's purchasing power (trickle-down effect).

The presence of multinational corporations in the economic journey of developing countries is a factor driving globalization. Discourse about globalization has begun to emerge around the 1990s, the era was known as the era of globalization (the age of globalization). The emergence of globalization is marked by several different things based on various observations, the existence of inter-continent population movements and the start of the modern era into several opinions about the origin of globalization. Scholte explained chronologically the emergence of globalization which was understood through the emergence of supraterritoriality which began with the emergence of religion in the world (500SM), the emergence of cutting-edge technologies such as telegraphs, the introduction of a world time unit system centered on Greenwich (1884), the emergence of various media such as radio, television, computers , the emergence of multinational corporations such as McDonald's, international conferences, and their continued development in global economic institutions in 2000.(Jaan Aart Scholte 1997) All have similar characteristics where globalization is characterized by the emergence of ease of access to an interaction between one community group and another.

The era of globalization is the era that we are facing today. The term globalization generally refers to the unity of the process of social change, or how to see social relations that occur in the world as a whole.(Ambarwati dan Wijatmadja 2016) With the globalization of the influence of communication technology is already familiar in everyday life, individuals easily interact even with people from different countries, besides that economic activity is expanding and reaching world markets.

This 21st-century MNC is growing rapidly, not only in developed countries MNCs from developing countries are currently growing rapidly and can be taken into account in the international economy. Based on UNCTAD data in 2009 there were around 82,000 parent multinational corporations affiliated with 810,000 branch companies worldwide. The presence of MNCs can exert a very strong influence in global politics, because of their enormous economic influence and also sufficient financial resources as relations for society and political lobbying. Because at present many multinational corporations in various countries have very large funds and even exceed a country's income.

One of the countries that are active in establishing MNCs in Japan. Since the 1950s, Japan has established itself to be an investor country in the world. This was motivated by the success of Japan in the growth in the field of heavy and chemical industries in 1965, and an increase in exports from 1972-1973, besides that Japan also benefited from the existence of GATT (General Agreement on Tariffs and

Trade) and the IMF as a form of liberalization of United States leadership in trade and investment exchange countries in the world.(Fenomena Investasi Jepang, n.d.)

The development of multinational corporation (MNC) and how its expansion strategy is an interesting discussion to study. A multinational corporation (MNC) has become an important actor in the development of global trade. At the beginning of its development, the multinational corporation was dominated by companies from the United States, European Union countries and Japan. Where these countries are developed countries so that MNCs choose to expand out of the home country to avoid high taxes, expensive labor, limited raw materials and competition in the home country so they prefer to invest outside their country where the country is their destination are developing countries.

In general, developing countries do not have strict legal rules, labor is cheap and has abundant natural resources. One of the methods used to be able to expand into developing countries is through foreign direct investment (FDI) by establishing direct companies in host countries. This was done by the Japanese multinational corporation, limited industrial land pushed Japanese MNCs to expand.

On the other hand, the industrial revolution is present as a form of innovation in the world of economy and technology. The industrial revolution that first happened in Britain was the economic revolution. The style of the British economy which was originally agrarian turned into an industry. Among its characteristics is social status is strongly influenced by the extent of land ownership. At that time the method of making goods was also still conventional, namely relying on human and animal power. The manufacture of goods is also still being done in homes not yet done in factories. (Adit Kusnandar n.d.)

The development of the industrial revolution occurred over 4 periods, in the industrial revolution 1.0 occurred around 1800-1900 which was spearheaded by Britain which in the industrial revolution this period began with the industrial sector in the fields of textiles, iron and steel, and transportation. Then proceed with the industrial revolution 2.0 which is a continuation of the industrial revolution 1.0 and there were several innovations, one of which was the mass production of cars and aircraft as a means of mass transportation. In the industrial revolution 3.0 period began with the emergence of information and electronic technology that entered the industrial world, namely computer and robot-based automation systems, and the industrial revolution 4.0, which was marked by the presence of human connectivity, data, and machines in virtual form or known as cyber-physical.

In line with the 2.0 industrial revolution, innovations in industrial development based on science and technology and took place around 1900-1960 were characterized by the discovery of the mechanization of mass production systems using effective and efficient assembly lines, as well as the quality standardization of quality. As done by Honda. In Indonesia, Honda merged with PT .stra Internation, later known as PT. Astra Honda Motor.

PT. Astra International Tbk ("the Company") was founded in 1957 under the name PT. Astra International

Incorporated. In 1990, the company changed its name to PT. Astra International Tbk, domiciled in North Jakarta. The scope of this company contained in the Articles of Association is general trade, industry, mining, transportation, agriculture, construction, services, and consultants. The first scope of activities of subsidiaries, joint ventures, and associates, includes manufacturing, assembly and distribution of cars, motorcycles and their spare parts, sales, and rental of heavy equipment, mining, and related services, plantation development, financial services, infrastructure, information technology and property. (PT.Astra International Tbk n.d.)

PT Astra Honda Motor (AHM) is a pioneer in the motorcycle industry in Indonesia. Founded on June 11, 1971, with the initial name PT Federal Motor. At that time, PT Federal Motor only assembled, while the components were imported from Japan in the form of CKD (completely knock down).

The first type of motorcycle manufactured by Honda was a business type, the S 90 Z 4-stroke engine with a capacity of 90cc. The number of products in the first year for one year was only 1500 units, but it jumped to around 30 thousand in the year and continues to grow until now. The motorcycle continues to develop and become one of the mainstay modes of transportation in Indonesia. But besides that competition of the automotive market would be a challenge for AHM, Yamaha's emergence became one of AHM's competitors in fighting for market share, both of these manufacturers must continue to make updates and innovations in an effort to maintain sales and continue to pursue a strategy in order to dominate market share and expand expansion. In-Law No.5 / 1999, a dominant position is defined as a situation where a business actor does not have a significant competitor or a business actor has a higher position than his competitors in the relevant market in terms of market share, financial capability, access to supply or sales and the ability to adjust the supply or demand for certain goods or services. Between 2017 to 2019 the number of Honda motorcycle sales was in the first position.

In this study, the author seeks to answer and explain the results of research related to the strategies used by companies in dominating the market, by raising the title, **"Motorcycle market sales strategy by PT. Astra Honda Motor in Indonesia ".**

Theoritical Framework

The study of international relations is no stranger to the terms realism and liberalism. At the beginning of its development, the phenomenon of international relations was only dwelling on issues of war and peace (high political). But then during the 1950s, the 1960s and 1970s international relations activities began to lead to trade and investment, travel, communication and similar issues that were especially prevalent in relations between western liberal democracies theorists framework.

Since that period the country began to provide a place for the market as an effort to increase development. This development requires a higher level of trade, communication, cultural exchange, and other cross-border relations and transactions.

New terms have begun to be known besides realism and liberalism, one of which is neoliberalism, in the case of international (capitalist) trade. Neoliberals have arguments related to trade, including: (Yonathan Susilo 2012)

(1) if specialized in certain industries that have comparative advantages and conduct trade relations with other countries to obtain products that are not comparative advantages of destination countries, then each country, including developing countries, will achieve higher levels of production and employment growth, increasing productivity and efficiency, while enhancing living standards and consumption choices (comparative advantage theory)

(2) because of the comparative advantage theory, a country's trade partner policy is irrelevant (unilateral trade liberalization remains profitable) - all forms of intervention will distort the market and lead the country concerned to a smaller amount of production and a reduced welfare while the country liberalizing its traders (even if their trading partners do not do the same) will enjoy a higher standard of living

(3) trade liberalization may cause misallocation in the short or medium term, but the benefits of liberalization are long term and are greater than the costs incurred losses suffered by a group of people, and temporary misallocations.

A Multinational corporation can be understood as an interpretation that engages in foreign direct investment (FDI) and that owns or controls value-added activities in more than one country ". Cross-border transactions are one of the activities carried out by multinational corporations, to achieve the goal of market expansion and domination.

Theories that explain why a company is expanding globally such as (Ownership, Location, Internalization) popularized by Dunning or the product life cycle theory as introduced by Vernon (1966) were developed based on the experience of multinational corporations originating from developed industrial countries.(Masoed et al. 2013)

Supporting a company's domination strategy, multinational corporation, in particular, is inseparable from economic globalization. Globalization offers interconnection in various fields and disguises national borders, thus the market will be easier to carry out its economic activities. In line with economic liberalism which assumes that if left unchecked, the market economy will proceed spontaneously according to its mechanisms and laws.(Robert Jackson and George Sorensen 2013)

With the market openness offered by economic liberalism, every party, both state and non-state, can participate in economic activities, and a positive-sum game economy will be created.

In the market, economic actors will continue to compete to strengthen their dominance. A dominant position is a position occupied by a company that has the largest market share (60%). With such a large market share, the company has market power.

With this market power, the dominant company can take action/strategy without being influenced by its competitors.

Then to become a company that can expand and dominates market share, it requires several marketing strategies and management strategies. According to Tull and Kahle (1990) cited by Tjiptono (2008: 3) defines marketing strategy as a fundamental tool that is planned to achieve company goals by developing sustainable competitive advantage through the markets entered and marketing programs used to serve the target market, which basically

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marketing strategies provide direction in relation to variables such as market segmentation, identification of target markets, positioning, marketing mix elements, and marketing mix costs.

The UNCTAD study (2006) specifically focused on analyzing some of the strategies developed by multinational corporations in penetrating global markets and catching up with more established companies, some of these strategies include: (Masoed et al. 2013)

1. Mergers and acquisitions that cross national borders. In carrying out its international expansion, the multinational corporation merged with more established companies in other countries or by acquiring these companies.
2. Greenfield and investment expansion. a multinational corporation can expand it is international can also by opening new companies abroad.

Related to what strategies are developed in expanding the network, studies conducted by Yiu, Lau, and Bruton (2007) show that these companies develop different strategies when they expand into developed countries with those implemented when they operate in fellow developing countries. In developed countries, strategies developed by multinational corporations to look for assets, especially technology and managerial skills and markets, whereas in developing countries the strategies developed are mainly aimed at finding natural resources. In this context, Goldstein (2007) identifies several stages of the strategy a company goes through in responding to the global competition: (Masoed et al. 2013)

1. Turnaround and catch-up. Recognizing that their level of efficiency and quality is still far below that of their competitors at the global level, a company will usually plan several actions to measure how far behind and develop strategies to catch up.
2. Expansion. Recognizing that growth is a necessity for them to survive against the greater competition, a company will expand normally by cooperating with other related businesses in the local market or even in other countries.

Acquisition of new capabilities. In line with the increasingly complex competition with larger foreign competitors, a company is developing it is capabilities in areas such as customer service, technological innovation, and trademark management.

3. Quest for industry leadership. after going beyond the previous stages, a company will concentrate on becoming a dominant player in a particular industry. As a result, some will succeed in competing with their best global participants; others are dominant players at the regional level.

Discussion

Doremus et al's study found that the domestic structure and economic ideology of the country of origin strongly influenced the MNC's strategy and activities. The basic argument of Doremus's study is that the nation-state is still the main actor in the international economy. Supporting the state-centric position in MNC which is a national company that operates abroad and in some important elements the company remains in the home country and the company's strategy is influenced by home country policies and local considerations. (Petras et al. 1999)

The regulation of investment activities in Indonesia is regulated by Law No. 25 of 2007 concerning Investment. In article 3 paragraph (1) letter A, it is stated that investment activities are carried out based on the principle of legal certainty. Meanwhile, what is meant by the "principle of law enforcement" is the principle in the rule of law that places laws and statutory provisions as the basis in every policy and action in the field of investment.

In order to encourage the creation of more effective international economic cooperation activities, and by prioritizing national interests to encourage sustainable economic growth and improving the welfare of the community through improvements in the trade (export), tourism and investment sectors, in 2018, international economic policy is focused on improving: (i) coordination between sectors in negotiations in the field of international economic cooperation; (ii) Indonesia's participation in the field of international economic cooperation in supporting the national economy; and (iii) facilities for utilizing the results of international economic cooperation. The policy directions mentioned above will be achieved through several strategies, namely by carrying out:

1. Increasing the utilization of the results of international trade cooperation, among others by: (i) expanding the role and services, including increasing the number of Free Trade Area Centers, especially in areas of industrial centers that are oriented and export potential; (ii) developing a database of international economic cooperation negotiations conducted by Indonesia; and (iii) developing information systems that can facilitate business actors to utilize the results of international economic cooperation negotiations.
2. Analysis and formulation of anticipated economic impacts of trade policies adopted by the United States, including intensifying trade with other prospective markets in the Asian region. (Pranita Prima Sari n.d.)

Pig. 1

Source : The Investment of Coordinating Board of the Republic of Indonesia

Pig 2

Source: The Investment of Coordinating Board of the Republic of Indonesia

Bilateral relations between Indonesia and Japan

Japan is very interested in cooperating with Indonesia because Indonesia has a good economic system in the world.

From year to year, there is a significant increase. At the end of 2014, Indonesia's GDP reached US 26 trillion, shifting the UK which was previously ranked 9th with a GDP of US 24 trillion. From the data, it is clear that it will bring investors from several countries to invite Indonesia to cooperate in the economic field.

The existence of the Indonesia Japan Economic Partnership Agreement (IJEPA), there is a new step in the relations of Japan and Indonesia, namely the formation of economic relations through bilateral cooperation in increasing the capacity of liberalization, both in services and in the field of goods, promotion and facilitation of trade, and investment in between the two countries. IJEPA will also accommodate several capacity-building projects in many activities that will increase the competitiveness of Indonesian products in the industrial, agricultural and forestry sectors including joint initiatives to promote manufacturing industries.

In the trade sector, Indonesia needs Japan, especially in developing Small and Medium Industries in Indonesia. In 2017, trade cooperation between the two countries will focus on implementing bilateral value change between Japan's Small and Medium Industries (IKM) through The Japan External Trade Organization (JETRO); the development of the E-Smart IKM program; and improving the quality of SMIs operating in Ceper, Klaten and Tegal, Central Java. Through these programs, it is hoped that SMIs in Central Java can be more competitive and have broad market access through the Japan International Cooperation Agency (JICA).

Whereas in the investment sector, in 2016, the value of Japanese investment realization in Indonesia reached 4.5 billion US dollars. The value of this investment has increased from the previous year, even more so amid the current global economic downturn. Nevertheless, in 2015, Japan contributed the highest investment through the automotive industry, amounting to 1.18 billion US dollars, then in the industrial and property sectors which amounted to 520 million US dollars, then the metal, electronics and machinery industries with a value of 426 million US dollars, and investment in electricity, water and gas 134 million US dollars. Even in 2017, Japan's investment value will increase to reach 74 billion yen (Rp.8.6 trillion) in the irrigation and coastal conservation sector. (INDONESIA-JEPANG 2009)

What are the characteristics of a Japanese multinational corporation?

In general, the characteristics of a multinational corporation are profit-maximizer (in the pursuit of maximum profit. In the Japanese automotive industry, two terms often appear, namely keiretsu and zaibatsu. Keiretsu is a corporate network system in which there is a network of companies that are with each other have long-term business relationship ties which are often also characterized by joint ownership of shares, although in a relatively small amount.(Negara 2014)

The role of keiretsu in Indonesia is stimulated by the Japanese government's policy as a state actor in bridging the formal relationship between the Japanese automotive business group (TNC) such as Toyota which has an impact on the domestic economic growth of Japan and Indonesia. The presence of the supply chain management system in the automotive industry sector in the Southeast Asian region has helped the country's economy incorporated in automotive company affiliations. (Pasopati n.d.)

The emphasis in the zaibatsu group is family-exclusive ownership. The total number of a zaibatsu is ten, but the most prominent ones are Mitsui, Mitsubishi, and Sumitomo. Apart from the ten giant sizes zaibatsu, there are many more local zaibatsu's. ‘‘ Success ‘‘ The Japanese economy which dominated the world only began in 1950 (after the second world war). Nevertheless, the success of the Japanese economy is inseparable, even a continuation of the emergence and existence of zaibatsu. From 1870 to 1880, for example, most zaibatsu, especially Mitsui, Mitsubishi, and Sumitomo, were able to accumulate wealth obtained through political activities.(Rindu Ayu 2012)

Japanese automotive state actors and business groups (MNC & TNC) are integrated. That is, both of them strengthen the stability of Japan's security through the global business economy. Bureaucrats play a role in the making of laws and policies, as well as policy contributions from the Liberal Democratic Party (LDP). The position of the bureaucrat elite is important and independent than the political elite which is identical to the image of internal personal interests which allows a scandal in his authority.

Bureaucrats are in charge of politicians who play the role of decision-makers and policies that have been designed through the Japanese bureaucratic agency law, while business groups are oriented towards the export of goods and services abroad. However, all three have the right to check and balance according to the needs of internal conditions. The export-import regulations of the Japanese automotive industry-industry business group are then regulated in Japan's Free Trade Policy.

How did PT. Astra Honda Motor entered the Indonesian automotive market, especially motorcycles and what kind of strategy was used to dominate market share?

PT Astra Honda Motor (AHM) is a pioneer in the motorcycle industry in Indonesia. Founded on June 11, 1971, with the initial name PT Federal Motor. At that time, PT Federal Motor only assembled, while the components were imported from Japan in the form of CKD (completely knock down). The first type of motorcycle manufactured by Honda was a business type, the S 90 Z 4-stroke engine with a capacity of 90cc. The number of products in the first year for one year was only 1500 units, but it jumped to around 30 thousand in the year and continues to grow until now. The motorcycle continues to develop and become one of the mainstay modes of transportation in Indonesia.

Along with the development of economic conditions and the growth of the motorcycle market, there was a change in the composition of share ownership in this Honda motorcycle manufacturer. In 2001 PT Federal Motor and several subsidiaries were merged into one under the name of PT Astra Honda Motor, whose composition of ownership was 50% owned by PT Astra International Tbk and 50% owned by Honda Motor Co. Japan.

Honda Motor Co., Ltd was founded by Mr. Soichiro Honda in 1948. Honda is headquartered in Minato, Tokyo, Japan. This company has been at the forefront of the industry since then. Finding new products at affordable prices with very high-quality standards to satisfy its customers is the key to the success of its business. At present, Honda Motor is expanding its business throughout the world including China, United States, UAE, Europe, Oceania, Asia-Indonesia.(Pujare n.d.)

Because several large companies that produce identical products such as Suzuki, Yamaha, Kawasaki and Bajaj, Nissan, Chrysler, Mercedes-Benz, and Peugeot. Honda Motor Co., Ltd. is further categorized as a form of Perfect Competition market. Honda is fully aware of existing competitors such as Yamaha, Suzuki, Kawasaki, Bajaj, Peugeot, Toyota, Nissan Chrysler, Minerva, these companies have produced the same product. They also penetrated businesses in the same targeted market. The perfect form of the competitive market stimulates Honda to be more attractive and impressive from the customer's perspective, and it will more likely shrink the total market share.

AHM can continue to increase sales so that it continues to dominate the Indonesian motorcycle market is inseparable from the efforts of PT .stra Internasional Tbk. In its development, Astra and AHM moved together to continue to provide vehicles (motorcycles) with good quality and affordable prices. We can see Astra's efforts by involving Indonesian SMEs as suppliers through the Astra Dharma Bhakti Foundation (YDBA) which was born with to empower SMEs in two sectors, namely agriculture and manufacturing. Astra has its reasons for choosing SMEs as suppliers. This is related to Astra's competitive strategy to get good raw materials at affordable prices. The involvement of SMEs as suppliers makes Astra has more alternative subcontractors that produce the raw materials needed. The involvement of SMEs as suppliers can reduce the selling price of Astra products. The use of local components produced by SMEs is one of Astra's strategies in creating quality products at prices that can compete with its competitors. (Bruce 2013)

Marketing Objectives has a very broad segment where Honda Motor can earn large profits in large markets. In this case, Honda focused on some specific target markets to develop a marketing mix to satisfy customers. Given, reluctantly will face directly when competitors must focus on certain target markets.

Segmentation and Position

Product Type Customer Area Segment Serving the Economic Level

Honda Tiger Teenagers (above 18 yo) Indonesian middle class and above, Honda Supra for low-class date homes in Indonesia, Honda Vario is considered as a middle-class Indonesian women's vehicle

Clustering Technique

Intended to group similar group customers in their segmentation dimensions into homogeneous segments. Honda Motor uses this technique to measure demographic characteristics, the importance of various needs, attitudes towards products, and past buying behavior. Every city in Indonesia has different insights about products and prices. Diversity can make it easy to gather feedback and that will result in better marketing strategies.

Honda's Market Share in Indonesia

Although there are no definite criteria in determining market share or market

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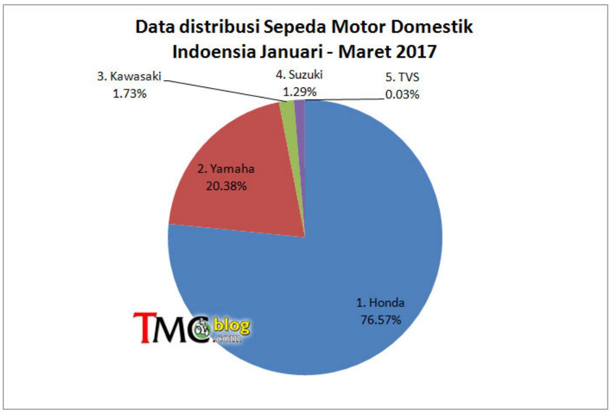
share, the following criteria become a reference in determining the companies that dominate the market.

- A company/brand/product/service that has a market share above 60% is likely to have dominance and strength over the market.
- A company/brand/product/service that has a market share of 35% - 60% is categorized as strong but not yet dominating.
- A company/brand/product/service that has a market share of less than 35% is categorized as weak and will not harm competitors.

Honda's total market share in the Indonesian market is undoubted, according to AISI data for Indonesian Domestic Motorcycles in March 2017, where five AISI members, namely Honda, Yamaha, Kawasaki, Suzuki, and TVS were recorded at 473,896 units and made distribution in first-quarter chess 2017 domestic motorcycles are in the total number of 1,401,538 units. That number increased by around 20 thousand units compared to the Previous Month (February 2017).

Honda managed to distribute sales of 358,524 units, Yamaha managed to distribute sales of 98,040 units, Kawasaki distributed sales of 8,601 units, Suzuki 8,600 units, and finally, TVS managed to distribute sales of 131 units. This means roughly 3/4 Motorcycles that are distributed wholesales from factories to the motorcycle sales network in Indonesia in March 2017 are Motorcycles with the Honda Brand. While the other quarter is divided into 4 manufacturers, Yamaha, Kawasaki, Suzuki, and TVS. Whereas if added to the first quarter of2017 chess the following chart is obtained: (Taufik 2019)

Pig 3.



Sourch: Asosiasi Industri Sepeda Motor Indonesia

Each motorcycle product issued by AHM has it is market segmentation and is different, for example, the two latest sports models of the All-New Honda CB150R StreetFire and New Honda Sonic 150R can dominate a market share of 70.5% through sales of 425,458 units. Mastery of this national market share is the second-highest in recent years. Previously in April 2015, Honda motorcycle sales were able to lead with a 70.7% market share through sales of 371,011 units.(Honda n.d.)

In the motorsport segment, aside from the sales of All New Honda CB150R StreetFire and New Honda Sonic 150R, other Honda sports motorbikes such as the Honda CBR series sold 6,205 units, Honda Verza 4,973 units, and Honda Megapro 750 units. The big bike series contributed sales of 6 units.

In the scooter motorbike segment, Honda's scooter market share gained 78.9% through a total sales of 353,661 units. Sales of All New Honda BEAT eSP series contributed 190,674 units, followed by New Honda Vario ESP series 121,170 units, Honda Scoopy series 40,795 units, Honda Spacy 550 units, All New Honda PCX 469 units,

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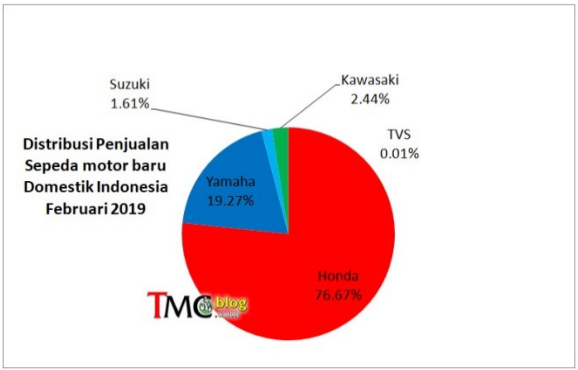
and Honda Big Bike NM4 Vultus as many as 3 units.

In the duck segment, AHM has a Honda Revo series which sold 17,326 units, followed by Honda Supra series 17,146 units, and Honda Blade 4,207 units. Total sales of Honda motorcycles in the duck segment amounted to 38,679 units with a market share of 58.1%.

The latest data from 2019 from the Indonesian Motorcycle Industry Association for the number of motorcycle/unit sales is as follows:

Pig. 4



Sourch: Asosiasi Industri Sepeda Motor Indonesia

Keep in mind that efforts to dominate the market are determined by Honda's strength, for example, Honda is the world's leader of motorcycles and the world's sixth-best cars, manufacturers and exceptional brand image, assembly plants are spread all over the world to make it easier for customers to get the products they want, produced to meet the demands of the target market, concern for environmental care and safety by making hybrid cars and fuel cells.

Conclusion

Honda motor can continue to increase sales so that it continues to dominate the Indonesian motorcycle market is inseparable from the efforts of PT .stra Internasional Tbk. This is determined by the marketing strategy, among others from the Segmentation and Position there are Product Types Customer Area Segment Serves the Economic Level, and Clustering Technique strategies aimed at grouping similar group customers in their segmentation dimensions into homogeneous segments. Honda's market share in Indonesia shows that a company/brand/product/service that has a market share above 60% is likely to have dominance and strength over the market. In each of its segments, such as the sports motorbike segment, the scooter motorbike, the duck segment, each year the Honda motorbike is superior compared to other brands such as Yamaha, Suzuki, Kawasaki, etc. Based on data from 2017-2019 Honda can be said to dominate the Indonesian motorcycle market share with a percentage of 76.67%.

In addition to bilateral economic and business cooperation between Indonesia and Japan, also known about the characteristics of Japanese MNCs, in the Japanese automotive industry there are two terms that often emerge, namely keiretsu and zaibatsu, which is a corporate network system in which there is a network of companies each other has long-term business relationship ties which are often also characterized by joint ownership of shares. Many MNCs do business across national borders and try to develop strategies for market expansion and expansion, such as those adopted by PT. Astra Honda Motor, which entered and dominated the Indonesian automotive market.

The characteristics of the country and the good relations that take place between Indonesia and Japan form a bilateral cooperation program called the Indonesia Japan Economic Partnership Agreement (IJEPA). With the existence of IJEPA, it presents a new step in the relations of Japan and Indonesia, namely the formation of economic relations through bilateral cooperation in increasing the capacity of liberalization, both in services and in the field of goods, promotion and facilitation of trade, and investment between the two countries. The program also enforces agreements in the form of general principles such as National Treatment, Most Favored Nations Treatment, Transparency.

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