



MODULE **VOLUME 2** **CURRENT ISSUE IN BUSINESS & MANAGEMENT**

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MODULE
CURRENT ISSUE IN BUSINESS AND MANAGEMENT

2

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PREFACE

This module is designed and developed in support of the Current Issue in Business and Management course (odd semester 2020/2021). It provides learning resources and ideas for the development and implementation of business issues in the real world.

The module consists of 9 chapters with the topics are: introduction to current issues in business and management, MSME's empowerment in Indonesia, pharmaceutical industry in Indonesia, social media marketing in Indonesia, tourism business in Indonesia, plastic pollution, advertising industry, entrepreneurial mindset, and CSR strategies for start-up businesses.

Hopefully, this module can be used widely as the main course guideline in the Current Issue in Business and Management class at IPMI International Business School and facilitate the learning process resulting in improvement in students.

September, 2020

Dety Nurfadilah, MBA., IFP

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CHAPTER 1. INTRODUCTION TO CURRENT ISSUE IN BUSINESS AND MANAGEMENT

LEARNING OUTCOME

1

Understand the importance of current issue in business and management

2

Understand format of business report

FORMAT OF A BUSINESS REPORT

CURRENT ISSUE IN BUSINESS AND MANAGEMENT

1.0 Structuring Your Business Report

A business report may contain:

A. Front cover

The front cover should be brief but descriptive of the project. It should also include the date of completion/submission of the report, the author/s, and their association/organisation.

B. Executive summary

The executive summary follows the title page, and should make sense on its own. The executive summary helps the reader quickly grasp the report's purpose, conclusions, and key recommendations. You may think of this as something the busy executive might read to get a feel for your report and its final conclusions. The executive summary should be no longer than one page. The executive summary differs from an abstract in that it

provides the key recommendations and conclusions, rather than a summary of the document.

C. Table of contents

The table of contents follows the executive summary on a new page. It states the pages for various sections. The reader receives a clear orientation to the report as the table of contents lists all the headings and sub-headings in the report.

D. Introduction

The introduction sets the stage for the reader. It gives the context for the report and generates the reader’s interest. It orients the reader to the purpose of the report and gives them a clear indication of what they can expect.

E. Analysis and Discussion

The discussion is the main part of your report and should present and discuss your findings. It should give enough information, analysis, and evidence to support your conclusions, and it should provide justification for your recommendations. Its organization will depend on your purpose, scope, and requirements, but it should follow a logical and systematic organization. The discussion should be subdivided into logical sections, each with informative, descriptive headings and a number.

Where your report’s purpose is to recommend the best solution to a problem, you should show clear analysis of all options. You should explain any analytical framework you used, such as SWOT or cost benefit analysis. This analysis of options can often be presented effectively in tables.

Table X. Informant’s Brief Profile

Code	Name	Position	Business/institutions
R1			

R2			
R3			
R4			
R5			

R1 mentioned that ...

Table Y. Summary of Informant's Feedback

Code	Main Points	Key Values
R1		
R2		
R3		
R4		
R5		

F. Conclusions

A business report usually needs both conclusions and recommendations. The difference between conclusions and recommendations in a report lies in the orientation to time. Conclusions typically relate to the present or past situation.

G. A list of references

Whenever you use information from other sources, references must be provided in-text and in a list of references. The style of referencing uses APA.

H. Appendices.

If material is important to your discussion and is directly referred to, then it should be included in your discussion proper. However, you might want to use appendices to include supplementary material that enhances understanding for the reader. You might use appendices to provide details on the process or analysis you underwent (or which was required by your supervisor or lecturer).

When you choose to include information in appendices, you should refer to it clearly in your text (*refer Appendix A*). A single appendix should be titled APPENDIX. Multiple appendices are titled APPENDIX A, APPENDIX B, etc. Appendices appear in the order that they are mentioned in the text of the report.

2.0 Writing Your Business Report

Now that you have organised your thoughts, you need to put them into writing. Ensure your writing demonstrates clarity and logic. You should think constantly about your readers and make your report easy for them to read. To achieve good readability, you should:

- Use effective headings and subheadings
- Structure your paragraphs well
- Write clear sentences with plain language
- Keep your writing professional
- Use white space and well-chosen fonts

- Use footnotes, tables, figures, and appendices appropriately.
- Use effective headings and subheading

2.1 Use Effective Headings and Subheadings

Headings and subheadings are useful tools in business writing. Ensure they are descriptive of the content to follow. In other words, rather than labelling a section Section 2.5, it would be better to describe it as 2.5 Justification for the high-risk scenario. It is also essential that the hierarchy of headings and subheadings is clear. Use formatting (font size, bold, etc.) to show headings versus subheadings. Headings/subheadings at the same level should use parallel form (the same grammatical construction). The following examples illustrate this principle.

Ineffective headings with non- parallel construction	Effective headings with parallel construction
<i>Establishing formal sales organisation</i>	<i>Establish formal sales organisation</i>
<i>Production department responsibilities</i>	<i>Define responsibilities within the production department</i>
<i>Improve cost-accounting</i>	<i>Improve cost accounting</i>

(Adapted from Munter, 1997, p. 53)

Use sentence case for headings. This means that your first word should have a capital letter, but subsequent words have small letters, unless, of course, they are proper nouns (Write Limited, 2013). Remember to ensure that all material placed underneath a heading serves that heading. It is easy to go off on a tangent that does not relate to a heading.

Remember also that all content must relate to your purpose. Every time you write a new section of your report, check that it fulfils the purpose of the report.

2.2 Structure Your Paragraphs Well

Your headings will help create logical flow for your reader, but under each heading, you should create a series of paragraphs that are also logically ordered and structured. Paragraphs should be ordered in a logical sequence beginning with the most important material first. Within your paragraphs you should also use a structure that helps your reader. Each paragraph should begin with a topic sentence that states the main idea or topic of the paragraph. Typically, a paragraph will have between 100 and 200 words and will have the following structure.

2.2.1 Topic Sentence (States Main Idea of Paragraph)

2.2.2 Explanation Sentence (Explains or Expands on the Topic Sentence)

2.2.3 Support Sentences (Give Evidence for the Idea in the Topic Sentence and Include Statistics, Examples, and Citations)

2.2.4 Concluding Sentence (Optional Final Sentence That Answers the Question ‘So What?’; This is Your Opportunity to Show Your Critical Thinking Ability)

Remember to link your paragraphs well. The first sentence (usually the topic sentence) is a good place to make a link between paragraphs. One of the most common ways to link paragraphs is to use the principle, ‘something old, something new’. This means you will include a word or phrase that contrasts the topic of the previous paragraph with the topic of your new paragraph. Take a look at the topic sentence at the beginning of this section 3.2. You will see that this topic sentence links to the material before it. For an example showing how to link ideas in a paragraph using the ‘something old, something new’ principle, see Appendix B.

2.3 Write Clear Sentences with Plain Languages

Academic and business writing should be clear. You want to clearly communicate your understanding of the topic and the strength of your argument. In order to do this, keep your sentences short and use plain language where you can (Write Limited, 2013). Sentences that are too long and complicated are difficult to understand. A good average

length is 15–20 words (roughly 1.5 lines). Try not to go over 2 lines. Sometimes students try to use big words in order to sound academic. This is not always a good idea. If you need a big (sometimes technical) word, fine. However, if a shorter one does the job, use it. For example, *use* is better than *utilise*, and *change* is better than *modification*.

Look at the following example.

Phase one of the project included the collection of a range of data and research material completed during 2011, which was utilised in the creation of a range of soon to be finalised analyst 'personas', and input into the planning of a new enhanced information architecture for the business's online channel, particularly resources for current analysts.

Now look at a plainer version.

In 2011, the team undertook phase one of the project. They collected a range of data and research material. Using this collected material, they created analyst 'personas'. They also began to plan an enhanced information architecture for the business's online channel. Current analysts can use some of the resources the team have created.

You will notice some of the sophisticated words have changed to plainer ones. You will also notice that the sentences are shorter and easier to understand.

Another change relates to 'active voice'. You will notice that the first example uses some 'passive voice': *which was utilized*. Passive voice enables writers to omit the people (or doers) from their sentences. However, readers often appreciate knowing 'who' does something. You will notice in the second example, the writer adds a doer: *team*. This means the writer can now use the active voice: *In 2011, the team completed...*All of these techniques—short sentences, plainer language, and active voice—will help your reader understand your message in one reading. This is especially important in business writing where readers have busy working days.

2.4 Keep Your Writing Professional

Ensure you use an appropriate tone for your readers. Where possible, use personal pronouns *we* and *you*: *We recommend you check the building's foundations*. Personal pronouns create a friendly tone that is appropriate for New Zealand business and

government. They also help the writer avoid the passive voice. And, as stated above, readers like to know 'who' will do something. However, sometimes you might want a more formal tone where personal pronouns are not appropriate. In these cases, you can use words like *research* or *report* as your sentence subject: *This report discusses...*, *This research has found that...*. Another way of ensuring appropriate tone is to avoid terms that may be interpreted as offensive to ethnic or other groups. Be careful to use gender-neutral terms. For example, use plural pronouns (*they* when referring to *clients*) rather than gender-specific pronouns (*he* or *he/she*). Another aspect of tone relates to the use of contractions. Contractions are words like *we've* or *it's*. They are informal. For many business reports and for all academic reports, you will need to avoid them and write *we have* or *it is*.

2.5 Use White Space and Well-Chosen Fonts

White space refers to the empty space on the page. Business reports which have a more balanced use of white space and text are easier to read and more effectively communicate main points and subordinate ideas. Create white space by:

2.5.1 Using lots of headings and subheadings

2.5.2 Creating large margins along all edges (usually 2.5–3cm)

2.5.3 Breaking up your page with tables, charts, and graphs where possible

2.5.4 Using bulleted lists.

2.6 Number Your Pages

Your title page has no number. Use Roman numerals for the executive summary and table of contents (i, ii, iii), and Arabic numbers for the remainder of the report (1, 2, 3 ...).

2.7 Use Footnotes, Tables, Figures, and Appendices Appropriately

Footnotes should be used sparingly. Points that are important can usually be integrated into the text. Footnotes or endnotes should not be used for referencing (see References above).

In business reports, tables and figures are often used to represent data, processes, etc. Tables and figures should be inserted in the text of the document, close to the discussion

of the table/figure. If the information is something which the reader could refer to rather than should refer to, then it may go in the appendices. Tables and figures have different purposes. A table contains an array of numbers or text (such as a SWOT table). A figure is something that contains graphical content, such as graphs created in Excel, organisational charts, or flow charts.

Insert each table/figure one-and-a-half or two lines below the text. The table/figure should be identified with a label and title which describes the content, for example, *Table 1. GDP of New Zealand, 1988–2002.*

If a table, figure, or appendix is included in a document, then there must be text that refers to it! The text should refer to it by name (*As Table 1 shows*). The text should explain the highlights of the table or figure, not every detail. Do not leave it to the reader to try to figure out why you included the table or figure in your document. At the same time, ensure that your tables/figures supplement and clarify the text but do not completely duplicate it. Also ensure that there is sufficient information in the table or figure so that the reader can understand it without having to consult the text. Footnotes immediately underneath the table or figure should be used to explain all abbreviations and symbols used.

CHAPTER 2. MSME's EMPOWERMENT IN INDONESIA

LEARNING OUTCOME

Learning Outcome

- 1 Critically evaluate a range of contemporary business issues and apply the knowledge gained to the MSME's empowerment in Indonesia and organizations
- 2 Articulate their understanding and awareness of such issues in the MSME's empowerment in Indonesia and produce recommendations in the form of a business report

1 Critically evaluate many factors related to msme's empowerment in indonesia and apply the knowledge gained to business sector

2 Articulate their understanding and awareness about msme's empowerment in indonesia and the best practice

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DELOITTE
CONSULTANT

EXECUTIVE SUMMARY

MSMEs have an important and strategic role for Indonesia's economic growth, therefore this report provides an overview of the topic, the development of MSMEs in Indonesia and how to develop them. The analytical methods used include: Defining Indonesian MSMEs from various perspectives and sources; to examine the development of SMEs in Indonesia by using secondary data. In addition, this report discusses common problems about the start of a person's journey to build MSME, and discusses problems from entrepreneurs regarding MSMEs problems they experience and how to solve them through implementing strategies from various companies.

INTRODUCTION

1.1 Background

As Indonesians, of course our daily views and activities cannot be separated from the various services and goods created by MSME players. When you buy basic necessities, you buy them in a small shop near your house, that is one of the MSME actors. As for MSME players who take advantage of technology in the current digital era by offering products they sell online through e-commerce or social media. Although MSME stands for Micro, Small and Medium Enterprises, we cannot underestimate this, in fact MSMEs have a very big role for the economy to employment in Indonesia.

For every ASEAN nation, they have different definitions about Micro-Small and Medium Enterprises (MSMEs) (Sato, 2015). For Micro-Small and Medium Enterprises in Indonesia, the official definition can be cited from the National Law/Undang-Undang No. 20, 2008 regarding Micro-Small and Medium Enterprises (MSMEs), which states that an enterprise can be categorized as MSME if it qualifies the following requirements, as follows:

1. **Micro:** productive businesses belong to an individual or entity individually owned businesses meet the criteria:
 - A. Having a net worth of less than IDR 50,000,000,- (fifty million rupiah) that does not include land and buildings of business.
 - B. Having annual sales of less than IDR 300,000,000,- (three hundred million rupiah).

2. **Small:** productive business belong to an individual or a business entity that is not a subsidiary or company-owned branch, controlled or be part of either straight away or indirectly from the business medium or large businesses. Criteria for small enterprise, as follows:
 - A. Having net worth of more than IDR 50,000,000,- (fifty million rupiah) up to a maximum of IDR 500,000,000, - (five hundred million rupiah) that does not include land and buildings of business; or
 - B. Having annual sales of more than IDR 300,000,000,- (three hundred million rupiah) up to a maximum of IDR 2,500,000,000,- (two billion five hundred million rupiah).

3. **Medium:** productive business belong to an individuals or a business entity that is not a subsidiary or companies owned branch, controlled, or be part of either directly or indirectly with the effort small or large businesses that fulfill criteria, as follows:
 - A. Having a net worth of more than IDR 500,000,000,- (five hundred million rupiah) up to a maximum of IDR 10,000,000,000 (ten billion rupiah) does not include land and buildings place of business, or
 - B. Having annual sales of more than IDR 2,500,000,000 (two billion five hundred million rupiah) up to a maximum of IDR 50,000,000,000, - (fifty billion rupiah).

Meanwhile, the Central Statistics Agency of Indonesia or Badan Pusat Statistik (BPS) provides a definition of MSMEs based on the number of labor. Small enterprise is a business that has a labor of five people up to nineteen people and medium enterprise is a business that has a labor of twenty to ninety nine people (BPS, 2013).

1.2 Problem

The significant contribution of Micro, Small, and Medium Enterprises (MSMEs) in the economy is becoming a widespread knowledge across Indonesia, yet they have not been enabled to unlock their full potential because of the numerous issues that are constraining their potential for high growth. These issues, whether it be due to internal or external factors, are commonly faced by many MSMEs that it could go as far as

eventually leading them to their detriment, and the nation's, if they are not tended properly.

From several clients, we could derive the underlying causes of the disruptions they face in operating their MSMEs. A client from Aquatic Consultant highlights issues that the majority of MSMEs are unfortunately familiar with, as seen from their statement, "we just started our MSME and we are constrained by business capital, marketing strategies, and access to digital technology. As a result, our business has been stagnant and has not made significant progress. The lack of a channel for goods distribution is also a challenge faced by us as MSMEs."

Underlining existing issues that one's MSME struggles with is a starting point, but some have already thought of what ideal measures would be at their best benefits, but have not acquired the necessary guidance they require, that they reached out for our consultation. Our clients at KPMG have planned their next step towards promoting their MSME at an exhibition, in which they would be registering for their very first time; they see the opportunity within this event, but do not know how to utilise it to their advantage. Meanwhile, in an opposing case, a similar event was established by our clients at Kampung Sukakinky, and they have reached out to receive consultation regarding the attainment of government support, and how to safeguard the ownership of their successful MSMEs against profit-oriented entities.

Although many MSMEs have a common struggle, the aforementioned issues accentuates that the prevalent challenges MSMEs encounter can emerge due to both internal and external factors. Internal factors include lack of capital and limited human resources (Hafsah, 2004), similarly to Aquatic Consultant's case, as well as another client, Accenture Strategy, who struggles with lack of fundings. Meanwhile, external factors include Kampung Sukakinky's previously-mentioned issues, our client at Y&L's competitive issues, and furthermore: bad business climate; limited facilities for business; implications of regional autonomy regulations, and limited market access (Bank Indonesia, 2015).

1.3 Purpose

The economic growth of developing countries such as Indonesia is largely supported by the existence of Micro-Small and Medium Enterprises (MSMEs) (Hayasi, 2007). However, there still many of MSMEs owners face difficulties in managing the MSMEs. Therefore, the purpose of this report is to:

1. Explain what Micro-Small and Medium Enterprise is and its role in Indonesia.
2. Provide critical analysis of how the Micro-Small and Medium Enterprise contributes to Indonesia economy.
3. Discuss issues that are relevant to Micro-Small and Medium Enterprise development.
4. Analyse the potential strategies and propose the best recommendations related to Micro-Small and Medium Enterprise development.

ANALYSIS AND DISCUSSION

2.1 Micro-Small and Medium Enterprises in Indonesia

The demographic condition in Indonesia which yields a “demographic bonus” can be an advantage in creating more business ventures. One of the businesses that are easy to build and does not require a large amount of capital is Micro-Small and Medium Enterprises (MSMEs).

MSMEs are considered as one of the backbones behind the Indonesian economy. In Indonesia, the proportion of MSME reaches 99.99% of the total business actors or 64.19 million units in 2018. The distribution of 64.19 million units according to the types of MSMEs business is presented in Figure 1 below:



Figure 1. Number of Micro, Small and Medium Enterprises in Indonesia

(Source: Indonesian Ministry of Cooperatives and Micro-Small and Medium Enterprises (MSMEs), 2018)

From the Figure 1 above, it can be derived that out of the 64.19 million units, Micro businesses are still the largest, amounted to 63.35 million businesses (98.68 percent), followed by Small businesses 783,132 businesses (1.22 percent), and Medium businesses with 60,702 businesses (0.09 percent).

Viewed from the business field, MSME which has the largest proportion in 2018 according to the Ministry of Cooperatives and Micro-Small and Medium Enterprises is Agriculture, Animal Husbandry, Forestry and Fisheries, with a total of 26,960,465 businesses units or 48.85% of the total MSMEs. Sector subsequent ventures that have contributed the second largest is trade, hotels and restaurants (15,484,200 units or 28.83%). The third is transportation and communication (3,775,258 units or 6.88%); fourth processing industry (3,457,985 units or 6.41%); the five services (2,453,429 units or 4.52%); sixth, finance, leasing, and company services (1,271,85 units or 2.37%); the seven buildings (852,499 units or 1.57%); eighth mining and excavation (291,457 units or 0.53%); and ninth electricity, gas, and clean water (12,870 units or 0.03%).

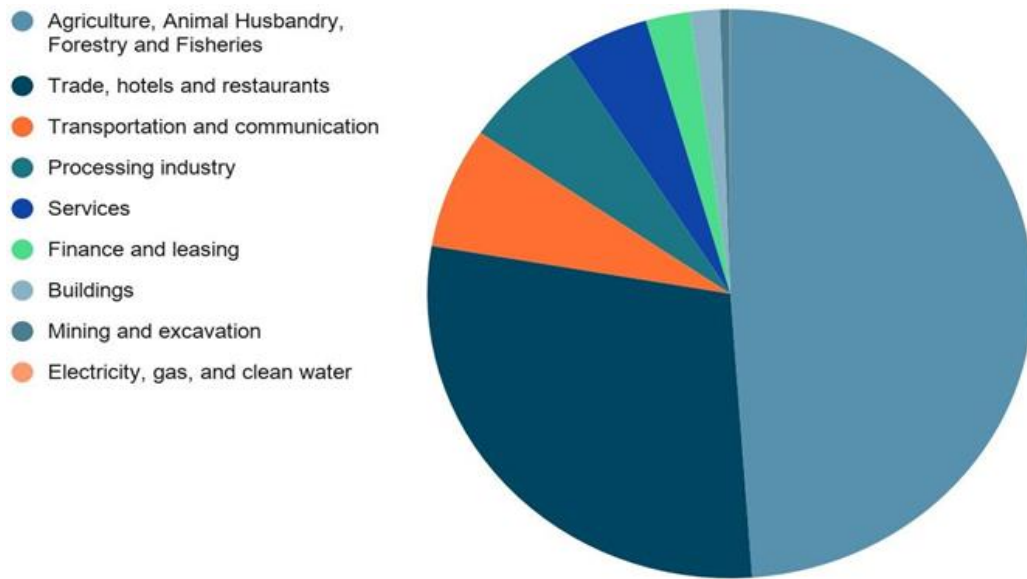


Chart 1. Number of MSMEs According to Business Field (%) (Source: Indonesian Ministry of Cooperatives and Micro-Small and Medium Enterprises (MSMEs), 2018)

2.2 Indonesian Government Policy towards MSMEs

In order to support Micro-Small and Medium Enterprises (MSMEs) development, the Government of Indonesia (GoI) imposes several efforts including stimulating policies and programs. The current policies and programs are as follows:

2.2.1 Decrease in KUR's (*Kredit Usaha Rakyat*) interest rate.

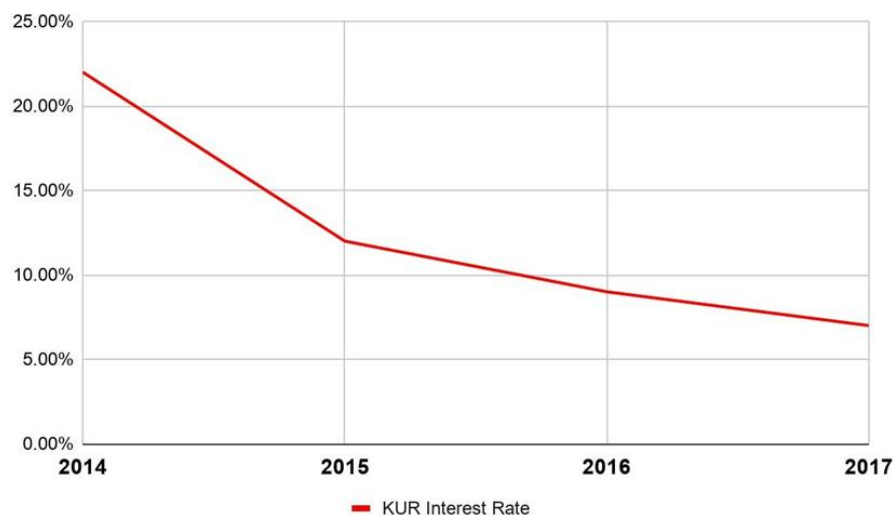


Figure 2. Decrease in KUR (/Year) (Source: Indonesian Ministry of Cooperatives and Micro-Small and Medium Enterprises (MSMEs), 2014-2018)

As depicted in Figure 2, the KUR interest rate in bank loans has decreased gradually since 2014 by 22.0% to 12.0% in 2015 and decreased by 9.0% in 2017. Latest, in 2018 it fell back to 7.0%.

2.2.2 Decrease in MSMEs Tax Rates

In 2018, the Micro-Small and Medium Enterprises (MSMEs) Final PPh or Pajak Penghasilan rates fell from 1% to 0,5% for MSMEs that have maximum gross turnover or circulation amounting to IDR.4.8 billion/year.

2.2.3 Ease in MSME Licensing

In order to support the development of MSMEs, the government accelerates business licensing by launching a single submission. This application is given the convenience of investing through the application of an integrated electronic business licensing system.

2.2.4 Business Development Program

In order to increase the ability of MSME Indonesia to become resilient and independent, the Ministry of State-Owned Enterprises (BUMN) and government launch a MSMEs Development Program and Environmental Empowerment or called PKBL (Program Kemitraan dan Bina Lingkungan).

2.2.5 Market Expansion Program

In order to help MSME to expand and widen their market, the government has launch several programs, as follows:

- A. The Mall-to-Mall exhibition program in collaboration with APBI (Indonesian Shopping Center Association).
- B. The Go Online 100,000 Micro, Small and Medium Enterprises (MSMEs) movement program in 30 cities/districts in Indonesia to support the government's vision to make Indonesia the Digital Energy of Asia.
- C. Online marketing operational training and product sales listings on e-commerce sites in collaboration with PT. Telkom Indonesia (Persero) Tbk.

2.3 The Role of Micro-Small and Medium Enterprises in Indonesia

In Indonesia, the role of MSMEs is stated in Art 3 and 5 of the Law 20/2008 regarding Micro-Small and Medium Enterprises (MSMEs). In Art 3, MSME plays a role in driving the national economy. The points in Art 3 are explained in more detail in Art 5, namely the role MSMEs in building the national economy is through regional development, job creation, equity income, economic growth, and alleviation of the people from poverty.

According to data from the Indonesian Ministry of Cooperatives and Micro-Small and Medium Enterprises (MSMEs) in 2018, MSMEs in Indonesia have a considerable contribution in driving the national economy. The contribution of Micro-Small and Medium Enterprises (MSMEs) to Indonesia can be seen in Illustration 2 below.

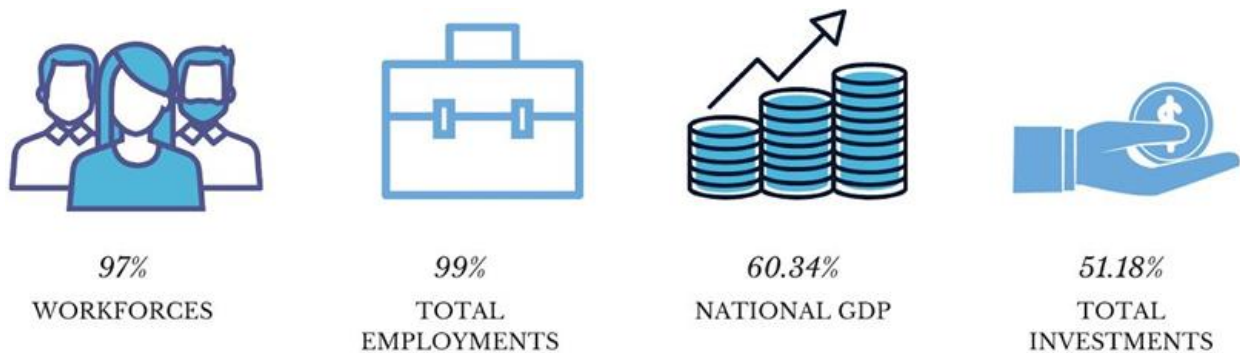


Illustration 2. Micro-Small and Medium Enterprises (MSMEs)'s Contributions (Source: Indonesian Ministry of Cooperatives and Micro-Small and Medium Enterprises (MSMEs), 2018)

As shown in Illustration 2, MSMEs have a crucial role in reducing poverty and increasing the welfare of citizens in Indonesia. In terms of labor absorption, MSMEs is one of the sectors that absorbs a large number of labor. MSMEs absorbed 117 million labor or 97.0% of the labor absorption capacity. In addition, 99.0% of the total available employment opportunities were being facilitated by the existence of MSMEs.

MSMEs also have a huge contribution to the total national GDP (Gross Domestic Product) of Indonesia, whereas it contributed up to IDR 8,573.9 trillion to Indonesia's GDP (based on current prices) in 2018. Indonesia's GDP in 2018 was IDR 14,838.3 trillion, so the contribution of MSMEs reached 60.34% of national GDP. Not to mention, 51.18% of total investment also came from the MSMEs sector.

However, compared to several ASEAN countries such as Malaysia, Thailand, the Philippines and Vietnam, the involvement of the Indonesian MSME sector in the global value chain is still considered low. The contribution of Indonesia MSMEs to the national exports is depicted in Figure 3.

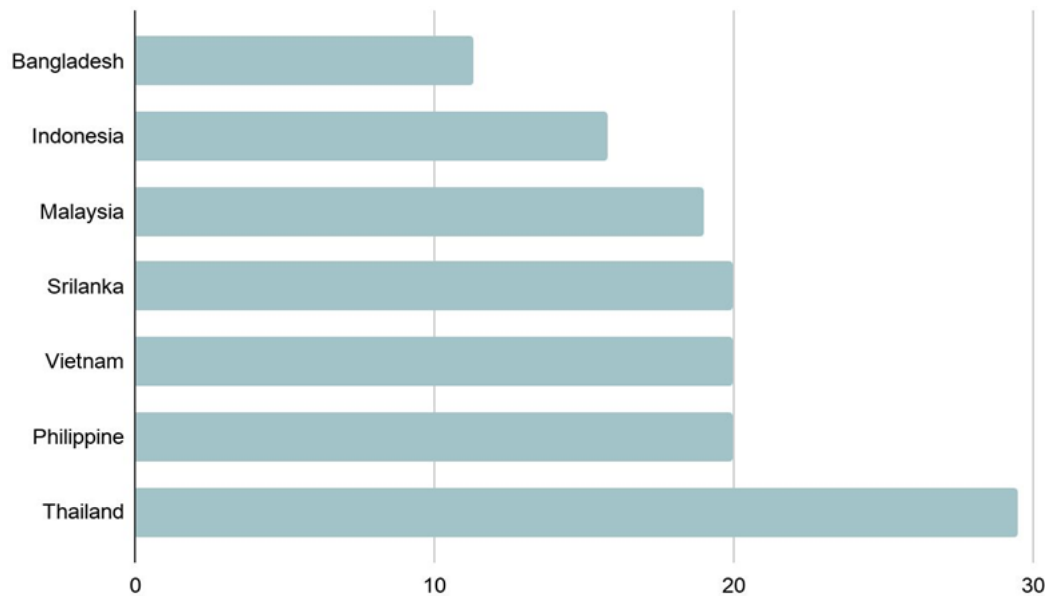


Figure 3. MSMEs Contribution to National Exports in Indonesia (Source: Yoshino et al, 2015)

Approximately around 6.0% of the total MSMEs in Indonesia are able to be involved in the trade chain in the Southeast Asian region. The contribution of the MSME sector to national exports in Indonesia is still low, or 15.80% of total non-oil and gas exports.

From these data, it can be concluded that the need to further develop the Indonesia MSME is required. This can be done by doing such efforts internally or externally to elevate the Micro, and Small business into Medium business.

2.4 Stories Behind Successful MSMEs in Indonesia

Operating an MSME is certainly not an easy path, with the challenges and stumbling blocks that stand in the way; but with one's perseverance, commitment, and resilience, their desired outcome will surely be achieved eventually. Thus, there are several people in Indonesia, who have proven that even MSMEs can become a huge success.

2.4.1 Bob Sadino: Founder of Kem Chicks

Born as Bambang Mustari Sadino in 1933, Bob Sadino became a well-known entrepreneur for his establishment of Kem Chicks, which he built from the ground up; his success story is one that many business owners have taken as an inspiration.

Sadino began his journey as the youngest son of a well-off family, until his parents passed away by the time he was aged 19, when he used his inheritance to travel the world and settle down in the Netherlands for nine years. By 1967, he travelled back to Indonesia with his wife, while bringing along his two Mercedes, in which he sold one in exchange for land, and rented the other. Surely, he might have tasted success before, but that changed when his rented car had become severely damaged that it would need a costly price, that he was incapable of paying, to fix.

Although he was in a state of utter frustration, he still managed to hold his head high and start over as a stone labourer, with a pay of Rp.100 per day. He was at loss when it came to improving his life, yet he still held the pride of being the head of the family and refused the help from his wife who was willing to support their family.

From the support he received, he had derived a business idea from a friend's suggestion of opening a chicken farm, which he soon executed. He had customer complaints from here and there, but that only made his business strive; he had taken these negative feedbacks and generated them to improve his services, which allowed him to gain an abundance of earnings to eventually establish a small convenience store, named Kem Chicks, that developed over the years into success.

2.4.2 Yasa Singgih: Founder of Men's Republic

Yasa Singgih is a young entrepreneur who owns the apparel company, Men's Republic, and was recognised, as well, by his feature in Forbes' '30 under 30' in 2016; his achievements at such a young age has made him become an exemplar role model for many, that it's 'never too young to become a billionaire,' as he titled his book.

Singgih was born in 1995 as the youngest son of a simple family. His entrepreneurial path towards his present commenced by the time he was aged 15, when his father had heart

problems and refused to undergo surgery since he felt that with such a costly price, it would be better to use it for his children's education; but instead, Singgih began looking into opportunities to financially support his family and found that becoming a Master of Ceremony (MC) at events could be his starting point.

His curiosity towards business and entrepreneurship was getting stronger as he entered high school, and he decided to establish a clothing business, with very limited knowledge about the business world. Selling his own designed clothing was a failure; he couldn't even sell the 24 shirts he had printed, but he still wanted to pursue this sector and found the opportunity to make up his loss through re-selling already-made shirts, which enabled him to earn money for his next business pursuit. Although his first clothing business was not a success, that was not much compared to his next business which had him lose up to Rp.100M. It could be said that this was his calling to take a step back, and focus on his national exams first.

After his graduation, he dived back into the business world when he possessed more knowledge, with solid strategies and planning for his next business. There was an advantage that he took, which was his knowledge on shoes, that he derived from his father; he had taken this to establish a shoe business through debts, at the beginning, but eventually managed to gain profits that allowed him to enroll into college, where he had the opportunity to cover any insufficient fundings or capabilities he had during this journey by partnering with his college mates, which allowed him to develop the business into Men's Republic as it is now.

2.4.3 Achmad Zaky: Founder of Bukalapak

Achmad Zaky is a well-known entrepreneur that founded Bukalapak, an e-commerce platform that eases the operations of MSMEs. Bukalapak, itself, began as an MSME and developed over the years to their success, despite the numerous hurdles thrown at their path; Zaky and his Bukalapak team had flourished their way to the future.

At the age of 11, Zaky commenced his journey when he received a laptop from his uncle as a gift that evoked his interest for the digital world; it eventually became his passion that he won a national science competition, in the Computer category, while he was in

high school. He graduated to enroll at Bandung Institute of Technology (ITB) to pursue a degree in Information Technology (IT), where he continued to expand his knowledge and entered IT-related competitions. Despite harbouring inferiority towards other students, Zaky had always believed that he could overcome any obstacle.

Zaky's idea of Bukalapak emerged while contemplating on giving back to the society with usefulness, until he was struck with the thought of creating ease for buyers and sellers through an online platform; it was quite a novel thought since Indonesia barely had any similar sites by 2010. He had executed it right away and generated his idea into something existent: Bukalapak.

Started with barely a few sellers, Zaky had actively promoted Bukalapak, be it through online or offline means. E-commerce platforms were rare, and he faced difficulties to get sellers to use the platform as they have such low trust over it, but that did not stop him; while continuingly promoting, he had tweeted stories on how e-commerce had created successful sellers, and educate his targeted sellers, to the point where he earned their trust and gained sellers on Bukalapak. His drive and commitment to convince MSMEs to adapt to technological changes had encouraged MSME empowerment. From a fellow MSME owner that helped his own kind, Achmad Zaky had thrived into his well-deserved success.

Table 1. The Key Takeaways from Successful SME Entrepreneurs

Name	Problems Faced	Exemplar Characteristics	Business Application / Strategies
Bob Sadino	- Struck by an unexpected accident that changed his life.	Responsibility: Stood tall for his family, even if he was in frustration. Tenacity: He never gave up or stopped trying.	- convert complaints into improvements - Be sharp in finding opportunities

Yasa Singgih	<ul style="list-style-type: none"> - Limited knowledge about businesses - A loss of up to Rp. 100M 	<p>Resilience: He wasn't tired of falling, even after four failures.</p> <p>Drive: Encouraged to learn business and entrepreneurs</p>	<ul style="list-style-type: none"> - Partner up with family or friends (for funding / capital). - Earn money through a business that is in demand. - Be sharp in finding opportunities.
Achmad Zaky	<ul style="list-style-type: none"> - Low trust: (people were scared that BL was a scam) - Market was unwilling to adapt 	<p>Drive: Did not settle on the few sellers he gained, but kept on promoting Bukalapak.</p>	<ul style="list-style-type: none"> - Come up with a solution to common societal problems - Active promoting (online and offline) - Educate sellers who do not see their vision - Approach the community

2.5 Possible Strategies

We looked up the strategies used in successful established companies and picked out some that are relevant to our issues:

2.5.1 Possible Strategies for Aquatic Group

As an MSME, Aquatic Consultant is facing common constraints from business capital, marketing strategies, and access to digital technology, that leaves them in a stagnant position with insignificant progress. In addition, they face another challenge of a lack of channel for goods distribution. Our suggestions are as follows:

2.5.1.1 Growing with Little Capital

A. Avoid Unnecessary Expenses

Although it is inevitable to avoid encountering a handful of expenses, it is entirely possible to have control over what one spends and it is a vital importance that

overspending is avoided. In a business, there are essentials, non-essentials, and also alternatives, thus two important questions before spending a business' capital are: how will this help grow the business, and are there any cheaper alternatives to this? For instance, from a human resource perspective, a method to minimise expenses is through juggling a few jobs at once to one's capability (i.e. the owner is in charge of both marketing and financial tasks), or hiring a freelancer, before deciding to spend high overhead costs for full-timers, that might not even be needed. MSMEs must maintain a lean mindset, especially when they are constrained by limited capital. Furthermore, if taking a step further is desired, there are ways that a business model can be shaped around low costs, and some successful companies that have done this include Southwest Airlines and Ikea. "Keep your costs low, and make every dollar count," as stated in a Forbes article.

B. Minimise Future Burdens

While the strategy mentioned above is a way to reduce present costs, it is still an importance to look out for the future and prevent or minimise any unwanted challenges to occur, and in this case, financial challenges. An MSME with insufficient funds may find it difficult to resist the urge of using debts to finance certain parts of their business; although it may be needed at some point, they should not let themselves be carried away to the point where they will go into the future with too much financial burdens beyond their paying capability. Growing with little capital is difficult but it is not impossible, and MSMEs should not give in too easily on primarily financing their business through debts; eliminating future financial burdens in advance might not show fruitful results at the beginning, but it will be a worthwhile method that increases an MSME's chance of success.

C. Prioritise Quality Customers over the Quantity

MSMEs would realise that their revenue is highly dependent on their small customer base, meaning that each and every single customer plays a significant role that influences the business' conditions. Customers can affect the financial condition of a company, especially when the MSME allows credit or late payments; hence, they should learn to identify quality customers who pay on time and are easy to work with, and bad customers who are hard to deal with and do not pay

on time. These said customers will either help or constrain an MSME's growth so it is important to recognise the different types of customers and how they affect the business. Retaining existing customers, especially the quality ones, may be more profitable than spending to attract new customers; building customer relationships until it becomes customer loyalty is a valuable asset for a MSME to have as they have positive effects towards their growth. Furthermore, Bob Sadino's strategy of converting complaints and feedback into guidance can be used as these valuable customers have enough experience with the MSME to provide constructive feedback to improve their business.

D. Hardwork and Commitment is a Must

The journey to a successful future of a MSME is not only from extrinsic factors but also the intrinsic motivation of those who are running it; from the key takeaways of successful SME entrepreneurs in the previous section, we can safely conclude that hard work and commitment is a must-have when you are growing a MSME. The exemplar characteristics from Achmad Zaky, Bob Sadino, and Yasa Singgih should be adopted as they are the key drivers that have an enormous influence on the success of a MSME. Taking the example of Achmad Zaky, he didn't settle for the few sellers that were on Bukalapak, he had continually promoted his MSME and even convinced sellers through the means of educating them about the e-commerce world.

Besides the aforementioned strategies, the Aquatic group can always look for increasing their fundings and our solutions for this can be seen in a section below, on Accenture Strategy.

2.5.1.2 Correct Distribution Channel

As it was not specified by the Aquatic Group regarding what type of business they run, this section may come off quite vague.

Our solution primarily overviews the different traditional distribution channels as we are under the assumption that the Aquatic Group has limited access to technology. There are several things they would have to look at before they decide: their products

or services; their competition; their size; their average orders, etc. But, from our research and understanding, a MSME would decide on their channel of distribution under these key considerations (the three Cs):

1. **Cost:** Their willingness to spend on the distribution channel
 - A. A shorter channel would be more costly.
 - B. A longer channel would be cheaper.

2. **Control:** Their desired control over the distribution channel
 - A. If they wish to have more control over their channel, then they would most likely choose a shorter channel
 - B. If they do not mind having less control over their channel, they would most likely choose a longer channel

3. **Coverage:** The market coverage they want to reach
 - A. A shorter channel would not cover much of the market
 - B. A longer channel would cover more of the market

These are some trade-offs that the Aquatic Group would have to consider before choosing their channel of distribution; and it is important for the Aquatic Group to first identify what their priorities are. But, from the limited information they have given, we conclude that a longer distribution channel would be at the client's best interest as it satisfies their worry over their limited capital, while allowing them to maximise their market exposure, which is a huge benefit for MSMEs.

But, as an additional note, if the Aquatic Group is willing to invest in technology and adapt their business to the digital world, then we would advise them to utilise the internet as it may have more opportunities and benefits than the traditional distribution channels.

2.5.1.3 Appropriate Marketing

Although the Aquatic Group mentioned their access limits to technology, there are still ways to market their brand that only requires technology that is easily accessible. Our solutions are as follows:

A. Build a S-T-P Model

Before the Aquatic Group makes a marketing decision, it is important that they first identify their goals and priorities of their marketing strategy. The Segmenting, Targeting, and Positioning (S-T-P) model is a great way to do so; this will minimise the scope of their market so that they can focus on specific goals that will guide them along the way, without having to get lost.

B. Word-of-mouth

Telling everyone about their MSME would be a free marketing strategy that can maximise their reach to their desired audience; if they are lucky, they might even come across someone who is willing to help them promote their MSME without any additional costs. This is a go-to method that a lot of MSMEs do nowadays to introduce their newly-established MSME to a much larger audience; and this has even been proven to be an effective method.

C. Content marketing

By creating interesting content about a topic that their target market is passionate about, the Aquatic Group can evoke their market's attention, especially if they share a content that is quite thought provoking. Content marketing enables engagement between the Aquatic Group and their customers through meaningful conversations, and this will eventually create valuable relationships that would enhance the growth of their MSME. This strategy can be done through blog posts, emails, webinars, podcasts, and even through social media posts.

D. Pulsing Advertising

As a MSME, one of the main goals they should strive to achieve is creating brand awareness, and we would advise that the best way to achieve that is through continuously advertising throughout the year, and putting more effort during certain times of the year, which is named as 'pulsing advertising.' Their continuous efforts on promoting would allow them to reach a larger audience and investing more effort during times where their goods or services are in high demand, would further enhance their brand awareness.

E. Invest in the Appropriate Platform

Although it would be beneficial to be active in various platforms at once, we would advise them to keep doing so while finding out where the majority of their target market is, and invest in whichever platform they are in. For instance, if they realise that they have more reach when they market on Instagram, then they should invest more effort and money on it. By following where their market is mainly based, they will not lose the opportunity to maximise their reach.

2.5.2 Possible Strategies for McKinky & Co.

We understand that government support is one of the most important things to accelerate our business, especially when it comes to funding. Sometimes having a creative mind and ideas is not enough, we should also have an adequate amount of support in terms of infrastructure or funds. Similar to this case, Kampung Sukakinky together with their initiated program called Indonesia's Next Entrepreneurial Xperience (INEX) has experienced difficulty in capital. Our suggestions to this case is as follows:

2.5.2.1 Gaining Government Support

The government is very supportive of Indonesian MSME. For example, the BUMN Partnership Program with Small Businesses, which proves that the government really cares about MSME businesses. It is a program to increase the ability of small businesses to become resilient and independent through the use of funds from BUMN's profit share. It also aims to empower the social conditions of the community.

Businesses and MSMEs must be able to maintain and continue to improve the quality of their products in order to compete in an increasingly competitive market. Therefore MSMEs can gain the government's attention. Get media attention when you invite a local politician to attend your store opening or business event. Alternatively, participate on a government advisory committee or contribute when asked for input on policy issues that will have an impact on your business.

2.5.2.2 Asking for Grants

It can be done by participating in a government funding program. In 2019, the Ministry of Cooperative gave funding program to the entrepreneur startup. In order to foster entrepreneurial startups and support job creation and poverty reduction, the Ministry of Cooperatives and Small and Medium Enterprises (UKM) organized assistance in the form of grants to 2,500 micro-scale startup entrepreneurs (WP) up to Rp. 12,000,000 for each WP.

Hence, participating in the government funding can also be done to approach the government. This funding will help MSMEs in Indonesia to improve the quality of their business, which would improve Indonesia's economy.

2.5.2.3 Maintaining the ownership of their Local MSMEs

The last issue our clients from Kampung Sukakinky mentioned is how to prevent the businesses from their local people from being acquired or owned by profit-oriented entities.

Firstly, Kampung Sukakinky should set the targets they want to achieve. It is important because plans and strategies will determine the course of a business. Innovation and creativity are also very important in maintaining a business. Innovation and creativity must absolutely be done by an entrepreneur to improve and enhance their business(es).

Since deficiencies will always present in every existing business, Kampung Sukakinky needs to keep on innovating and make use of their creativity to survive in the midst of increasingly fierce and endless business competition.

2.5.3 Possible Strategies for KPMG

KPMGs owns a successful MSME that specialise in selling traditional snacks. They decide to participate in an annual MSMEs' exhibition to promote their business. But, they are in need of guidance on their exhibition preparations, and desire more information about the opportunity and benefits of the said exhibition. Our response is as follows:

2.5.3.1 General Preparations for the Exhibition

To prepare for their exhibition, the following list is important to ensure the success of their MSME promotion:

A. Create a Detailed Plan

It is essential to create a detailed plan in which clearly outlines their goals for the event. If the objective of their MSME on joining the exhibition is to sell products, sales targets should be set and payment solutions that will work within an exhibition environment should also be considered. If their intention is for networking with other businesses, a seating area within their stand space and pre-book meeting slots through marketing activities should be put into consideration in the planning of their exhibition stand. It is vital to establish their target audience beforehand because the event will be attended by a wide range of people.

B. Competitor Research

In order for KPMG's stand to be noticed during the exhibition, they should have an eye-catching, unique and branded exhibition space. They should research and take a look at what other exhibitors or competitors have done in the past. Since this would be their first time where their MSME will be participating in an exhibition, it would give them general guidance on what exhibitors should prepare for the exhibition.

C. Outline Their Budget

Establishing a budget is important. Budgeting decreases the possibility of overspending and it reduces the chance for making losses as well. The aspects you should include within your budget is as follows (Haubrich, 2019):

- 1) Space rental
- 2) Your exhibition stand
- 3) Travel cost
- 4) Promotional materials like printed brochures
- 5) Costs of advertising and publicity
- 6) Staffing
- 7) Costs of power and lightning
- 8) Costs of stand and equipment transportation

D. Designing a Stand

When designing a stand, a meeting between their MSME company and a design agency should be arranged to discuss their ideas and the concepts that they want to use for the exhibition. It is better if they do this several months prior to the exhibition date to make sure that they have enough time for preparing the initial concepts, revisions and final artwork. They should take into account the location of the event and the shipment of items used to design their stand to and from the event.

E. Spread the word

KPMG should advertise their participation at the event to invite more people to your booth. The website of your MSME can be used to send mail shots in order to inform potential attendees that you will participate at the exhibition. In addition, you can follow social media accounts for the event and participate in the conversation as well to let people know where you will be and what they can expect to see from your MSME exhibiting.

2.5.3.2 Promotional Preparations for the Exhibition

The following is the to-do list to promote KPMG's MSME at the exhibition:

A. Prepare a team that will be representing them at the event

Create a team that will be representing their MSME at the exhibition. They play an important role in determining whether KPMG achieves their goals participating at the exhibition or not. Since their target audience has been established, it is easier for the staff members to identify great prospects and interact with them. In order to maintain an intelligent conversation with potential clients, they should make sure their team members are well-informed about their MSME, current and new products, market trends and competitors. They should be motivated to interact and engage with attendees and collect their contact information.

B. Prepare a good amount of promotional items

Due to the numerous exhibitors that KPMG's attendees have seen in a short amount of time, they should make sure that their brand remains remembered when the attendees leave their stand. As a way to promote their brand and make

it more memorable, KPMG should prepare a good amount of promotional items such as printed brochures, business cards, bags, notebooks and pens that will be handed out to their attendees. It can also act as their contact information for their clients in case they wish to contact them.

C. Interactivity of the exhibition stand

In order to make their stand more interesting and attractive, they should create interaction at their exhibition stand. They have to ensure that the selected interactivity is relevant with their business, traditional Indonesian snacks; their target market and it can be done within the exhibition environment. They can create challenges or competitions that involve the traditional snacks their MSME offers. For example, a competition where the attendees have to guess the name of the snacks and whoever gets it right, will get a special prize.

2.5.3.3 Positive Impacts from the Exhibitio

A. Gain More Trust

One of the benefits of exhibiting is to meet clients face-to-face. Although technology advancements offer numerous marketing opportunities, meeting people one does business with is more preferable for most people. In order to build more trust, meeting clients in person is important. That way, misunderstandings can be avoided and customers can have more confidence in your brand. If they are confident, they would keep buying one's products.

B. Gain Insights

By participating in an exhibition, KPMG would have the opportunity to see what their competitors are doing. Since those competitors make use of an exhibition to launch their new products or introduce their new ideas, they would gain insights on the direction of the traditional food industry that can be used for planning their future business strategies.

C. Increase Brand Awareness

Participating in an exhibition is a great way to introduce their business to everyone in the industry. Especially for MSMEs like the one that they own,

increasing brand awareness can lead to the growth and competitiveness of the business. Exhibitions offer business players a chance to have the same playing field level of operation and the access to the same number of potential clients as their competitors. This combination makes it the perfect opportunity to build their brand and to solidify their position in the traditional food industry. Therefore, just being present at the exhibition is not enough; they need to make sure that their stand design is attractive enough to attract more traffic.

D. New Business Partners

Since KPMG sells traditional Indonesian snacks, which is a more product-based business, a strong supply chain plays a vital role in increasing the quality of their business. Suppliers significantly influence the quality and availability of the product and the margin at which KPMG sells them. In fact, most productive connections that they will make during the exhibition will be with other exhibitors. If KPMG attends a traditional food industry event, there is a possibility that they will meet other businesses in their supply chain. Such networking can also help businesses especially the smaller ones who typically do not have a huge advertising budget to generate new businesses. If KPMG is able to make use of this opportunity by expanding their network with their industry peers, it would open up invaluable business possibilities that can also lead to the growth of their business.

E. Lucrative Leads and Close Sales

Expansion of customer base is another opportunity that an exhibition offers. The majority of visitors are more likely to be potential clients who are interested in the traditional food industry and the product that you offer. In fact, more than 82% of exhibition attendees have buying authority according to Exhibition Survey Inc. In other words, participating in exhibitions will grant MSMEs indispensable opportunities to close deals with people in buying mode and help them capture leads that can be used for transforming their MSME into a leading company.

F. Real-time Feedbacks

In exhibitions, KPMG will be able to gain direct insights on what their customers need and want. The environment is also ideal for testing the response of the attendees on the new changes they plan for your business. For example, if KPMG is planning to offer a different type of traditional Indonesian snacks, they would be able to obtain some valuable market research by testing it out on the attendees.

2.5.4 Possible Strategies for Y&L

Y&L is a well-run MSME located in rural areas, where they have less competitors. Currently, they have dilemmas on whether to expand the business environment to urban and suburban areas due to the tight competition with big companies. To cope with this issue, our suggestions are as follows:

2.5.4.1 Competing with Big Companies

A. Digital Marketing

We can start with digital marketing, it's simpler than any time in recent memory for private ventures to make a curiously large presence. There are numerous free or minimal effort approaches to get more clients, Digital marketing approaches like social media advertising and pay per click ads provide you the opportunity to reach new audiences for a minimal investment compared to traditional television and radio advertising. Plus, MSMEs can take advantage like direct mail, while using modern data and analytics techniques to find the best audience for these conventional channels.

B. Refining their Target Audience

Y&L should think about different ways they can segment their target audience and the best ways to market to them effectively. This might help them attract even more new customers and grow their audience online. For example, Y&L can take advantage of lookalike audience targeting on social media to show their ads to prospective customers with attributes most similar to their current customers, increasing the attention that they would want to do business with Y&L.

C. Getting Involved in the Local Community

Y&L can donate products or maybe services to auctions for nearby places. They would have to get a team together to volunteer monthly or quarterly at a deserving local charity; and create the kind of personal touch that a big brand can only hope to replicate.

D. Providing Great Customer Service

It is important to provide great customer service by putting a priority on hiring employees who have a full understanding of not just Y&L's products and services, but their brand as a whole. Finding the right people for the job is more important than filling those jobs. Even when they think that their customer service team is performing at its best, it can likely be improved. This can create their customer service team with your company values and always prioritizing the customer's experience has no time limit.

2.5.5 Possible Strategies for Accenture Strategy

Similar to the various MSMEs issue, Accenture Strategy is also facing a tough time to get funds. Several sources of funding that we suggest are as follows:

There are various sources of funding to develop MSMEs:

1. Personal funds
2. Family or relatives
3. Government funding
4. Special financing program for MSMEs
5. Business incubator
6. Angel investors
7. Venture capital

Accenture Strategy can choose one of the methods above; the easiest is to use personal costs / personal savings, the second easiest way is by borrowing funds from family and closest relatives or partnering with them, as taken from Yasa Singgih's experience. They can also take part in programs organized by the government by registering their business and participating in the election selection.

Here are 3 strategic steps that must be taken by MSMEs or startups to get funding:

A. Determining the Right Business Model

Based on the experience of Billy Kurniawan, CEO and founder of Jiwa Group, he had experienced ups and downs or entrepreneurial dynamics with 9 other businesses he had previously pioneered. Learning from the many mistakes in his previous businesses, in 2017-2018, Billy started pioneering Janji Jiwa. In 2018, online food delivery appeared, which made Billy feel like it was a great business opportunity. He strives to meet the market demand so that he can produce the right product with affordable prices. He had problems in funding for marketing, the strategy he implemented was collaboration and networking with family, friends, and relatives to become the first market.

B. Making Financial Records and Decisions

According to the Commissioner of the Modal Rakyat, Wafa Taftazani, he opened a funding program for umkm / startups that had good financial records and a healthy financial history. Wafa said, in standard analysis, MSMEs are required to have at least 3 keys of financial records so that their profile can attract lenders: Balance sheet which includes analysis of total business, total assets owned, and liabilities owned; Income statement which includes total income and expenses in a certain period to determine profit and loss; Cash flow statement that shows the company's cash inflow and outflow.

C. Discipline in Manage the Financials

It should be ensured that the company has a business entity so that financial records are centralized. Because the more arranged the financial records are, the more we can assess the past performance in terms of financial aspects, where it can influence our future business strategy and our decision in the decision-making process.

2.5.6 Possible Strategies for CIA Corp.

Although the knowledge of MSMEs contribution is becoming more widespread, there are still a few aspects that have not been fully understood, that some try to look into. In this case, our clients at CIA Corp. requested for our opinion regarding how MSME Empowerment can increase Indonesia's business sustainability. Our opinion, supported by a few facts, are as follows:

In general, there are some MSMEs contributions to increase business sustainability in Indonesian:

A. Can equalize the level of the people's economy

MSMEs play a role as economic equity for the people because SMEs are scattered in various places. MSMEs even reach remote areas so that people do not need to go to cities to earn money, even MSMEs can raise the economy of the village.

B. Reducing poverty and unemployment rates

MSMEs have a role in reducing unemployment, because it is proven that MSMEs absorb more labor than large companies

C. Means of foreign exchange earnings for the country

MSMEs contribute foreign exchange to the country because the market does not only reach the national market but also the international market.

D. A source of innovation and creators of new markets

MSMEs also often become sources of innovation for a market. Because their size is not too big, MSMEs can grow rapidly by using the various innovations they make to penetrate the market. In fact, it is not uncommon for certain MSME sectors to be and be able to create new markets that they pioneer for the sustainability of their business.

MSMEs are dominated by micro business actors, amounting to 98.68% with a workforce absorption of around 89%. Meanwhile, the contribution of micro enterprises to GDP is only around 37.8%. From the data, Indonesia has the potential for a strong national economic base because the number of MSMEs, especially micro-enterprises is very large and the absorption of labor is very large. This business base has also proven strong in facing the economic crisis. Micro enterprises also have fast transaction turnover, use domestic production and are in contact with the primary needs of Indonesian society.

2.5.7 Possible Strategies for Jisuyoim Firm

Every region is now facing the Internet of Things (IoT) era, including Indonesia. Jisuyoim firm is a MSME which consists of 15 employees who decide to do a system's digitalization

where every attendance, salary, and loans are recorded on that system. However, they are still questioning the importance of that system, whether it counts as their priority or not. Our suggestions are as follows:

We suggest Jisuyoin firm should decide that they have to use system digitalization because digital transformation is a key strategy for many companies as they grapple with a fast-paced and ever-changing business environment. The increased adoption of technology is a crucial element for staying competitive, trimming costs, and streamlining operations. Organizational change should be implemented in a way that helps employees adapt to new ways of working. The goal is to create a culture in which employees come to work expecting to learn these new ways and not just master repetitive tasks.

How can the start up that they are doing be superior to other startup or SMEs:

A. Growing their overall market

Persuading those already active in their market to spend more and/or more often. Cooperate with their competitors to gain mutual growth. Engage with industry bodies such as chambers of commerce as well as advocacy and lobby groups funded by their industry.

B. Increase their market share

Growing their market share implies their start-up or SME is doing something better than their competitors as their customers prefer them over the alternatives. They should be delivering superior value to their business customers based on their requirements and preferences.

C. Raising prices so their overall revenue increases

Avoid competing on price. Identify other ways to deliver value. Otherwise risk being caught in price wars with their competitors.

CONCLUSION AND RECOMMENDATIONS

In conclusion, Micro-Small and Medium Enterprises is about businesses that can be built without needing a large amount of capital. In Indonesia, MSMEs have a vital role in the nation's economy. It reduces poverty and increases the welfare of the Indonesia inhabitants. It offers almost 100% of employment opportunities and a huge contributor

to the nation's GDP and total investment. However, there are still roadblocks that get in their way of reaching their full potential. Such issues, both from internal and external factors, prompt them to seek for the necessary guidance as proven by some questions that have been discussed at the previous section. It is inspirational to see how big names who started off their own businesses as MSMEs have succeeded in overcoming their issues and transforming them into leading companies. Most big names who successfully pioneer its MSME business are opportunist, disciplined, and resilient.

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CHAPTER 3. PHARMACEUTICAL INDUSTRY IN INDONESIA

LEARNING OUTCOME

1

Critically evaluate many factors related to pharmaceutical industry in indonesia and apply the knowledge gained to business sector

2

Articulate their understanding and awareness about pharmaceutical industry in indonesia and the best practice

Learning Outcome

1

Critically evaluate a range of contemporary business issues and apply the knowledge gained to the pharmaceutical industry in indonesia and organizations

2

Articulate their understanding and awareness of such issues in the pharmaceutical industry in indonesia and produce recommendations in the form of a business report

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EXECUTIVE SUMMARY

This report discusses the problems that clients undergo regarding their business that is running specifically in the Healthcare Industry. The main topic covered in this report is “The Role of Pharmacy Businesses or Companies in the midst of COVID-19” and due to this matter, a lot of business industries are affected including the healthcare business, however, even though healthcare businesses got more hectic than ever, it is known from that data that will be discussed in Chapter II that healthcare industry in Indonesia is actually known to develop during the pandemic.

In addition to that, this report also underlines the clients’ frustrations in solving their problems that are occurring to their businesses. Moreover, this report provides analysis and discussion regarding the following: current situation of healthcare industry, how Indonesian healthcare companies manage their strategy, challenges or issues occurring in the industry along with the recommendations and solutions for clients.

INTRODUCTION

1.1 Background

Since the COVID-19 outbreak became a global pandemic, the question of medical staff having access to Personal Protective Equipment (PPE) to treat patients infected with the virus has gotten a lot of attention. The pharmaceutical sector and medical devices are likewise struggling to meet the demand for personal protective equipment (PPE) for medical staff. Not only are they scarce and difficult to come by, but the costs of medical equipment and personal protective equipment (PPE) have risen dramatically.

In response, on Sunday (17/5), the Central Executive Board of the Indonesian Islamic University Alumni Family Association (DPP IKA UII) held an online Chat with UII Alumni with the theme "Pharmaceutical Industry in a Pandemic Period, Between Humanity and Business Competition,"¹ in collaboration with the UII Directorate of Career and Alumni Development (DPKA). Drs. Chandra Setiawan M.M., Ph.D., Commissioner of the Commission for Supervision and Business Competition, and Hady Anshory T., S.SI, M.Sc., Apt., UII lecturer in Pharmacy, presented this activity.

According to Hady Anshory, it is critical for business actors who sell antiseptics, disinfectants, and hand sanitizers to consider product quality. Even though there were special regulations in place during the Covid-19 outbreak that permitted people to make their own hand sanitizers by following the WHO's protocol, people were actually vying to make their own hand sanitizers with improvised ingredients. Then take advantage of the opportunity to sell the goods without going through the quality and safety inspection process, which could result in a problem if it is used improperly.

According to Chandra Setiawan, the drug market is classified into three categories based on the type of drug: generic, branded generic & patent, and over-the-counter (OTC). Branded Generic & Patent is the most expensive of the three categories of medications, using all of the patient's insurance. Furthermore, the Indonesian Pharmaceutical Industry is still unable to fulfill the needs of its own medications, resulting in the importation of 90-95 percent of raw materials for medicines. In addition, there are some costs associated with double taxation through drug distribution networks, as well as a variety of other charges.

He also underlined the significance of expanding pharmacists' roles and enforcing a doctor's code of ethics that mandates doctors to write prescriptions for generic medicine names and to purchase drugs in private hospital settings. Furthermore, it is vital to examine synergies with the government that are related to the formulation of drug pricing with the goal of reducing drug production costs and preventing high drug prices by avoiding the dominating control of imports by specific commercial players.

Figure I: COVID-19 Information in Indonesia as of December 2021



The figure above (Figure I) shows an overview of the COVID-19 case in Indonesia, in which it is known that the confirmed cases from the first time (first case) the virus was detected in Indonesia up until December 6, 2021 was 4,257,685 whereas the death reaches up to 143,863 people. This also shows that the healthcare pharmacies or hospitals became people's "go to place" when they got affected by the COVID-19 and they needed medical assistance immediately or simply when they tried to find vitamins and other medical supplements to inhibit the spread of virus.

But it was also known that as a large amount of demand was much needed for Indonesian people during this horrendous time, that it brings a result in a large number of people that unfortunately passed away as there was not enough of supplies for them including a place to seek for assistance as all places were known to be incredibly crowded.

1.2 Problem

Pharmacists have modified their practices amidst COVID-19 in order to guarantee care and support their patients. Designated an essential frontline service, community pharmacists are facing a spectrum of challenges to surmount to ensure patient care continues. These include assisting in the prevention of infection, managing supply chains, preventing stockpiling and provision of evidence-based medical information. However, unfortunate events like COVID-19 disproportionately affect poor and vulnerable populations, and patients with mental health conditions may be among the hardest hit.

Moreover, pharmacist-level, system-level and regulatory responses have sought to minimise this impact, although there is likely to be a lasting impression on the profession, both good and bad. One of the biggest problems is that most pharmaceutical raw materials are still imported from abroad. But then due to covid-19, Indonesia implemented regulations regarding the restricting movement in Indonesia and globally. Thus, it affects the supply of medicinal raw materials. This also has a negative impact on Pharmaceutical Wholesalers of Medicinal Ingredients. Many people think that the pharmaceutical industry during the COVID-19 period will benefit from production and the focus of government funds on drug production or even public health. In fact, other challenges from COVID -19 are also haunting and have a bad effect on production to the

operating system that must adapt to the situation or in the worst case even reduce employees.

According to cekindo.com², some challenges in the Indonesian healthcare market are mainly regarding the fact that Indonesia still has poor sanitation. Clean water as an example is still hard to obtain outside of the big countries hence why diseases like diarrhea, gastroenteritis, and other contagious diseases often happen among society. Furthermore, according to a report of the World Trade Organization, around 70% of men aged 20 in Indonesia are smokers, hence this leads to diseases like: cancer, stroke, and heart disease. Cekindo Business International stated that the factors mentioned above increase the public demand for healthcare services and sectors like Medical Devices and Pharmaceuticals. Therefore, in the upcoming years, it will present opportunities for developing the healthcare industry hence another challenge occurs which is regarding the distribution of resources, which is known to be presently uneven.

This article reviews the pandemic-related challenges and responses by pharmacists, as well as forming recommendations for areas of professional support and role expansion, particularly in the case of mental health.

1.3 Purpose

1. Issues in healthcare industry specifically in Indonesia
2. Provide critical analysis and discussion regarding the importance of the healthcare industry (or companies) amidst the pandemic
3. Discuss how healthcare companies in Indonesia manage to survive
4. Provide recommendations or solutions for clients along with healthcare problems that is happening in Indonesia

ANALYSIS AND DISCUSSION

2.1 How healthcare industry develop in Indonesia

The ongoing COVID-19 cases gave realization to society the importance of the healthcare industry. In addition to that, the Indonesian government seems more committed than ever to fully reforming the industry. With thousands of confirmed cases and deaths, thousands of hospitals and other healthcare companies fought hard to face the

transmissible virus. As mentioned from indonesien.ahk.de, despite battling the unimaginable stress in the sector, Indonesia could do a lot to improve upon its healthcare sector.³ However, it's safe to say that the Indonesian government deserved credit because the country was already on a journey or path of immense healthcare reform. In addition to that, another improvement that has been made is regarding the healthcare infrastructure in which specifically in 2017, Indonesia has made amendments to its Negative Investment List meaning that the country is giving space for foreign investors larger opportunity in the form of giving them larger stake in certain sub-sectors for instance hospitals, specialized equipments, along with medical equipment.

The improvements or development that is in an ongoing process brings a result of Indonesia's growth specifically regarding the healthcare industry. Indonesia's pharmaceutical industry experienced annual growth between 10 and 13% because of the national health insurance program that was created in the last five years.⁴ Furthermore, even in the midst of the pandemic, Indonesia managed to grow about 8.65% in the second quarter of 2020 which is known that during this time, Indonesia's economy was unstable because of COVID-19. Moreover, about 5.59% after that the pharmaceutical and traditional medicines sector managed to grow and this was quite a massive development.

On top of that, with Indonesia's medical devices that gets more advanced, opportunities for foreign investors (for instance the German medical technology export to Indonesia increased) and other possible factors, this will bring a result in a positive impact to Indonesia in regards of the healthcare industry and in the long term Indonesia's healthcare might also experience another significant growth because Indonesian middle class grows along with the demand increases for treatment products as well as niche conditions. Hence, this shows that year by year goes by, and Indonesia's healthcare industry made quite a development that deserves to be appreciated.

2.2 Top Healthcare Companies in Indonesia

1. Dexe Medica

PT Dexe Medica is a pharmaceutical company that produces medicines. Dexe Medica is also a private company that produces the first unbranded generic drug in Indonesia. With various efforts and innovations in the manufacture of medicinal products, this

pharmaceutical company also occupies the first position based on a large market share of 6.1%. To become a leading pharmaceutical company that was founded in 1996. In the pharmaceutical industry Dexa Medica, which already has a large market, always strives to provide the best health care by paying attention to and applying expertise as the main key or foundation of the company. So that it can encourage and support the provision of the highest quality products for patients. The harmonization of workspace supported by teamwork and innovation has also brought Dexa Medica to its current position. To support innovation and business development in the pharmaceutical industry, dexa medica also collaborates with government agencies and Indonesian pharmaceutical associations. With this collaboration, Dexa Medica was able to maintain their commitment of "Providing high quality for patients" by striving for compliance and raising industry standards.

2. Sanbe Farma

Sanbe Farma is also one of the pharmaceutical manufacturers in Indonesia. In fact, according to the IMS report, Sanbe Farma won the category of the largest pharmaceutical manufacturers in Indonesia. Not only for companies in Indonesia but also for multinational companies. This pharmaceutical manufacturer also has a commitment to be able to continuously achieve achievements in providing quality health products with the aim of becoming a global generic pharmaceutical manufacturer from Indonesia. To achieve that, of course, it takes a lot of effort and must try hard to build good trust. For this reason, Sanbe Farma has manufacturing facilities that have been approved by cGMP as per international standards, as well as other certifications. Effort always shows sweet fruit. This is also why Sanbe Farma is in the second position based on the large market share in percent, which is 5.4%. However, Sanbe farma is not only focusing on pharmaceutical manufacturing in Indonesia, but also operating in 20 countries to achieve and contribute to healthcare at a global level in line with their commitment.

3. Kalbe Farma

PT Kalbe Farma is a pharmaceutical manufacturing and health service company headquartered in the capital city of Indonesia. This company is also known for its medicinal products that are widely circulated in the community with the best quality.

From this, it also brought Kalbe Farma to rank third based on a large market share of 5.3%. The company that has been established since 1996 turns out to have 4 divisions in its business to achieve their target in business transformation. The first division is the prescription drug division which has contributed 23%, the consumer health division has contributed 17%, the nutrition division has contributed 30% and the last is the Distribution and Logistics Division with a 30% contribution. It is also in this division that Kalbe Farma can develop its business and reach more target markets. To strengthen and maintain the quality of its products, Kalbe Farma has also carried out many innovations by conducting research related to generic drug formulations to ongoing and consistent development. This company is also not only in Indonesia, but also in several other countries. Some of these countries include ASEAN and Africa.

4. Kimia Farma

Based on a large percentage of market share. Kimia Farma occupies the fourth position with a percentage of 3.9%. What is interesting about this company is that Kimia Farma is a company that was founded in 1817 and is engaged in the pharmaceutical industry which was founded by the Dutch East Indies government. This pharmaceutical company finally became a public company in 2001 which was finally listed on the stock exchanges in Jakarta and Surabaya. With various innovations that prioritize product quality, this company has also created various products. With these innovations, Kimia Farma has a vision to become a healthcare company that can be the main choice that is integrated and produces sustainable value through business activities in the chemical and pharmaceutical industries to managing human resources.

5. Biofarma

Biofarma is a state-owned pharmaceutical company that was founded in 1980 and is initially focusing as a state vaccine development agency. Ranked fifth position as one of the biggest factors is the amount of their large market share which is about 3.8%. Even in this COVID-19 situation Biofarma launched a vaccine that is safe to be given to children. This is an example of the competence that Biofarma has and has built for a long time to uphold the struggle to save and improve the quality of life. To achieve that, Biofarma has a vision to become a world-class life science company that can

compete globally by providing international standard life science products to support improving the quality of human life, especially the Indonesian people.

Indonesia's 5 top healthcare or pharma companies have different strategies used in order to keep the company succeed and survive. As a matter of fact, all types of businesses or companies need to have their own way of running the business. There are a large number of rivalries that are competing in the same industry hence different strategies must be used in order to make the pharmacy company stand out compared to another company. Especially in times like when the COVID-19 comes into existence, healthcare companies are the most searched place not only in Indonesia but also in another place as they are searching for medicines and treatments to help heal their body and keep their body healthy from any kinds of diseases including the COVID-19. Hence, knowing that the competition is pretty tight, each of these pharmacy businesses are able to manage their own strategy into accomplishing their companies visions and mission and dealing with what patients need.

2.3 Challenges faced by clients

Businesses that are established no matter in what sector or industry will undergo issues that will be time consuming for them to overcome. However, from the occurrence of problems that come their way it will help the business to either grow or fail. It might also help the business to determine its goals or visions for the long term. Below is the list of Denver's clients' inquiries.

Table I: Challenges faced by clients

No.	Clients	Situation	Inquiries/Concern
1.	Magical Miracle	Unmotivated employees	<ul style="list-style-type: none"> ● How can their business implement the healthcare at their company so employees feel more motivated and

			comfortable working at the company
2.	Elite	Worst case of COVID-19 cases in their company	<ul style="list-style-type: none"> ● Can you give us some advice on how to reduce the chance of getting Covid? ● Can you make a regulation regarding our company healthcare regulation?
3.	Mets	Current pandemic regulation to stay at home and being at home monotonous activities making less active and affecting mentally as well. Employees got stressed out because of work	<ul style="list-style-type: none"> ● How to maintain spiritual and mental health for our employees in the Covid situation?
4.	Klinik PJ Sayang Bunda	Provides medical treatments and medical supplies (drugs, vitamins, etc) and it is sold in their clinic pharmacy. Their clinic is located where people have low to medium income. People are unable to get their treatment as they could not	<ul style="list-style-type: none"> ● What are your suggestions so that we could provide healthcare treatment for these people without causing financial issues to our clinic? ● What kind of programs should we provide?

		afford it or because their insurance is insufficient.	
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2.4 Recommendations or Solutions to the Clients' Challenges

1. **Magical Miracle:**

Based on the decree of the Minister of Health in Indonesia about community health protocol in public places and facilities for the prevention and control of COVID-19, number 01.07/menkes/382/2020. This can be used as a reference of your company to implement the health protocol with national standards. Thus, it will create trust in the workspace ambience and the staff till the customers feel safe.

In the regulations above, it is clearly stated that to protect the individuals well being, the government encourages and sets the standard to require people to use masks outside and inside the facilities (recommend to use surgical masks, N95, KN94, KF94 since the effectiveness is around 90% higher than other type of masks). Since then, if the company provides these types of masks in the office in case someone or the individuals forgot to bring it, it will be good. It is also important to always wash the hands with antiseptics made from alcohol or hand sanitizer so providing hand washing facilities is a good thing and required in your enter gate office, and every building floor, in order to keep your employees clean.

Maintain a distance of at least 1 meter from other people to avoid getting droplets from people who are talking, coughing, or sneezing, as well as avoiding crowds, crowds, and crowds. provide facilities for early detection to anticipate the spread of COVID-19, such as body temperature checks. In addition to that, for every twice a month, you can do a swab test routine for your employees and for your board director in order to keep everyone in your company safe from COVID-19 virus. After that, all of the people in your company will feel safe and comfortable when they work.

2. **Elite Consultancy:**

The first policy that you can create is that everyone who works for your company has to get a 2 times dose of COVID-19 vaccine. People who do not get a 2 dose vaccine are not able to come to your office, they can work from home (WFH). However, for people

who already have a 2 dose vaccine they are able to work from the office. For the next advice you can provide or implement temperature body check, hand sanitizer, and hand washing facilities in your enter gate office, and every building floor, in order to keep your employees hygiene. Also, for every twice a month, you can do a swab test routine for your employees and for your board director in order to keep everyone in your company safe from COVID-19 virus. This advice has the potential to reduce the chance of getting infected by COVID-19.

3. Mets:

In order to maintain mental health and spiritual for your employee, you can hire motivators and make an event for at least once a month, in that event, the motivators will motivate your employees, give insights or advices, and motivate them to enjoy their work, after that for mental health, enlighten your employees by not pushing them exceeding their limitations. Once a month, you can make a 'stress reliever' event such as through a seminar or webinar. In that event you can give entertainment for the employees, for instance, you can make a little game contest, singing contest etc for your employees for them in order to not feel too stressed out. After that you can also make counseling sessions by hiring people from outside companies that are experts on the sector. Thus, employees can counsel their problems along with their frustrations and this session might be beneficial and will decrease the rate of stress of your employees.

4. Klinik PJ Sayang Bunda:

First, you can search for another place to search for medicine, vitamins, etc. It is important to search for another seller that sells the supply more affordable. The second one, you can also make online treatments like what Halodoc does. Hence, people who feel not comfortable with their body do not always have to come to your clinic, but also can do online treatment by application or services that you make. In addition to that, in a way it is more convenient to do and also, this era has become more modernized hence people want things as efficient and as easy as possible. Furthermore, Indonesia is known to have growth and advancement in terms of technology, therefore, we suggest that your company make the most out of it.

2.5 Recommendations or Solutions to solve Healthcare problems in Indonesia

As we are aware that Indonesia is a big country that is diverse and owns about 17,000 islands. Also with the fact that Indonesia is the largest archipelago in the world, we must not only focus on those who live in the city but also those who are living in the islands as well. In order to improve Indonesia's healthcare system to be more efficient and advanced, we have to be able to check up on the society that does not have easier access to healthcare than those living in the city. A successful effort was done by doctorSHARE5, the owner, Lie A. Dharmawan made the effort of the so called event "Efforts to help the government reach out to people in the outer islands." The fact that Indonesia is the fourth most populous country in the world, brings a result in having a big gap between the rich and poor and they are lacking healthcare services in remote areas of the country. Therefore, this is a huge struggle to be solved hence programs like doctorSHARE should exist more. An example of help that they successfully did was creating a Floating Hospital from a traditional Indonesian ship made of wood. This program believes that Floating Hospitals are one of the most helpful tools to solve medical problems in Indonesia. Thus, big pharmacy businesses should also work together with the government to help Indonesian society to receive an equal amount of medicines, treatments, and many more.

Although this would be time consuming and it will take time to eventually spread out, when implemented well, this will help improve Indonesia's healthcare industry even more. It is proven from doctorSHARE that programs like this have helped people who live in rural areas or in islands that do not get enough attention or care from those who are fortunate enough to have access to healthcare in Indonesia. Moreover, as it is mentioned earlier in this report that Indonesia faced an improvement and technology advancement in the midst of COVID-19, a large number of people that live in Indonesia do not have the simple treatments. Furthermore, this type of programs need to be taken into consideration.

CONCLUSION AND RECOMMENDATION

In conclusion, it is fascinating to know that in the midst of the COVID-19 where most countries are struggling with their economies and trying to find any possible solutions or ways in order to regain their successful days, Indonesia managed to have a significant development in one of its biggest sectors, the healthcare industry. Regardless of the fact

that other countries' industries may be weakening in most of its sectors because of the COVID-19, Indonesia is able to carry on an improvement to one of the nation's most important and impacting industries.

Government of Indonesia should help and make as many programs as possible in order to help not only those who are in the city but also those who live in the islands. When they try to find more possible ways to reach out to those who do not have the healthcare advanced access, this will bring an impact to Indonesia's healthcare industry as well.

The most important lesson learned from this situation is that hygiene and being healthy is crucial. We are reminded that we can be extremely careless most times and we often underestimate the little things that actually are a form of protection for ourselves for instance: the importance of washing your hands regularly. Thus, for clients and the general problem regarding the healthcare industry, it is important to keep implementing what the government has portrayed and to be obedient towards the safety protocols.

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CHAPTER 4. SOCIAL MEDIA MARKETING IN INDONESIA

LEARNING OUTCOME

1

Critically evaluate many factors related to social media marketing in indonesia and apply the knowledge gained to business sector

2

Articulate their understanding and awareness about social media marketing in indonesia and the best practice

Learning Outcome

1

Critically evaluate a range of contemporary business issues and apply the knowledge gained to the social media marketing in indonesia and organizations

2

Articulate their understanding and awareness of such issues in the social media marketing in indonesia and produce recommendations in the form of a business report

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EXECUTIVE SUMMARY

Technological advances in recent years have led to significant changes in the use of the Internet, connectivity, and how people communicate online. Latest statistics indicate how the use of the Internet and especially social media is increasingly growing, which businesses have noted, increasing their presence on social media sites. In the field of social media marketing, previous research has been systematically carried out. However, this focus was primarily on platforms such as Facebook, Twitter, and in general, social media platforms. This report aims to get a deeper understanding of how to make use of the social media platform Instagram for marketing purposes and activities. The report aims to provide new insights that can be added to contemporary research within social media marketing.

INTRODUCTION

1.1 Background

Technology has made human life more comfortable to complete their work in utilizing technology and information sophistication by creating new jobs, including in communicating. The emergence of communication tools such as smartphones has simplified someone to communicate and share information with anyone. It can be used as marketing communications. One example of marketing communication tools is Social Media. Social media has become the most popular communication and marketing tool for businesses, as they recognize the ability to connect with consumers on a much more personal level. By using social media, companies are better able to central out marketing techniques and escalate their brand.

“In the world of connectivity and social engagement, many popular brands are using social media to engage their current customers and attract new customers by sharing relevant content daily” (Lavoie, 2015).

“Another major social media platform currently used for marketing purposes is Instagram. Instagram was established in October 2010, and later, in 2012, merged with Facebook” (Lavoie, 2015).

Instagram is a free social media to share photographs and videos. In 2018 they announced a new feature called IGTV to post longer videos than are possible on Instagram. At the end of 2020, Instagram launched its new feature known as an Instagram shop. It integrates a product catalog to promote products directly to Instagram users. Instagram is a distinctive way to reach out to a target audience, digitally market service or product, and enhance brand recognition. It allows someone to share the uniqueness of their brand in a highly engaging and visual way. Now, Instagram is an essential tool for someone who is trying to promote their respective products while at the same time permitting users to build a bond with their clients. Moreover, Instagram has long been a popular platform for fashion bloggers. Therefore, by the emerging technology operating on Instagram, writers want to comprehend Instagram as a social media platform for marketing purposes and activities.

1.2 Problem

Social media marketing plays an essential part in the marketing communication of an organization today. It is an entirely different way of meeting the primary audience and communicating with clients. There are several success stories in social media marketing. However, because it is a relatively new marketing method, it is necessary to learn how to use it in business effectively. The main aim of this report is to give the client a clearer understanding of how to effectively use Instagram as part of their social media marketing campaign in marketing. It will examine the current condition of the case firm's Instagram account and assist it in considering what it has done well and what it should do differently. The results would include potential ideas for the business as well as recommendations for customer growth.

1.3 Purpose

The purpose of the report is as follows:

- a. Researching the value of social media marketing for today's companies.
- b. Explore Instagram marketing opportunities.
- c. Analyze the strategies and practices used in marketing on Instagram.
- d. Outline the features of good marketing for Instagram.

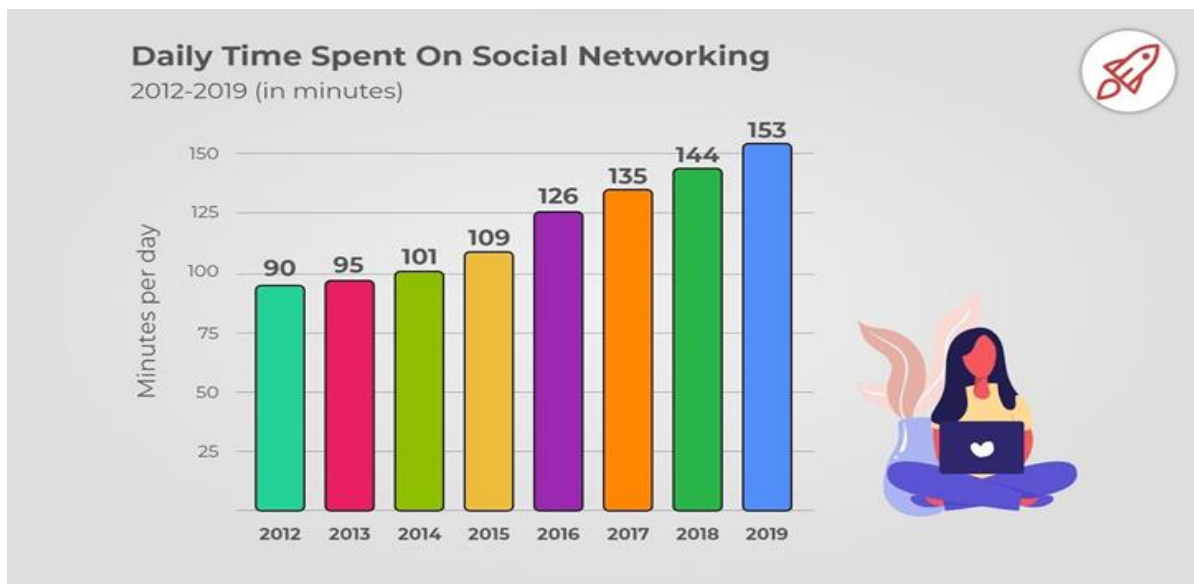
- e. Provide clients with solutions to boost their Instagram strategy for social media marketing.

ANALYSIS AND DISCUSSION

2.1 The importance of Social Media

Before using technology for marketing purposes arose, in the past, businesses used traditional marketing techniques to communicate and market their customer. The channels that are frequently used include TV, print, and radio. In today's era, this method has gradually changed. (Kabani, 2010). The stark difference between traditional and digital channels is the method is used to communicate. In the past, a reciprocal channel has been limited. However, with the advancement of technology, especially in social media, the platform enables the business and customers to be more connected. With an increasing variety of digital channels, it aids businesses to have more alternatives to reach their target audience and use those channels to impart with them. (Evans, McKee 2010, 4-5.)

What needs to be emphasized is that it is not necessarily the use of conventional marketing that has been abandoned, but that the use of the internet is increasingly widespread. (Kabani 2010). Global users now reside more time on the Internet. This is proven by the data provided from the broadband search indicating the daily average of time (in minutes) spent on social networking from the year 2012 to 2019. The following is a graph that shows the increase in the use of social networking.



**Figure 1 Daily average of time in a minute spent on social networking from the year 2012 to 2019
(BroadBandSearch)**

Consumers are no longer seeking news and information from conventional sources, as the diagram illustrates, but instead from social networks. (Young 2015, Trong 2014.) To look for knowledge about new products and services, they also use social networks. Moreover by using social media users share their own experience with the product or services as well as scrutinize the user reviews before determining to purchase the brand. Therefore, social media are known as digital word-of-mouth. (Kabani, 2010) In conclusion, in today's era the overall purchasing process starting from expectation and information search up until it ends and share the actual experience mostly are done online. (Evan, McKee, 2010)

This indicates that social media is definitely the essential method to market to customers in today's era. Nowadays, businesses integrate their various alternative social networking sites including Linked In, Facebook, Twitter, and Pinterest. (Hellberg, 2015) According to McKee (2010) each social media site has its own unique selling point and provides diverse possibilities for businesses to stay connected with its customers. This is proven by the graphic below.

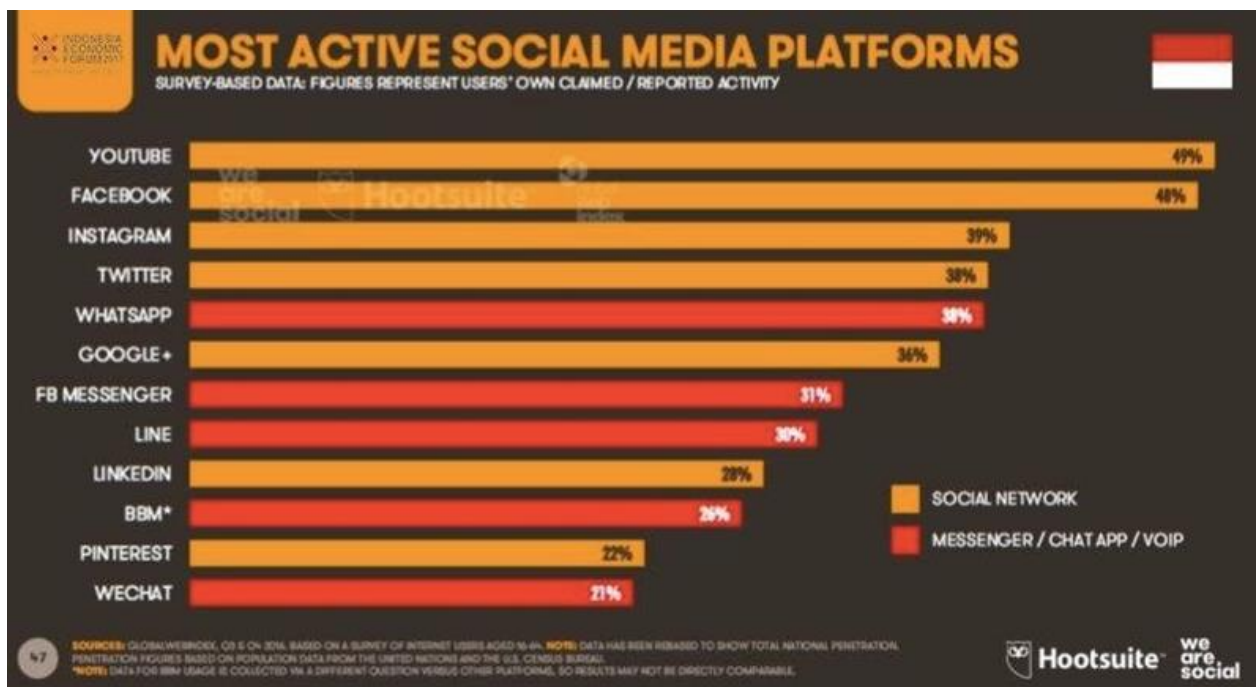


Figure 2 Top social media platforms (IndonesianEconomicForum, 2018)

From Figure 2 we can see that Instagram platform has been nominated in the third place with 39% point as the most active social media platform in Indonesia. This indicates that the potential growth of Instagram platform as a tool for marketing purpose is still widely vast.

2.2 Social media for Business

Referring to Rouhiainen (2015) it is vital for a brand to conduct an in depth online research on how their customer purchase since the purchasing behaviour is gradually shifting. The breakthrough of the internet has opened up an easier access for consumers to an abundant number of brands and businesses globally. It has escalated more than 800 million online shoppers and has faced a countless number of ways to sell and interact with. (Johnston, 2009) Therefore it is essential for businesses to actively listen to its customers, stakeholders and employees in order to boost their significant promotional value in the midst of competitive situation (Dave , 2010)

2.3 Instagram Marketing



Figure 3: Statistic of Instagram user's behavior

As of June 2020, Instagram has come to more than 1 billion month to month dynamic client stamps (TechCrunch, 2020). That's a huge turning point for the versatile photo sharing arrangement! More than 500 million active clients are utilizing the stage every

day. As of presently, the Instagram app is one of the foremost prevalent social systems around the world. A small over 5 a long time prior, in June 2013, Instagram had 130 million month to month dynamic clients. Since at that point, it's developed 10 times.

Instagram could be a social arrangement that permits clients to share and alter both photographs and recordings. As they were Facebook and Youtube, out of the social systems, have more every day dynamic clients than Instagram. Once utilized primarily by youngsters and youthful millennials, Instagram continues to develop as one of the foremost prevalent social media stages, and the information tells us that it's not attending to alter anytime before long.

With Instagram getting to be progressively prevalent, an estimated 71% of US businesses claim that they utilize Instagram for commerce (Say, 2018). The same consideration moreover uncovers that 7 out of 10 hashtags on Instagram are branded. And more than 80% of businesses consider Instagram engagement as the foremost imperative metric. Instagram engagement may be one of the foremost imperative KPIs for numerous marketers, but it's not a clear assignment to a degree. With the Instagram stage quickly advancing, it's difficult to keep up with the upgrades and what to a degree.

2.4 Experience from the SMES



Figure 4: PVRA instagram account

2.4.1 Background Factors

According to J.Brakus (2009) A background story is always fascinating and more comfortable to remember rather than statistical data. For a brand, a strong story can influence customers' brand experiences, including emotion, cognition, and response to stimuli related to a brand. Moreover, Kaufman (2003) added that storytelling induced

positive reactions to a brand, and strong storytelling could become the brand's uniqueness

The story revolves around economic empowerment and creating beautiful luxury products. PVRA always puts forward their best product's qualities which are handmade and using only local craftsmen. The main brand story concept can be seen from the tagline which is to look good, feel good, and do good. They want to denote that beauty is not pain – a belief that people will not need to sacrifice something to look good. They also collaborate with WeCare.id to create the 'In Their Shoes' campaign. This campaign aims to donate a portion of the sales for a medical patient in need to help Indonesian healthcare system.

Each brand has a different reason that drove them to rely on social media. For PVRA their main cause of using social media is profit-driven, hence to fulfill sales and marketing goals. As a startup, PVRA did not have a lot of marketing budget, and by using social media PVRA can achieve most of the branding and marketing targets with low cost. The PVRA target market is mostly women, 18 to 40 years old, middle to upper-class economic background, and those who live in big cities in Indonesia. On further analysis, PVRA realized that their target market is the same as Instagram users' characteristics, therefore they decided to rely solely on Instagram to fulfill the goals.

2.4.2 Brand Identity

Kotler & Keller defined brand identity as a unique set of brand associations created by a branding strategy. (2014) This association reflects the position of the brand in the consumers' perception and is the brand's promise to the customers. Brand identity is the desired image that the brand wants to convey to the target audiences. Brand identity shapes the relationship between a brand and its customers through value propositions, which involve functional benefits and emotional benefits. However, since brand identity comes directly from the sender, it may translate differently to the customers. (Kapferer, 1997)

PVRA clearly stated the identity to be feminine and luxury, since their target audiences are 90 percent female. Therefore, PVRA chose to use pastel colors for their brand and

visual identity. For a startup, PVRA put considerable attention for their social media branding activities. PVRA has a strict guideline for social media, and also implements double checking before publishing each post. Each post has solid continuity in the term of tone, product photos, or nuance. The unity between the brand and visual identity.

2.5 Possible Strategies for Clients

2.5.1 Possible strategies for CIA CORP

Questions: Our brand, Subway Burger is having difficulties getting a lot of engagement and people's awareness on Instagram meanwhile, this is not the first time for this brand to come to Indonesia.

Possible Solution: We have come up with a step-by-step solution in which we can help the corporation. First step that the corp should do is avoid using bots, as when using bots, the corp's main account will not appear in the search engine. The second step is by using Instagram hashtags, what the corp can do is to find strategic tags which are common / famous so that it can be linked to your account. The third step is to schedule Instagram posts when the audience is most active to grasp as much attention from the audience. The fourth step is to add interaction into the Instagram post. The fifth step is to be active in uploading Instagram stories as well. And lastly, the corporation can host Instagram contests to engage traffic audiences. This way, not only are they marketing through Instagram, they are also maximizing the number of audiences from the tech savvy population.

2.5.2 Possible Strategies for Y&L Group

Questions: As we all know during the pandemic the demand was very low. We're thinking about advertising our wedding organizer through instagram. Were talking about instagram ads, what are the most effective types of instagram ads ? How do we increase engagement on instagram ?

Possible Solution: We have come up with three important factors for the company to boost their marketing through Instagram in which the first step is to use Instagram advertisements. For advertisements, they have different prices and the corporation can choose accordingly based on time frame, number of posts and interaction. Also, what the

company can do is provide footage to be uploaded on Instagram. By providing documentation, it removes the hassle of the customers of enquiring the same questions as everything will be shown from there to avoid any misconception of how the wedding packages will be. In the footages, it will show glimpse documentation of services provided, safety protocol & entertainment. And lastly, they can work with the search engine to boost their account to be the top searches so that it will boost their traffic.

2.5.3 Possible Strategies for Aquatic Corp

Questions: My company produces products that aim to protect the environment or sustainability product. I feel that my products are less of a concern from the crowd because of the increasing number of instagram users who also open businesses that might produce interesting products but not necessarily the product can protect the environment well. My question is in your opinion, what strategy could my company take to increase awareness of other instagram users to buy products that have a purpose of sustainability but this product can also benefit the customer? How can the newest instagram (shopping) feature help to develop my product?

Possible solution: For this corporation we have come up with a step by step solution as to how they can use instagram as a marketplace for them. The first step is by content creating, by creating content it helps to promote or spread awareness about current issues that related to the product. The second step is to have a collaboration with influencers, this way by using a public figure, it can grasp the audience's attention as it shows that the influencers are interested in the same goal. The third step is to create polls as a way to interact with their audiences. Lastly, what they can do is to use Instagram advertisements and manage their interest from there. By doing so, they can engage with the customer before and after they have created the content which will help gather more insights from the audiences.

2.5.4 Possible Strategies for Jisuyoim Firm

Questions: We have a coffee business with an offline store located in Jakarta, and have only just started our very own instagram page. We have started posting contents to our timeline, and was wondering how to get these posts and stories to be able to reach as many coffee lovers as possible? Can you also explain further more about how instagram

grouping hashtags work and how they can be properly used in our posts to gain more customers?

Our solution: What the firm can do is engage Instagram advertisements to reach out to their potential customers. Instagram has advertisements where your company can apply based on your preferences. On average, Instagram advertising costs between USD\$0.20 to USD\$6.70, depending on the bidding model. For CPC or cost-per-click, advertisers pay USD\$0.20 to USD\$2 per click. By using Instagram advertisements, it will reach customers as it will pop up on their Instagram feeds & Instagram stories. For Instagram hashtags, what the firm can do is be specific hashtags i.e. #coffeelovers #Arabica #Robusta as it will lead you to our potential customers. When you use hashtags, people who use the hashtags will be connected to your Instagram post.

2.5.5 Possible Strategies for KPMG

Questions: We owned a popular shoe store in Grand Indonesia. Our products range from casual shoes to sport shoes to hypebeast shoes, etc. We want to use Instagram as our marketplace. But from what I heard from another friend is that sometimes people are afraid to buy a product from IG as their expectations do not meet their reality. So how can we make sure when we use Instagram as a marketplace customers will get that products can meet their expectations.

Our Solution: We have come up with 4 criteria in which the company can follow in order that they can deliver what they have promised to the customer. Firstly, posting real life pictures of their products to show the customers that this is what they will be getting while purchasing our products. Secondly, the company can get reviews from customers that have purchased from them. This is important as most people that have not bought from a store will tend to look for reviews of other customers. From here, they will then start comparing the reviews and trust the reviews to purchase your products. Thirdly, the customers can apply for a money back guarantee policy in which the customers will get 100% refund if they are unhappy with the product. Lastly, what the company can do is by getting a reliable supplier to supply their shoes. This way, it helps the company to uphold their brand and also not disappoint their customers.

2.5.6 Possible Strategies for Luwi Pitong

Questions: We are Luwi Pitong, a new high end eco-friendly fashion brand based on Jakarta that focused on formal wear. Luwi Pitong was founded by Mr. Oz, a well-known designer from Indonesia that has established his name all over the world. By the emergence of IG market place, we want to expand our market by also selling our products on IG. Some questions we would want to ask are:

- 1) What are the positive & negative impacts to our brand if we market our product on Instagram.
- 2) What is the best strategy to increase our market place and sales via IG market place

Our solution: Some of the impacts that they will be getting is market recognition in which they can grasp more attention from the public. By using Instagram, it helps the company to stay in trends of the customers nowadays. Also, when using instagram, for example when the content is posted 7 days per week, it helps to get 3 x more likes from the instagram users. This is a great opportunity for Luwi Pitong to be present as a high end eco-friendly fashion brand which also engages and connects with the consumer base.

We suggest Luwi Pitong By to take a look at another similar company, Stella McCartney. The company can promote Luwi Pitong through Instagram Posts and Stories while informing their mission and proposing their unique selling proposition. Another example from Stella McCartney Mission is to be known for creating modern garments that exude natural confidence, the luxury designer from the UK is a pioneer of alternative materials and cutting-edge technologies. On the other hand our suggestion for Luwi Pitong to develop a mission by emphasizing as an Indonesian high end eco-friendly formal wear. Moreover, through post and insta story Luwi Pitong can maximize on creating content consisting of educating the consumer of their product, the thought-process behind creating the products, the design process, the creation process. By doing so, it helps with the process from getting the audiences to broadcasting the product to the customers understanding.

2.5.7 Possible Strategies for Accenture Corp

Questions: Our product is a household equipment, what are the advantages in using Instagram compared to conventional platforms such as TV and Radio.

Our Solution: For the advantages we realised that by using Instagram, it helps to grasp more attention from a savvy tech population. When we use conventional platforms like TV & radio sometimes it can only reach the demographics of housewives & transportation drivers (older generations) But when we use IG we can reach out to the younger crowds (millennials) especially for newlyweds which is convenient for them as everything is just a click away.

CONCLUSION AND RECOMMENDATION

For any company, Instagram can be found very useful when used right. At first, it might seem simple and easy to use but in fact it needs a well-planned and solid strategy to work for the benefit of the company. In addition Instagram provides room for creativity and innovation For marketers to create interesting and personalized content.

As Instagram is predominantly based on communication through visual elements like images and videos it creates a totally new way for marketers to communicate to customers. On Instagram also the approach is much more relaxed and the communication between the customer and the company is done on a more friendly basis. The most critical metric to measure on the success of Instagram is the level of engagement. Engagement can be understood as the liking, commenting, and following by the other users. To enhance engagement the company should not only understand the environment on Instagram but also learn what are the most effective ways to communicate to their followers.

Brand Story, Storytelling, and Brand Identity has become the essential part to enhance the marketing tool for an Instagram business account. PVRA has been proven as a good example of showing its brand story and identity through Instagram. We recommend any business to look up PVRA as an effective Instagram strategy.

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CHAPTER 5. TOURISM BUSINESS IN INDONESIA

LEARNING OUTCOME

1

Critically evaluate many factors related to tourism business in indonesia and apply the knowledge gained to business sector

2

Articulate their understanding and awareness about tourism business in indonesia and the best practice

Learning Outcome

1

Critically evaluate a range of contemporary business issues and apply the knowledge gained to the tourism business in indonesia and organizations

2

Articulate their understanding and awareness of such issues in the tourism business in indonesia and produce recommendations in the form of a business report

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Y&L

C o n s u l t a t i o n
g r o u p

EXECUTIVE SUMMARY

This report mainly includes issues and solutions related to clients' problems of their tourism business in this pandemic situation. Due to this coronavirus outbreak, many tourism businesses face massive loss or even being forced to close their business temporarily or permanently. Thus, in this report, writers endeavor to propose some effective and applicable strategies to help tourism business owners to survive and even win the opportunity in the midst of a pandemic situation by researching clients' cases, linking any data and theories related to the issues, and creative thinking process.

INTRODUCTION

1.1 Background

Coronavirus outbreak has spread all around the world for almost 1 year. There are lots of economic, social, political, and cultural activities which are disturbed. The obligation to carry out physical distancing has forced various activities to be carried out online. Hence, many businesses decide to go online to survive in the midst of a pandemic that is reducing the number of offline customers.

However, running a business online seems almost impossible to run by business tourism because tourists crave for physical experience, experiencing the holiday atmosphere directly, and going to another place. A very significant decrease in income, loss of money, and even forced to close completely are common things that happen to tourism business. Thus, finding the right and applicable strategy is very important to survive in this pandemic. Moreover, they also have to deal with changing government regulation related to PSBB policy. It is very related to the change of tourist behaviors, what kind of trip they are interested in, what kind of lodging they want to stay, how long they want to spend their holidays, and etc.

Safety, comfort and cleanliness might be the top priority for any travelers nowadays. But then, how to convince customers about the health and protection from the COVID-19 virus is the most important thing to do by airlines, hotel and lodgings, providers of tourist attractions, and any tourism industry players. This is also in line with other challenges such as the decreasing desire of people to travel and spend their holiday. Actually, there

are lots of obstacles and challenges that tourism businesses must face. The uncertainty which is brought by prolonged pandemic also become the crucial problem that business tourism should be overcome.

Innovation and finding bright gaps for the sustainability of business tourism in the midst of a pandemic are highly needed. This is because each tourism business sector is very dependent on one another. Moreover, the life of the tourism business is very important in some areas in Indonesia. Because, the tourism sector is expected to drive the economy of the society and Indonesia as a whole.

1.2 Problem

After receiving our clients' problems related to their tourism business, it is literally confirmed that the coronavirus outbreak has indeed affected the tourism business in many aspects. Some stories that we heard from them, many of their competitors were even forced to close permanently due to the number of visitors continuously decreasing, which causes losses and leads to bankruptcy. But then, our clients, Kinky Beach Club, KPMG, Aquatic, Accenture, and CIA Corp are still struggling to survive in the midst of this pandemic and need the right solution for their tourism business.

Kinky Beach Club, the biggest and the most crowded beach club in the Labuan Bajo and has successfully attracted tourists from around the world. They have luxurious design and interior, serve famous signature traditional food and beverages, and also unforgettable party concepts. They were fully packaged everyday until the pandemic situation strikes. Thus, they need the right strategy to survive in this pandemic situation while also preparing for post-pandemic to bounce back from their losses.

KPMG, another client who owns a beachfront resort in Bali also faces a relatively similar problem with Kinky Beach Club. Before pandemic, they had successfully held monthly beach parties, attracted hundreds of tourists, even though some of them were not the hotel guests, invited many international guest stars such as Alan Walker, Marshmello, etc. But due to this pandemic situation, they were forced to cancel the monthly beach parties until further notice. And as a result, their resort became quieter. Accordingly, they now

look for a solution to gain more visitors and restore back their brand awareness after this pandemic.

Aquatic groups who own a camping ground at Bogor, they now close their business due to COVID-19 pandemic. In the first month of COVID-19 exposed in Indonesia, there was one visitor who was infected COVID-19 in their area, which then tainted their reputation. Hence, they require a solution to increase the number of visitors and recondition their brand and image. Another issue also needs to be faced by Accenture. Their resort in Lombok is always fully booked during the holiday season but not on regular days. Therefore, they consider finding a proper strategy to improve the number of visitors on regular days.

Another quite similar issue is also encountered by CIA Corp. Due to COVID-19 pandemic, their tourism business which is a one-stop destination in Bangka Belitung, provides diving attractions and cottages for tourists, were closed temporarily and re-open starting from July 2020. But then, they are now struggling to improve their exposure and brand awareness after the temporary closed. To conclude, the main difficulty that our clients face during this pandemic is the reduced number of visitors. Some of them also worried with their tourism business brands and exposures. Thereupon, they indeed wish to discover applicable and break through strategies to restore the tourism business climate back to normal or even win the available opportunities.

1.3 Purpose

1.3.1 Describe the importance of innovation for tourism business in the midst of pandemic

1.3.2 Elaborate some opportunities and challenges of tourism industry in the midst of pandemic

1.3.3 Offer applicable solutions for each client

ANALYSIS AND DISCUSSION

2.1 Current Situation of Tourism Business

Tourism business is one of the strategic businesses because of its rapid market development. Promising income from this business that makes it attract a lot of people,

especially there are so many beautiful tourist attractions and spots in Indonesia. One of the success stories of the tourism business is Bali. However, this does not last long because of the COVID-19.

The global pandemic hit the world in the end of 2019 and massively spread in the first 2020. It affects a lot of people around the world and put the world economy in crisis. In 2020, the OECD now predicts that foreign tourism will decline by about 80%. There is no estimated significant recovery in foreign tourism flows before 2021. This is in line with other organizations' recent predictions. The latest figures by the United Nations World Tourism Organization (UNWTO) point to a 65 percent fall in international tourist arrivals in the first six months of the year with a five-fold loss in receipts reported in 2009 in the midst of the global financial crisis. We can see how devastating the effects of the global pandemic has been on the global economy.

So how about Indonesia? Specifically, six months after the COVID-19 pandemic hit, the economy of Indonesia was battered. Indonesia's economic growth contracted significantly to -5.32 percent in the second quarter of 2020. If the third quarter of economic growth shrinks again, Indonesia will surely be on the verge of recession. Due to the SARS-CoV-2 virus pandemic that first emerged in Wuhan, China, late last year including the tourism industry, a number of industrial sectors have also suffered heavy losses.

Perhimpunan Hotel dan Restoran Indonesia (PHRI) noted that the Indonesian tourism industry had total losses of IDR 85.7 trillion by April 2020. Thousands of hotels and restaurants, as well as a variety of airlines and tour operators that have suffered losses, were forced to close. Based on this data we can see the current situation of tourism business during the global pandemic. Is there any chance and opportunity for tourism business to survive? That is why Y&L Consultation group is here to help you find a way how to survive.

2.2 The Challenges The Clients Face

In every business industry, they have their own challenges. Just the same with the Tourism Business. The global pandemic puts the world in a state of economic crisis.

Everything is limited since we are not allowed to go outside and it challenges the business that normally runs face-to-face or on the spot. So, how about our clients? Here are their challenges and questions:

1. Kinky Beach Club

Located in Labuan Bajo. Kinky Beach Club is the biggest and the most crowded beach club in the city and attracts tourists from around the world. Most of their customers wanted to come to their beach club to enjoy their luxurious design and interior, their famous signature traditional food and beverages, and unforgettable party concepts. They were fully packed everyday until the pandemic situation struck. They lost massive sales because of the pandemic. Other beach clubs in their area are closed permanently one by one.

Question: What can they do to survive in this pandemic situation? What should they prepare for the post-pandemic strategy to bounce back from their losses?

2. KPMG

They own a beachfront resort in Bali. Their monthly beach party is the key of making their resort special and successful. Their party manages to attract hundreds of tourists, even though some are not hotel guests. It became so successful that they got a chance to invite international guests for the entertainment, such as Alan Walker, Marshmello, etc. But due to this pandemic, they were forced to cancel their monthly beach party until further notice. As the result, their resort becomes quieter.

Question: What should they do to gain more visitors during the pandemic? Also when everything is back to normal, what should be their strategy to restore back the brand awareness of their resort, especially their monthly beach party?

3. Aquatic

They have a camping ground at Bogor, due to COVID-19, their business was closed. When the first month of COVID-19 entered Indonesia, there was one visitor who was exposed to COVID-19 here, which tainted their business reputation.

Question: How can they increase the number of attractions during this pandemic? And how can they restore their business reputation?

4. Accenture

They own a resort in Lombok, their resort is always full during the holiday season but not on regular days.

Question: What should they do?

5. CIA Corp

They have a tourism business in Bangka Belitung which provides diving and a cottage for tourists. Due to this pandemic, their tourism business closed temporarily. Starting from July 2020, they reopen their tourism business slowly.

Question: How can they make an exposure for their business so their business can be recognized again by people?

2.3 The Solutions and Strategies for Each Client

Since each client is having different problems, we will elaborate on what they should do and what are the strategies suitable for each client.

1. Kinky Beach Club

Located in Labuan Bajo. Kinky Beach Club is the biggest and the most crowded beach club in the city and attracts tourists from around the world. Most of their customers wanted to come to their beach club to enjoy their luxurious design and interior, their famous signature traditional food and beverages, and unforgettable party concepts. They were fully packed everyday until the pandemic situation struck. They lost massive sales because of the pandemic. Other beach clubs in their area are closed permanently one by one.

Question: What can they do to survive in this pandemic situation? What should they prepare for the post-pandemic strategy to bounce back from their losses?

Solution: In order to survive in this pandemic situation, they surely need innovation. Just like what other businesses have done to survive and even win the opportunity in the midst of the coronavirus outbreak, innovation has always been a magic key to drive success.

So, Kinky need to undergo these following steps in innovation process:

A. Recognizing opportunities

- High potential for domestic tourists (since in this pandemic, it will be very hard for people to travel abroad and now Ministry of Tourism and Creative Economy is initiating various campaigns or hashtags, such as #DiIndonesiaAja, #DiBaliAja, #DiSulawesiAja, and so on)
- According to survey result by Bloom Consulting, Millennials are dare to take risk by going on vacation during this pandemic situation (It is a great opportunity for Kinky Beach Club because millenials are the most potential market for their beach club)
- According to the case that Kinky informed us, other beach clubs in their area are closed permanently one by one. (So, it will surely reduce the number of competitors)

B. Finding resources

- Physical resources

The property of the beach club itself, also some special things from Kinky Beach Club which are luxurious design and interior and famous signature traditional food and beverages.

- Human resources

The owner, managers, and some staff such as chef, waiter & waitress, receptionist, cleaning service, and etc. Which is in one package with their skill & expertise.

- Intellectual resources

The brand of Kinky Beach Club, Patents of some special menu, and customer data and knowledge

- Financial resources

Cash, credit, and any financial assets.

C. Developing the venture and creating values

Based on the opportunities and available resources, we propose a form of product and process innovation which is a premium beach party. Since the brand of Kinky Beach Club is already well-known and the number of competitors are reduced, it will be easier for them to come up with premium beach party service. The concept will be the next level of “unforgettable party”, we expect customers to perceive as “breathtaking and cherished party”. Under health protocol, there would be a limited seat of visitors. Kinky beach club will present a beach party that is perfect for family or group of friends to enjoy cherished time together. It will be great if Kinky Beach Club gathers opinions from customers related to the theme of their party. Since the customers will be more satisfied and it will really help Kinky Beach Club to win opportunities during pandemic also bounce back from their losses.

2. KPMG

They own a beachfront resort in Bali. Their monthly beach party is the key of making their resort special and successful. Their party manages to attract hundreds of tourists, even though some are not hotel guests. It became so successful that they got a chance to invite international guests for the entertainment, such as Alan Walker, Marshmello, etc. But due to this pandemic, they were forced to cancel their monthly beach party until further notice. As the result, their resort becomes quieter.

Question: What should they do to gain more visitors during the pandemic? Also when everything is back to normal, what should be their strategy to restore back the brand awareness of their resort, especially their monthly beach party?

Solution: Customer value has slightly changed due to Covid-19. Furthermore, there are health protocols that should be heeded. Taking example for Bellstar Hotels & Resort, they still open their beach club with several precautions and rules. The rules include: using

face shield/face mask, punctual check-in and check-out time, and reservation is needed to use the pool and hot tub. What KPMG can do now are:

1. Ensure all health protocols are followed by all visitors and employees.
2. Open the pool but limit the number of visitors that can use the pool. If anyone wants to use the pool, they have to make a reservation at least 24 hour before.
3. Create an offer to rent the space for special events like weddings, sweet seventeen, etc. Make sure all personals related to this event followed the health protocol (face shield/mask, social distancing)
4. Collaborate with other people or companies to make events. For example, Grand Ambarukmo Hotel in Yogyakarta held a fashion show event in the midst of a pandemic.

In order to restore business post pandemic, businesses must conduct a rapid revenue recovery (3R) strategy. Rapid means as fast as humanly possible. Revenue means how to get the gear running again and to gain sales. Recovery means to get back on track, since there were a lot of uncertainties during the pandemic.

There are 3 steps to get started on 3R.

1. Identify and Prioritize

Businesses must understand their starting points and insights into demand patterns ahead of and during the recovery. This is crucial for knowing what to do and when. From a dozen marketing and sales activities that can capture revenue quickly compiled by McKinsey, these can be used by KPMG:

a. Data-driven performance management

KPMG should ask for data from your customers every time they visit your beach club. From this data, KPMG can create personalized ads for the customers. Beside that, KPMG can control how many customers visit their beach party every day and what they expect in the future. With this, KPMG can know their market segment thus able to create proper marketing based on the data.

b. Dynamic pricing and promotion optimization

Based on the data given, KPMG can create personalized ads for each and every one of their customers. By this, the promotion will be more effective since it only reaches those who are interested in their resort. Beside that, they can give the customers loyalty program to customers that often visit their beachfront resort.

c. Customer experience

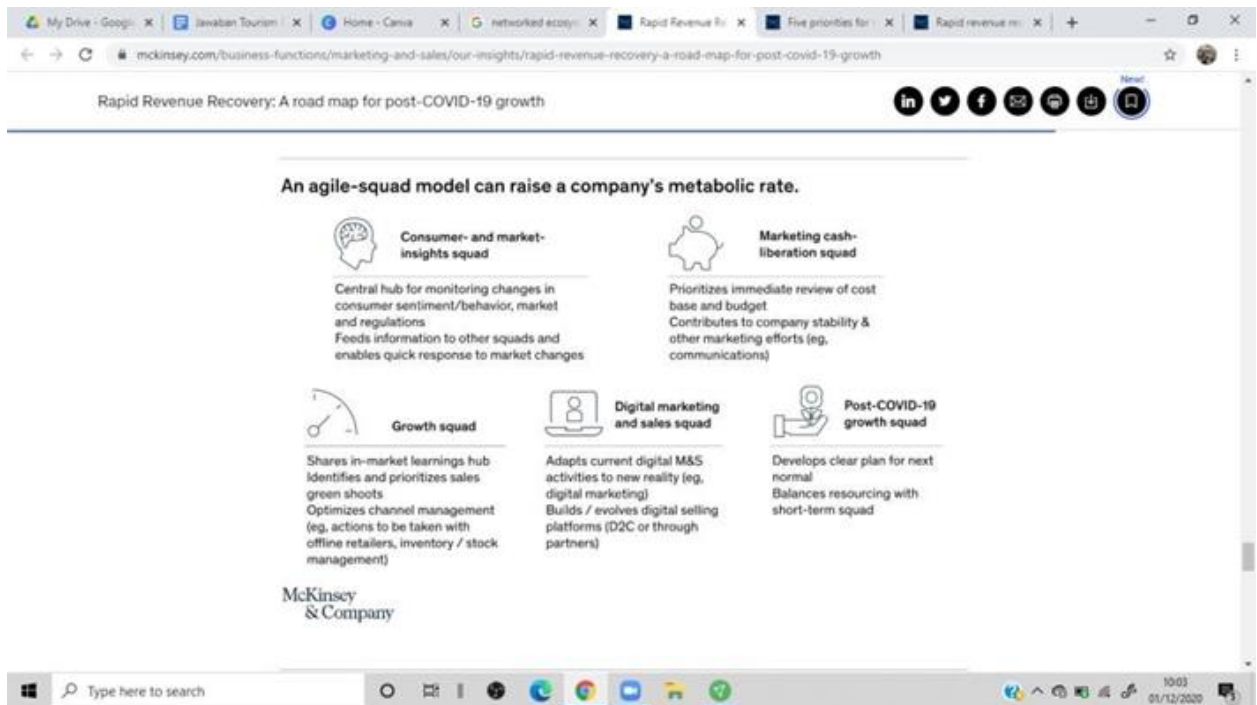
Since the resort is well-known for their beach party, they should do it again. To attract customers, they can make a beach party with a unique theme and ensure the customers experience a party they have never experienced before. Service is also important for their resort. In order to give the best experience for the customers, each employee must commit themselves to serve each customer well.

2. Act with urgency

After this, the business can quickly and decisively reallocate resources accordingly to capture growth. The necessity of acting with urgency has allowed businesses to accomplish incredible things in short periods of time that would have seemed impossible just six months earlier.

3. Develop a rapid-fire agile operating model

To speed up the decision making, they can create agile teams with highly focused tasks and clear key performance indicators (KPIs), such as click-throughs or open rates. Instead of waiting for approvals and input, these agile squads, which should include agency partners, have the ability to make their own decisions. The various squads are then assigned to specific areas of focus, from consumer/customer insights to digital marketing. The sales squad could steward large and strategic deals and oversee execution. These cross-functional teams or squads bring together people with key skills such as data analytics, sales operations, and design, tailored to the specific area and supplemented with additional experts in legal, finance, risk, HR, as needed.



3. Aquatic

They have a camping ground at Bogor, due to COVID-19, their business was closed. When the first month of COVID-19 entered Indonesia, there was one visitor who was exposed to COVID-19 here, which tainted their business reputation.

Question: How can they increase the number of attractions during this pandemic? And how can they restore their business reputation?

Solution:

- Restore the business reputation

In order to restore the reputation, it is critical for Accenture to be honest with their customers and own their past. Instead of putting blame on others or washing their hands from this accident, they should confess about what had happened and share what they have done to handle the accident. It is really important to gain the customer trust and confidence in order for their customers to visit the camping ground again. Building trust will not work if they are not taking action.

After that, they should create a Covid-19 prevention system to convince their customers that your camping ground is safe. What can they do is as follow:

- Providing packages that include a free rapid test.
- Checking the customer temperature before they enter the camping ground.
- Providing face shield, face mask, and hand sanitizer.
- Limiting the number of people that can use the camping ground.
- Sterilizing the equipment and camping ground after the customer check-out and before a new customer check-in.

All of the above are useful for Covid-19 prevention. But, in the worst scenario, if someone at the camping ground contracted the Covid-19, they should be prepared as well. These are the preparations they can do in their camping ground:

- Providing a quarantine area.
- Having an ambulance ready to be used anytime.
- Collaborating with an insurance company to give your customer treatment in hospital if they contract Covid-19.

- Attract new camper

In order to attract new campers, they should use digital marketing since it's the most effective strategy to do since we have limited access during the pandemic. Usage of digital marketing is also more cost efficient for them because they can control to whom the ads are being sent to.

They should offer a package that includes a free rapid test and insurance for Covid- 19 prevention. This is really important because customer demands are shifting during this pandemic and more customers are demanding for safety and healthy measurement. By doing this, they can ensure the customers that they will go an extra mile to provide these preventive measures for their customers.

Since the camping ground capacity can't be maximized, they can attract new customers by collaborating with brands or companies to create events and promotions. For example, they can collaborate with adventure gear companies to provide them with tents in

exchange for exposure in the camping ground. They can also collaborate with artists or musicians to make live music events or performances.

4. Accenture

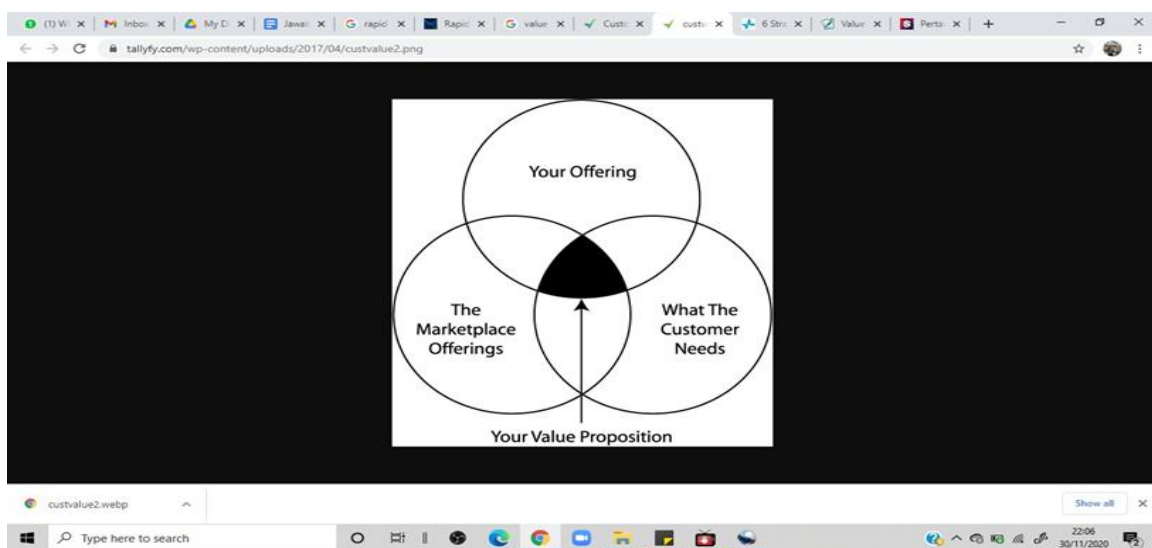
They own a resort in Lombok, their resort is always full during the holiday season but not on regular days.

Question: What should they do? Solution:

Creating Value for Customers

Value creation should be the aim of your business. Value creation is not only about stock price but also represented in the intangible drivers like innovation, people, ideas, and brand. It is important to create value for your customers in order to build trust and customer loyalty.

First thing you can do is to refine your value proposition. If you consider all businesses or resorts in Lombok offer exactly what you offer, the customer is forced to make a subjective choice. With refined value propositions, you have the uniqueness that other resorts don't have. This will set you apart from other competitors. There are 3 things to be considered: what your customers want and need, what you have to offer, and what your competitors have to offer. After you combine all three, the slice where all things intersect should be your new value proposition. This refined value proposition will add more value to your business and give you more advantage compared to your competitors.



Second, you should segment your customers. Instead of trying to offer your value to everyone, it's better to offer the value to those who appreciate it. If you are able to segment your customers, you will be able to create programs and advertising that is more suitable for your segment market. You will be more able to understand your customers and attract prospective customers. Furthermore, it will be easier for you to gain trust and loyalty from customers.

Third, you should focus on creating more value and maintaining your current condition. One of the most important things in the hospitality industry is quality. If you are able to maintain high quality in your resort, from the rooms, restaurants, and all the facilities, you will have more value from your customers perspective which make them want to revisit your resort in the future. You can create more value to your existing customers by giving them a discount or upgrade in their next visit. You can also give them special offers to stay in the resort in the regular season. To maintain your current quality, you should ask for feedback so you may know what to improve in the future.

3. CIA Corp

They have a tourism business in Bangka Belitung which provides diving and a cottage for tourists. Due to this pandemic, their tourism business closed temporarily. Starting from July 2020, they reopen their tourism business slowly.

Question: How can they make an exposure for their business so their business can be recognized again by people?

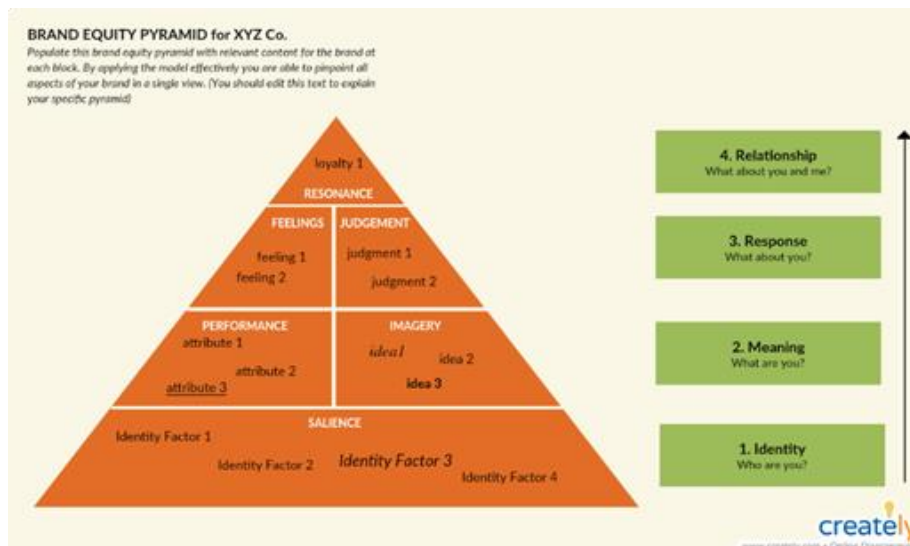
Solution:

How to get the exposure for their business to get recognized by the people? We should analyze the current situation in Indonesia and we know that now we have limited resources and space due to the social distancing that the government implement to control the spread of COVID-19. Based on the data that during the pandemic TikTok users has increased 20%, and the number one popular social media is Facebook. The

massive market development on the social media is a signal for the tourism business to take that opportunity to promote their business from that platform.



Before the CIA decides which online platform they want to use, it is better for them to choose the right marketing strategy so that they have a better understanding on how to reach their target and understand the customers. We Highly recommend the CIA to use Customer-Based Brand Equity. This strategy is suitable for the CIA to implement to give the right experience to the customers to retain and sustain them. Since we know the CIA needs customer loyalty.



How to use it?

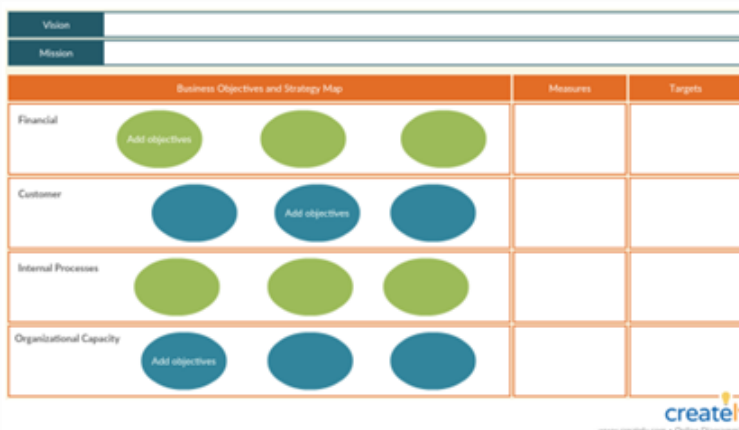
Step 1: Build brand awareness, Step 2: Identify what your brand means, Step 3: Identify your customer's response to your brand, Step 4: Improve the connection your customer has with your brand

After this, the CIA should maximize the digital marketing method, and hereby we attach the four digital marketing method for them so that the CIA can take the opportunity to get wider customers and reach the right target audience/market.

- **SEO (Search Engine Optimization)** : Used to increase the website visibility by maximizing the functional of Google,Safari, Yahoo , Bing
- **Search engine marketing** : Optimizing google search (Google adswords)
- **SMO (Search Media Optimization)** : Increasing by maximizing social media (Facebook, Instagram, TikTok)
- **Email** : Email blast (Effective for B2B)

The most important thing after choosing the marketing strategy, digital marketing method is to control. Thus, the CIA are able to sustain its business and the customers' loyalty. We recommend the CIA Balanced Scorecard, is a very helpful instrument that can be used by strategic marketing managers to monitor and track key performance measures. It is also very useful for communicating, deciding project prioritization, programs, etc.

Track n measure progression, align everyday work.



CONCLUSION AND RECOMMENDATION

3.1. Conclusion

Tourism is one of the sectors that is deeply impacted by the pandemic. This sector is also at risk for being among the last one to recover due to travel restrictions and global recession. Based on data from OECD, they estimate tourism will fall by 80% in 2020. The UN World Tourism Organization estimate that there will be 65% decrease in international tourists arrival in the first six months of the year and foresee a decline in international arrivals close to 70% with recovery expected to take up to four years. Meanwhile, domestic tourism will be the key of recovery in the short and medium term. Domestic tourism provides the opportunity to sustain tourism destinations and businesses.

Based on our clients' inquiries, we understand that tourism businesses are struggling to get out from this pandemic. They are wondering what to do and how to attract customers during the pandemic. It is important to business to innovate, even during this time. They must be able to recognize opportunities, find resources needed for their business, and develop the ventures and create value. They should identify which activities can be done to attract new customers and to act with urgency to gain revenue again. To recover, they can develop an agile squad model in which each squad will have different responsibilities but able to create decisions on their own. Beside that, they have to use digital marketing since it is one of the most effective strategies during this pandemic. Understanding digital marketing is really important for each business because not only they will be able to control which market segment that will receive the advertisement, they will also be able to see anyone who visited their page or website. Using digital marketing is also important because businesses can personalize their advertising to relate more to their customers. One of our clients is worried about their reputation since there was a visitor that was infected by Covid-19 while visiting. Since it has already happened, what they can do is to be honest and tell the customers what happened and what they do after the accident, by doing this it will increase customer trust and confidence in the business. Furthermore, they should create a Covid-19 prevention system and preparation in case someone is infected with Covid-19. Our other client is having problems with attracting customers on the regular days. In order to attract customers to visit during regular day, they

must refine their value proposition to gain more advantage compared to their competitors, then they should segment their customers to be able to give the best service and gain customer loyalty and trust, and lastly they should maintain and creating more value by asking for feedback and giving loyal customers special offers to stay during regular day.

Our clients could also learn from other companies in the same industry. Bellstar Hotels & Resorts for example, are opening their business with several precautions and rules. They still offer their services but with following health protocols. Grand Ambarukmo Hotel collaborating with several designers to make a fashion show event. It is really possible to gain revenue and attract tourists. It is also possible to recover and surpass their condition compared to pre-Covid. The only difference is that they have to conduct their business slightly differently from usual and must follow new rules and regulations.

3.2. Recommendation

For the tourism industry especially during this pandemic, they must understand that customer demands are changing. Customers are more demanding about the health and safety measurement. Tourism industry must find a way to embrace this new demand and provide customers wholeheartedly. Since there are travel restrictions in several countries, domestic tourism plays an important role to support and sustain the tourism industry. Local government and local people must join hands to promote domestic tourism. This will create a win-win situation where locals can get a job and the governments can handle the tourism and get revenue from retributions.

Tourism industry is a dynamic market which means that the opportunities, problems, and the challenges will be different. This is why the tourism industry must keep innovating and keep creating value for customers. Demands will always exist, so the tourism industry must keep up and satisfy customers' needs and wants.

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CHAPTER 6. PLASTIC POLLUTION

LEARNING OUTCOME

1

Critically evaluate many factors related to plastic pollution in indonesia and apply the knowledge gained to business sector

2

Articulate their understanding and awareness about plastic pollution in indonesia and the best practice

Learning Outcome

1

Critically evaluate a range of contemporary business issues and apply the knowledge gained to the plastic pollution and organizations

2

Articulate their understanding and awareness of such issues in the plastic pollution and produce recommendations in the form of a business report

Project by:

Dia Dhenanur Khairani BKL (18111018), Baby Brenda Frieda (18111014), Louis Aldi

Putra (18111030), Nadhia Putri Dennyah (18111038)



EXECUTIVE SUMMARY

This report provides an overview of the topic Plastic Pollution, and its Dangerous. Methods of analysis include: defining Plastic Pollution from various countries and sources; researching Plastic Pollution in Indonesia and its application; investigating the key indicator points that influence people still using Plastic; and knowing the public awareness about the risk of plastic pollution in Indonesia. In addition, this report addresses the general problem regarding the Plastic Pollution and public awareness about the risk of plastic pollution, and addresses issues from entrepreneurs regarding the use of Plastic as their packaging of their business and how plastic pollution issues may be solved, through implementing strategies from various perspectives.

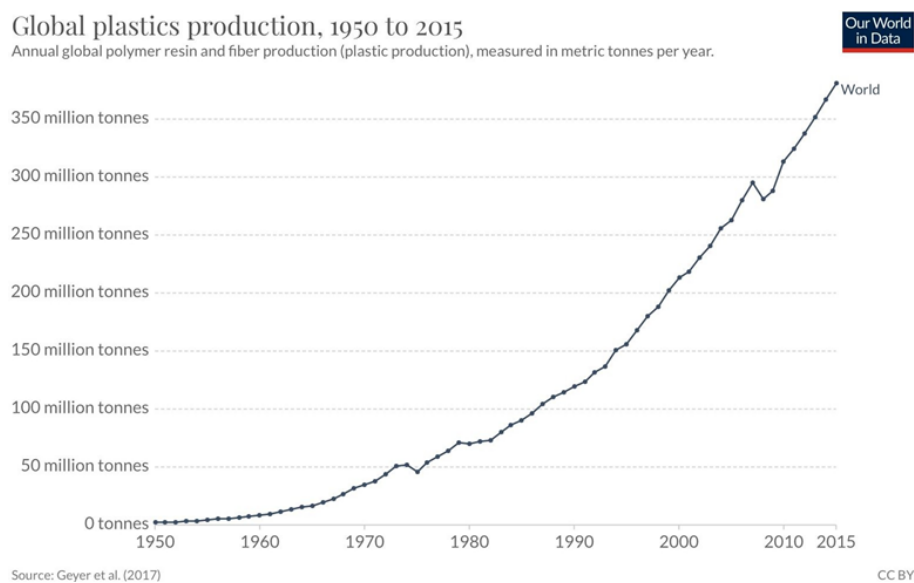
INTRODUCTION

1.1 Background

Plastic waste production across the globe has reached approximately 6,300 million metric tons (MT), most (79%) of which has been disposed of to landfills and more widely

into the surrounding environment (Geyer, Jambeck, & Law, 2017). The annual flow of plastic pollution to the world's oceans is estimated to be 4.8–12.7 MT, a large proportion of which comes from sources on land and is transported by rivers or wind (Jambeck et al., 2015). Plastic pollution is comprised of a variety of different organic polymers (e.g. polyethylene terephthalate, high-density polyethylene, polyvinyl chloride, polyethylene, polypropylene and polystyrene) and is invariably categorized on size distribution.

The first synthetic plastic — Bakelite — was produced in 1907, marking the beginning of the global plastics industry. However, rapid growth in global plastic production was not realized until the 1950s. Over the next 65 years, annual production of plastics increased nearly 200-fold to 381 million tonnes in 2015. For context, this is roughly equivalent to the mass of two-thirds of the world population.



Sources: Geyer et al, (2007)

The chart shows the increase of global plastic production, measured in tonnes per year, from 1950 through to 2015. In 1950 the world produced only 2 million tonnes per year. Since then, annual production has increased nearly 200-fold, reaching 381 million tonnes in 2015. For context, this is roughly equivalent to the mass of two-thirds of the world population (This is assuming a mass of 75 kg per person $[(381,000,000 * 1,000\text{kg}) / 75\text{kg per person} = 5,080,000,000 \text{ people}]$). The short downturn in annual production in 2009

and 2010 was predominantly the result of the 2008 global financial crisis - a similar dent is seen across several metrics of resource production and consumption, including energy.

1.2 Problem

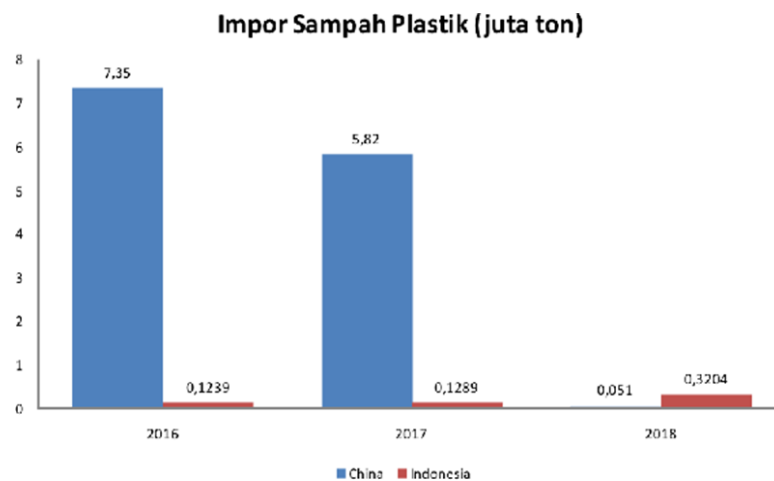
Problems in managing plastic pollution, however, begin even earlier in their life cycle. Indeed, recent reviews and theoretical models have indicated a large number of potential sources, fluxes and sinks of plastics across the wider environment (Alimi, Farner Budariz, Hernandez, & Tufenkji, 2018; Browne et al., 2011; de Souza Machado, Kloas, Zarfl, Hempel, & Rillig, 2018; Horton, Svendsen, Williams, Spurgeon, & Lahive, 2017; Wagner et al., 2014). While crude estimates of environmental plastic fluxes have been attempted, a more detailed understanding of the sources, fluxes and effects of these anthropogenic pollutants in time and space, and a more comprehensive quantification of their fate, is now required urgently to determine the risks to people and ecosystems across the globe (de Souza Machado, Kloas et al., 2018; Horton & Dixon, 2017; Nizzetto, Bussi, Futter, Butterfield, & Whitehead, 2016).

In Indonesia itself, which has a coastal population of 187.2 million which annually produces 3.22 million tons of plastic waste which is not managed properly. About 0.48-1.29 million tonnes of plastic waste is thought to have polluted the oceans. The data also says that Indonesia is the country with the second largest amount of plastic waste contaminated in the sea in the world. China leads the way with plastic waste pollution levels into the sea of around 1.23-3.53 million tons / year. In fact, the population of the coast of Indonesia is almost the same as India, namely 187 million people. However, the level of plastic pollution to the Indian Ocean is only around 0.09-0.24 million tons / year and ranks 12th. This means that there is indeed a bad waste management system in Indonesia. The Indonesian government and local fishermen are fighting an endless battle against plastic pollution in the rivers. More than 200,000 tons of plastic end up in the world's oceans from Indonesia's rivers every year.

Furthermore, plastic pollution in Indonesia is expected to continue to increase. Currently, the beverage industry in Indonesia is one of the sectors with the fastest growth. In the first quarter of 2019, the growth of the beverage processing industry reached 24.2% on an annual basis (YoY), only less than the apparel industry. Many of the end products of beverage products use single-use plastic as packaging. These drinks can be easily found

in various retail outlets, both modern and traditional. The very rapid growth of the beverage industry will of course result in a growing number of plastic waste. Moreover, currently the capacity for processing plastic waste is still minimal.

Another threat is the wave of plastic imports which are likely to come from other countries. This is because China now no longer allows its residents to import plastic waste. Since the 90s, China has imported plastic waste as raw material for the waste processing industry. Based on the research of the CNBC Indonesia Research Team, in 2017, the number of plastic waste imports (HS 3915) China reached 5.8 million tons. The largest number came from Japan and European countries. However, in November 2017, the Chinese government strictly prohibited the import of plastic waste, so exporters were confused about finding alternative disposal sites. It is proven that in 2018, the amount of plastic waste imports from China dropped dramatically to only 51 thousand tons. As a result, other countries in Southeast Asia, including Indonesia, received an abundance of plastic waste from countries that previously exported to China. This resulted in the import volume of Indonesian plastic waste in 2018 reaching 320 thousand tons, an increase of up to 150% from the previous year.



Source: International Trace Center

1.3 Purpose

1. Explain what Plastic Pollution is, dangers and its impacts.
2. Provide critical analysis of how to reduce the impact of Plastic Pollution.
3. Discuss problems that are relevant to Plastic Pollution.

4. Analyse the potential strategies and propose the best Suggestion to tackle the using of Plastic.

ANALYSIS AND DISCUSSION

2.1 Concept of Plastic Pollution

The definition of waste according to the World Health Organization (WHO) is something that is not used, disliked or something that is discarded comes from human activities and does not happen by itself (Chandra, 2007). The problem of waste is a problem that often occurs, both in the home environment, in the community on a small scale and on a wider scale. According to the Indonesian National Standard (SNI 19-2454-1991), Waste is solid waste consisting of organic and inorganic substances which are considered useless and must be managed so as not to endanger the environment and protect development investment. Garbage is generally in the form of food waste (kitchen waste), leaves, twigs, paper / cardboard, plastic, rags, cans, sweeping residual dust, etc.

In the long term non-organic waste such as plastic waste will be a problem that must receive special handling so that if the plastic waste can be managed in the right way and brilliant method, by using the right method it can help minimize the environmental damage caused by plastic waste and at the same time prevent other problems that may occur.

Nowadays, plastic waste is a big problem for society, where its existence if it cannot be handled properly and with a comprehensive method, it is very possible can cause various problems such as clogged gutters which can cause flooding, cause disease and can cause environmental damage such as land, water and air pollution such as : CO₂ (carbon dioxide), NO (nitrogen monoxide), S₂ (sulfur gas), ammonia, and others. The severity of the pollution is highly dependent on the severity of the condition of the existence of such plastic waste which is left in an open environment without treatment is done properly. Slamet (1994), distinguishes waste based on its biological and chemical properties into:

- 1) Waste that is easily degraded
- 2) Waste that is difficult to degrade

3) Waste that is harmful to health, such as industrial waste that contains dangerous physical chemicals. Waste that is easily degraded mainly consists of organic substances such as vegetable scraps, meat scraps, and trash leaves. Waste that is difficult to degrade can be in the form of plastics, paper, metals, ash, building materials and timber.

In general, plastic waste that is produced from all total waste is an average or about 10 percent of the total volume of waste. Of these, only a few that can be recycled. Plastic waste made from synthetic polymers is not easily broken down by decomposer organisms. It takes 300-500 years for it to decompose or break down completely. Burning plastic is not a good choice either. Plastic that doesn't burn completely, below 800 degrees Celsius, will form dioxins. This compound is dangerous (Vedder, T. 2008).

Several types of plastics can generally be classified in the form of numbers, from number 1 to number 7, as illustrated below:



The existing plastic waste is generally disposed of in final disposal sites (TPA), burned or some of which are still suitable for recycling. However, the process still cannot solve all the problems related to plastic waste. In order to eliminate the carcinogenic properties of burning plastic waste, the plastic waste is burned at high temperatures of up to 1000 degrees Celsius, so it is not economical.

The simplest concept in tackling plastic waste is to use the 4 R approach or concept (Reduce, Reuse, Recovery and Recycle). Reduce, namely by reducing the material so that the quantity of plastic waste can be reduced. Reuse which reuses materials with special handling consumables such as bottled mineral cup, and others. Recovery is taking back the waste material and can still be used. Recycling is recycling discarded plastic waste for reuse, for example various types of plastic waste that can be recycled such as PP, PET, HDPE and others.

In addition, various types of plastic waste can be managed approaches to recycling, will surely control the presence of plastic waste in the environment and at the same time have added value to the organizer. In the process of recycling plastic waste, it is possible to use household plastic waste (Sharp environmental report, 2004). Correct handling of waste will make a positive contribution to reducing the impact on environmental pollution which can have a negative impact both on a small and large scale which, if in a massive quantity, can have a harmful impact on the existence of a good, healthy and green environment.

2.2 Experience from the Companies

2.2.1 Meet the company expected to benefit from the war on plastic straws

With some of the world's biggest companies and entire cities banning plastic straws, Hoffmaster Group Inc. and Aardvark Straws, makers of paper straws, are ramping up for a surge in demand and sales. Plastic straw bans have been declared in places like Seattle and Vancouver and at global companies like Starbucks Corp. SBUX, -0.37%, McDonald's Corp. MCD, -1.17%, Hyatt Hotels Corp. H, -0.42%, and Ikea, opening the door for alternatives. On August 6, Hoffmaster, a company that makes paper tableware, announced that it had acquired Aardvark Straws, "the sole U.S. producer of paper straws," according to the release. By the time MarketWatch spoke with Andy Romjue, president of Hoffmaster, a little more than a week later, the company had already begun taking steps to meet a flood of orders. Media reports have already put the surge in demand at 5,000% in recent months.

"We've got equipment in order to service five times the capacity we currently have," said Romjue, who called the previous eight days a "whirlwind" in which the company has made "significant" investment to increase capacity. "We're expanding the facility and

ramping up employment.” Hoffmaster began working with Aardvark around 2012, according to Romjue. Even back then David Rhodes, global business manager at Aardvark, was talking about a plastic straw ban.

The world has become more aware about plastic pollution threatening oceans and marine life. Viral video of a sea turtle getting a plastic straw removed from its nose raised the level of urgency about the environmental repercussions of plastic waste. The wholesale business for paper bags and disposable plastic products grew to an annual revenue of \$82.1 billion in the five years leading to 2017, according to data from IbisWorld. Disposable plastic boxes, containers, cups and dishes accounted for 10.9% of that business. Household paper and plastic products and products classified as “other” each accounted for 11.5%. Romjue said between \$1.5 billion and \$2 billion in plastic straws are sold each year. Paper straws accounted for less than 1/10 of 1% of that sum. The bans instantly made paper straws a growth category. “It can go to 20% to 50% of the market,” he said. When dealing with a major change in a daily habit, consumers can be reluctant, if not downright opposed, to change. Diners grabbing a straw to drink their iced coffee in the morning might not be thinking about the oceans.

However, the bans have happened in cities where awareness is heightened, say experts. And when major companies make a change in their practices, it can help encourage a shift in behavior. “If you would’ve asked six months ago, I would’ve said it’s going to be a long build,” Romjue said. But if this is the new standard at some of the biggest restaurant chains in the world, “anyone who considers themselves premium would want to be on the eco-train. Everyone is moving in that direction.” Larine Urbina, the vice president of communications in the U.S. and Canada for Tetra Pak, a food processing and packaging company that also makes plastic straws for its small cartons like juice boxes, said the company shares the concern about plastic pollution in the world’s waters. However, it’s focused on “small cartons with attached plastic straws,” like juice boxes. The company is “committed” to finding an alternative to these items. “Until we achieve this objective, banning straws indiscriminately is not a solution as it will not solve the problem of plastic litter and, in the case of straws attached to small cartons, could lead to alternatives that are actually worse for the environment,” she told MarketWatch. Tetra Pak thinks the better solution is one that leads to “major improvements in waste management and

recycling infrastructure worldwide, while raising awareness on the importance of recycling and impact of littering,” she said.

For now, plastic straws are what everyone is focused on. Starbucks has already introduced a straw-less lid as part of its commitment to eliminate plastic straws from its 28,000 stores by 2020. And Marriott International Inc. MAR, -0.91% says plastic straws will be eliminated by July 2019. The company has already replaced mini toiletry bottles with in-shower dispensers in about 450 hotels in an effort to reduce waste. “This is certainly a demand shock for both single-use plastic or paper straws, but many of the major retail users are already looking at substitutes,” said Bill Leedale, senior adviser at IFS, an enterprise software company. Among the alternatives are reusable glass straws and straws made out of bamboo. “There is certainly a shift in the supply chain, but paper is not the only solution in the intermediate term,” Leedale said. “The shortage may be more prevalent in the health-care industry where alternatives may have some resistances due to regulatory requirements.” Supply chain technology has advanced to incorporate artificial intelligence and machine learning to solve problems. This sort of technology can be helpful in a situation such as this where companies have to determine a brand new demand.

Fred Baumann, group vice president of industry strategy at JDA Software, says using algorithms and even social media sentiment gathered from things like Instagram posts, can help get a handle on what consumers think. For example, data from CivicScience, a consumer intelligence research firm, found that 31% of the population thinks people will use fewer plastic straws six months from now, but Gen Z, who are under the age of 18, don’t use too many straws to begin with. “What we’re trying to do is build an eco-friendly disposable market, which is what we need if we want the world to be around,” said Hoffmaster’s Romjue.

2.3 Possible Strategies for Clients

2.3.1 Kinky Akua

From Lita’s group as a bottled mineral water company that is aware 100% Indonesia is one of the biggest contributors to plastic waste in the world and this company also still uses plastic bottles as packaging. Kinky Akua wondering what they should do to reduce

that number? What can this company use to replace plastic bottles as our packaging? And would it be costly for this company?

As we research, one potential replacement for plastic bottles is paper. We suggest that from now on, your company produces mineral water by replacing plastic bottles to something more environmentally friendly, such as glass bottles. It's a little bit more expensive but your company is already contributing to saving the environment. Or you can replace the bottle with a plastic type that can be reused. Companies are getting creative with the way paperboard can be utilized in packaging. Advancements in paper products have led to waterproof solutions that are durable and multifunctional. Two prominent examples include paper water bottles and paper shower-friendly shampoo bottles. Reusable containers have gained popularity as well. Metal and glass water bottles have emerged as an eco-friendly way to reuse and reduce. This gives companies an opportunity to sell their products in branded bottles that can be reused for other applications or as beverage containers, which expands brand awareness. Another alternative is seaweed plastics. Seaweed plastic gained traction when the London Marathon replaced plastic bottles with edible water pouches made of seaweed. The seaweed is edible, creating a zero-waste alternative to plastic bottles.

2.3.2 Accenture

From Wahid's group their company is still a small business but they want to engage and give a contribution in the term of CSR program but this company does not have enough funds to do it. They are wondering what kind of contribution that Accenture makes to reduce plastic pollution?

We suggest that your company can contribute by educating the other companies who still use plastic. Your group also can provide seminars or go directly to the field for strong actions to remind people not to use plastic.

Plastic waste is a huge problem, and reducing our use of plastics is the most efficient and easy way to fight the problem. So the best thing that we can do is to prevent new sources of plastics from entering the environment. Reducing unnecessary plastic consumption is a great start. By finding package free and more environmentally friendly packaging alternatives. However nowadays, you can discover almost anything in sustainable packaging, that can be reused and recycled endlessly (such as glass and aluminum). Do a

quick online search and find what is available to you. Some zero waste (online) shops offer things that are package-free, too! Also, check my list with more than 100 low waste products.

2.3.3 Y&L Consulting

From Angel's group this company helps many SMEs restaurants so they can compete in this digital era and become more efficient in finance and marketing, but Y&L consulting also wants to make them aware and concerned about plastic pollution. This company is wondering what are the best strategies to influence SMEs restaurants to be more aware with plastic pollution and what can this company do to participate in reducing plastic pollution because SMEs don't want to change the plastic packaging. We thought that it was a big concern for your company to make them aware about the current issues plastic pollution, by that we suggest: "Know the benefits. Stop throwing money in the trash!"

1. Educate your client that, Whether their restaurant is right on the beach or hundreds of miles from the coast, wind and rain inevitably sweep cups, bottles, bags, straws, utensils, and other packaging into our oceans, rivers, and lakes, where it injures animals and pollutes the water. Plastic absorbs pollutants (like pesticides and heavy metals). It carries pathogens and small invasive species to new homes. Eventually, it breaks into tiny bits that contaminate soil and water. Plus, ocean animals mistake it for food. It goes up the food chain, so the plastic (with toxic pollutants!) ends up in people when we eat seafood. You could say "by reducing the plastic you give to customers, you will help reduce litter, protect the quality of food sources, and protect the landscapes and wildlife that support tourism – all while saving money and helping your business thrive."
2. Show them testimony from another restaurant that successfully does zero waste, plastics free programs and etc. that already have had good results from implementing reduced use of plastics so they would be motivated to do that. Example Restaurant that already implementing reduced plastic use:
 - Communal 88 applies an environmentally friendly concept and minimizes the use of plastic materials. To reduce the amount of plastic waste, use a water filtration system to reduce the use of plastic bottles. In addition, they also reuse the bottles

used to serve the water menu. In fact, there is a special offer for buyers who return their take away bottles of water from Komunal88. Uniquely, buyers who want to bring their food home are required to pay a deposit to get a reusable iron dining area, which can later be refunded when the place is returned.

- **Burgreens:** This vegetarian burger restaurant also uses packaging that is more environmentally friendly, such as banana leaves to package food that is sent from the central kitchen to each branch of the outlet, the use of bamboo straws, and plastic from cassava material for take away.
- **NUSA:** also take part in protecting the environment, especially in the #NoPlasticStraw movement. They no longer use plastic straws, but replace them with straws made of corn starch. Enjoy delicious food while protecting the environment,

2.3.4 Jisuyoim Firm

From Aqilla's group they need our group advice and are wondering when the SME that this group owns in the F&B industry transitions from using plastic towards anti-plastic? What is our opinion towards using cassava plastic for their business? Will it successfully replace their plastic consumptions in general? And on the other hand, will it cost more and if it is done only in SMEs and not big companies, will it still have an impact on reducing plastic pollution?

The Aquatic Consultant would give an advice for SME in F&B Industry as it follows;

- Collecting data on collection and recycling rates, establishing monitoring protocols and methodologies
- Develop and test alternative packaging, digital technology solutions
- Develop and commit to industry-wide voluntary standards for the sustainable design and manufacturing of plastic packaging
- Establish cross-industry and inter-industry coalitions at the local and regional level and engage in partnerships with government, civil society.

- Commitments on sustainable packaging design as well as plastic waste
- Establish corporate green bonds, loans, and other financing mechanisms

As consultants we do think using a cassava plastic for the businesses, that would be a great idea and Yes, it would be successfully replace your business plastic consumptions in general for the reason from the point of view of consultants and companies, the use of recycled plastics containing cassava can reduce and reduce the amount of plastic pollution that occurs and is experienced by the users themselves. In particular, a system to reduce the use of recycled plastics has been used in the food and beverage industry to replace environmentally friendly plastics.

Yes it would be costing much more than usual by using a regular plastic bag that we are still using as for our daily life, even though it's quite affordable price would still be worth to buy because the cassava bag can be recycled easily and reduces the plastic pollution.

2.3.5 KPMG

From Bagawan's group they owned a supermarket and they took seriously on plastic pollution that they banned the use of plastic and replaced it with reusable bags. This supermarket tries to make it as eco-friendly as possible. This supermarket's main concern is that some shoppers did not bring reusable bags when going shopping to the supermarket. KPMG was wondering how to help educate shoppers on bringing reusable bags? If they are still not bringing what should this supermarket prepare in dealing with this situation?

We provide 3 solutions to overcome this:

1. Prepare paper bags or tote bags for customers who come to the supermarket. Your supermarket must activate the message indirectly through this. The message aims to educate shoppers to be aware of plastic pollution. By giving a free bonus paper/tote bags for one week to every shopper who doesn't bring a reusable bag. This of course will slowly make them aware, although not at the same time this is effective enough to be practiced in your supermarket. By providing "free", they

will also be more interested in shopping at your place because it is considered that your supermarket is consistent in maintaining the issue of plastic pollution.

2. Sell paper bags / tote bags to customers who don't bring reusable bags In the following week after giving a free paper bag / tote bag, we can analyze how shoppers behave towards plastic pollution. If someone still forgets to bring a reusable bag, then your supermarket must still provide a paper bag / tote bag but it is not given freely to the shopper but they have to pay to get 1 reusable bag that your supermarket sells. Here, your supermarket is indirectly on the educational path to make them aware of pollution plastic. In addition, your supermarket can also provide a variety of reusable bag prices according to size.
3. Supermarket logo on paper bag / tote bag and warning of plastic pollution in every place in your supermarket In this case, the goal is to keep customers aware of plastic pollution. Make them aware that your supermarket is following the 17 SDGs program. In addition, with the logo on the paper bag / tote bag that your supermarket sells, this has indirectly increased the brand awareness of your supermarket. In addition, the existence of a logo and sticker warning of plastic pollution in every place in your supermarket will create the first impression of trust in the shopper.

Another suggestion that can make shoppers aware is to show creativity and innovation at your supermarket such as designing a good paper bag / tote bag, or giving quotes so that it makes shoppers interested in buying reusable bags that are sold by your supermarket.

2.3.6 CIA Corp

From Ridho's group perspective about plastic pollution, they took point of view of the small community selling in the traditional market or street vendor. This group agrees to reduce plastic pollution, but the main concern and also the problem is for sellers in the traditional market or street vendors, the price of reusable plastic is higher than what they sell. This group needs our suggestion to bring another way to solve plastic pollution in the middle street vendor or seller in the traditional market. Here are our suggestion:

1. Use the old newspaper

Using old newspapers can help sellers wrap their dry goods, besides that used newspapers are also purchased at affordable prices. Using the old newspapers also takes advantage of existing materials, and does not cause new problems. Newspapers that are no longer used can be useful for wrapping a lot of dry groceries, instead of throwing away old newspapers, it is better to use them as a substitute for plastic.

2. Remind the traditional market customers and other sellers to use market shopping bags

Market shopping bags can be carried every shopping, besides being practical, using this bag can also be used repeatedly. It may be a bit difficult to remind mothers when shopping to bring market bags, especially to educate them to reduce plastic use, both from the point of view of both sellers and buyers, who on average are baby boomers, who will find it difficult to receive education related to plastic pollution. So there must be a clear handling related to this, for example the local government holds a seminar related to the situation of plastic pollution which threatens the extinction of living things by inviting millennials and generation Z, who are the children of sellers in traditional markets and buyers in these markets. This generation will carefully remind their parents every day to bring reusable bags when shopping

3. Use Eco-friendly Plastic

This plastic is harmless, for the environment. This plastic has also been widely sold, making it suitable for sellers to buy this plastic for their wares. These are kind of plastic that can be part of eco-friendly packaging:

- Bioplastics made from natural materials such as corn starch
- Biodegradable plastics made from traditional petrochemicals, which are engineered to break down more quickly
- Eco/recycled plastics, which are simply plastics made from recycled plastic materials rather than raw petrochemicals.

CONCLUSION

The conclusion from this project group is that we as consultants from Aquatic Consultants provide services to our business partners in providing advice and solutions, regarding considerations in running their business related to the problem of plastic pollution, which has a big effect on the work environment and its surroundings in carrying out an activity. because the government has enacted the problem of prohibiting the use of plastic, so business people have to rethink in taking the steps that apply to their company's business. So, as a whole the problem, analysis and solution of this regarding the prevention of plastic pollution is highly recommended in the use of bioplastics, tote bags, shopping bags that can be used repeatedly. with that it can save on the expenses made by the business side, it does not rule out the possibility to keep providing environmentally friendly bags to customers of these business companies.

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CHAPTER 7. ADVERTISING INDUSTRY

LEARNING OUTCOME

Learning Outcome

1

Critically evaluate a range of contemporary business issues and apply the knowledge gained to the advertising industry and organizations

2

Articulate their understanding and awareness of such issues in the advertising industry and produce recommendations in the form of a business report

1

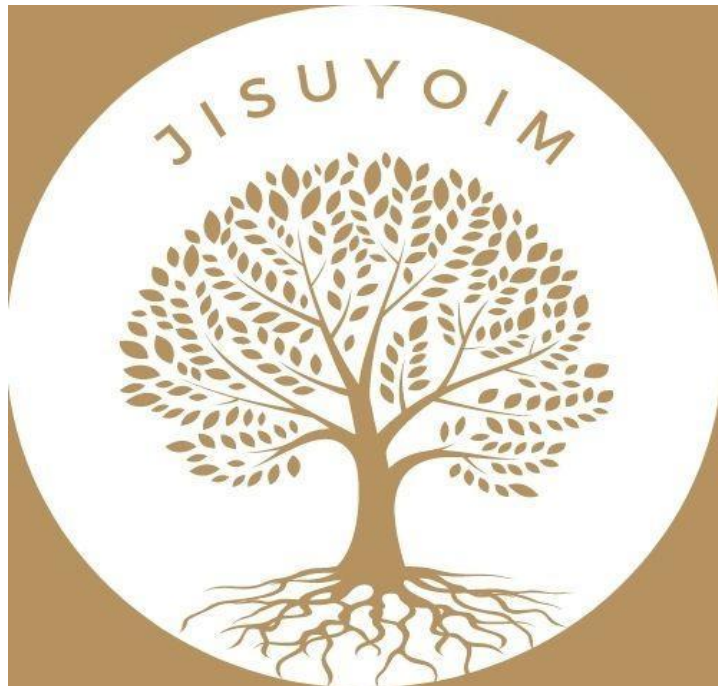
Critically evaluate many factors related to advertising industry and apply the knowledge gained to business sector

2

Articulate their understanding and awareness about advertising industry and the best practice

Project by:

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EXECUTIVE SUMMARY

Advertising Industry is the global industry of public relation and marketing companies, media services and advertising agencies. Advertising industry creates and manages the connection between companies, products,, and consumers, translating their clients' messages into effective campaigns. Advertising can simulate buying, increase sales, and help to jumpstart the economy. The economy, though, advertising business. When it slows down, consumers tighten their wallets, and manufacturers, in turn, reduce production and scale back on promotions. Ad spending decreases, as does ad revenue.

There are problems shown by our clients, the first from Kinky Pisan Group is a fashion company for people with exceptional taste. Their clothing line ranges from women's to men's wear which is concentrated in young adult lifestyles. They are having a problem finding the right way to reach our customers. For years they've been distributing our budget to different advertising channels such as: Social media (Facebook and Instagram); TV; Radio; and printed media (including billboards) But lately they found out that TV advertising, radio, and printed media is not as relevant anymore. They believe so because

nowadays, the age of viewers and listener doesn't match their customer profile. They had an argument on whether they should invest more on online advertising and expand their advertising to different online platforms.

Second from KPMG Firm they owned an outdoor theme park in the Sentul area. Their theme park is almost like Disneyland, but more with some Indonesian taste. They plan to make an advertisement on promoting their theme park to attract both local and foreign tourists. They also plan to have Raffi Ahmad and his family to star in our advertisement
Third from Accenture Firm and they own a sport equipment brand in Indonesia. They ask what is the Strategy to attract their target market the young adults to buy their equipment
Fourth from Deloitte Group, they currently operate a skincare business that offers facial products. As their business is relatively new, they're having trouble gaining trust from their market since their customers are afraid to try products from a business with a very small customer base. In addition, they're competing with other brands who've already earned many loyal customers. As for now, they're looking to advertise their products and their benefits and maximise their reach of the market, while maintaining low costs.

And last from CIA Corporation, they expand their business in Insurance sector, their business still running but they want to increase their business, so they consult to us to give them the solution for their problem, they tell us what is the best way for advertise their product in market, is it better in digital advertising or non advertising, because they know advertisement could be increase their product in market with effective way.

As the consulting firm to help our clients of their business and the key recommendation of the clients problem are they need to know their audience or the target market, to create the business also they need to create their product exist in the market, create to grow their insight in social media, and selling their product effectively, to create the engagement one of the marketing part in this era are optimize social media and optimize to use of ecommerce.

INTRODUCTION

1.1 Background

This era we know that most of us know how to advertise in an easy way because of the changes in technology and the fame of digital. We all know that to create a new business not only for the people who are looking for the job but also for those who want to support economic and local products.

To create a business one of the things is crucial how the business can attract their target market. Establishing the target market is the critical first step in any advertising campaign, you need to know who your intended audience is before you can reach them.

Advertising is the attempt to influence the buying behavior of customers or clients with a persuasive selling message about products and / or services. In business, the goal of advertising is to attract new customers by defining the target market and reaching out to them with an effective ad campaign.

Advertising goals should be established in the business plan. Due to growth sales, build in store traffic. The desired result can simply be increasing name recognition or modifying the image projecting. Objectives vary depending on the industry and market you're in.

1.2 Problem

There are problems shown by our clients, the first from Kinky Pisan Group their consultation should they completely remove their irrelevant advertising? and how can they be sure that it's completely irrelevant? If they are going to fully invest in online advertising, what are the SWOT? (especially for them as a fashion company) and last if they are going to expand their online advertising platforms, where should they go? They understand that Tik Tok is booming nowadays, but if they're going to invest much money to it: How long will the boom lasts.

Second from KPMG Firm they are having theme park business and ask can we give them some tips on how to make their advertisement unique that will attract both local and

foreign tourists? What are the positive impacts if they have someone like Raffi Ahmad and his family to star in their advertisement? And What is the perfect theme for their advertisement based on their case?

Third from Accenture Firm they ask as they own a sport equipment brand in Indonesia. What is the Strategy to attract their target market, the young adults to buy their equipment?

Fourth from Deloitte Group their business is Skin Care business and ask what would be the most effective advertising to promote their products? If they were to advertise through online means, how can they create advertising that is eye catching and doesn't make customers want to hide/close their ads? and last How can they convince people through their ads that their quality is equivalent to the brands they've been using, yet cheaper in price? is there a way where they could show their trustworthiness through their ads?

And last from CIA Corporation they expand their business in Insurance sector, the business still run and they need us to consult, what is the best way for their business to advertise their product in market, is it recommend to advertise their product in digital advertising or non advertising, they want us to give the best way to create the effectiveness advertisement for insurance business.

1.3 Purpose

The Purpose of this report is to provide critical analysis of how to get to know the advertising way of their market and we can analyse the potential strategy for these companies to use. By analysing, we then come up with the best recommendations related to the advertising industry that company is facing.

ANALYSIS AND DISCUSSION

2.1 Concept of Advertising Industry

Advertising is a powerful communication force and vital marketing tool helping to sell goods, services, images, and ideas through a channel of information and persuasion. It is

essential to the success of any type of business and industry. Advertising convinces people to buy products. All advertising contains both information and persuasion, Today we can say Advertising is a communication, marketing, public-relation, information and persuasion process. Advertising reaches us through a channel of communication referred to as a medium. It is usually at a particular segment of the population the target audience (consumer and business).

These types of advertising are really big and different objects for every type of advertising. Any place and object a “identified” sponsor pays to deliver their message through a medium is advertising. Advertisers are critical to the success of commercial media because they provide the primary revenue stream that keeps most of them viable. There are some of the types in advertising, first Digital advertising (Television advertising / Music in advertising), Radio advertising, Online advertising (Internet, Website, Social Media), Physical advertising (newspapers, magazines), Mobile billboard advertising(roadside billboard), In-Store advertising (retail store), and Outdoor (street) advertising (Reverse Graffiti and 3D pavement advertising in UK).

Advertising creates and sustains an ideology of consumption. Therefore, its impact should be analyzed.

1. The first impact of advertisement is that the viewers have no choice of their own in making a preference for the consumer goods they want to use in daily life. The advertisement imposes choices and preferences on the public mind through language, conversation, jingles, etc.
2. Advertising has created an incredible awareness, through the values message that relate to the company or business and the product
3. Advertising diffuses information about commodities, markets them and persuades the common man of their place.
4. Advertising plays a role in social change. It celebrates change and internalizes change for those who become better by using a certain product/service. In short,

advertising is the voice of technology; because of that, it represents the intention to affect life.

5. Advertising, though originally used to market products, now, unfortunately, it seems to market feelings, sensations, and styles of life; an astounding 'revolution in manners and morals'. All this has been possible through an efficient communication network that has revolutionized changes.
6. Advertising has played a vital role in the development process by creating a demand for consumer goods and raising the living standards of millions. Advertising has speeded the introduction of useful inventions. It has spread markets, reduced the price of goods, accelerated turnover and kept people in employment.
7. Advertisements of fertilizers, pesticides, farming equipment, cattle feed, etc. have reached the rural market successfully.
8. A substantial amount of advertising expenses are utilized on advertisements of capital goods, intermediaries, consumer durables and services, most of which promote investment, production, and employment.
9. Advertising which was originally an American concept has found its place in a country, so much so that the number of commercials has doubled in the media. Television is the most sought after medium for advertising.

We all understand why companies advertise. However, explaining what its purpose is in words is not so easy. Companies mainly advertise:

1. To make consumers aware of a product or service.
2. As a way of convincing consumers that a product or service is just what they need.
3. To generate desire for something.
4. When they try to make people view a company favorably. In other words, when they want to enhance the company's image.
5. When the aim is to tell people about new goods or services.

6. To back up sales people's messages.
7. To trigger a response. For example, to get consumers to request a sample, seek more information, or order something.
8. A way to direct consumers in the company's direction.

There are some types of Advertising; Advertising is pervasive-It permits the seller to repeat a message many times, and it allows the buyer to receive and compare the messages of various competitors. Large-scale advertising says as much about the seller's size, power, and success in business, as it does about a product or service, Advertising is amplified expressiveness-It provides opportunities for dramatizing the company and its products through the creative and skillful use of print, sound, and color, Advertising is impersonal-The audience does not have to feel obligated to respond, or to even pay attention to advertising. Most advertising is a monologue in front of an audience, not a dialogue with the audience, although interactive media can be used to create opportunities for dialogue between advertisers and consumers.

2.2 Insight of Advertising Industry in Indonesia

The advertising industry is considered very huge and immense all around Indonesia. The revenue of the advertising industry could come from different sources such as digital advertising agencies, social media advertising, video advertising, banner advertising, and search advertising. Based on the data shown below, the total ad spending in the Digital Advertising market is projected to reach US \$1,424m in 2020 for Indonesia.

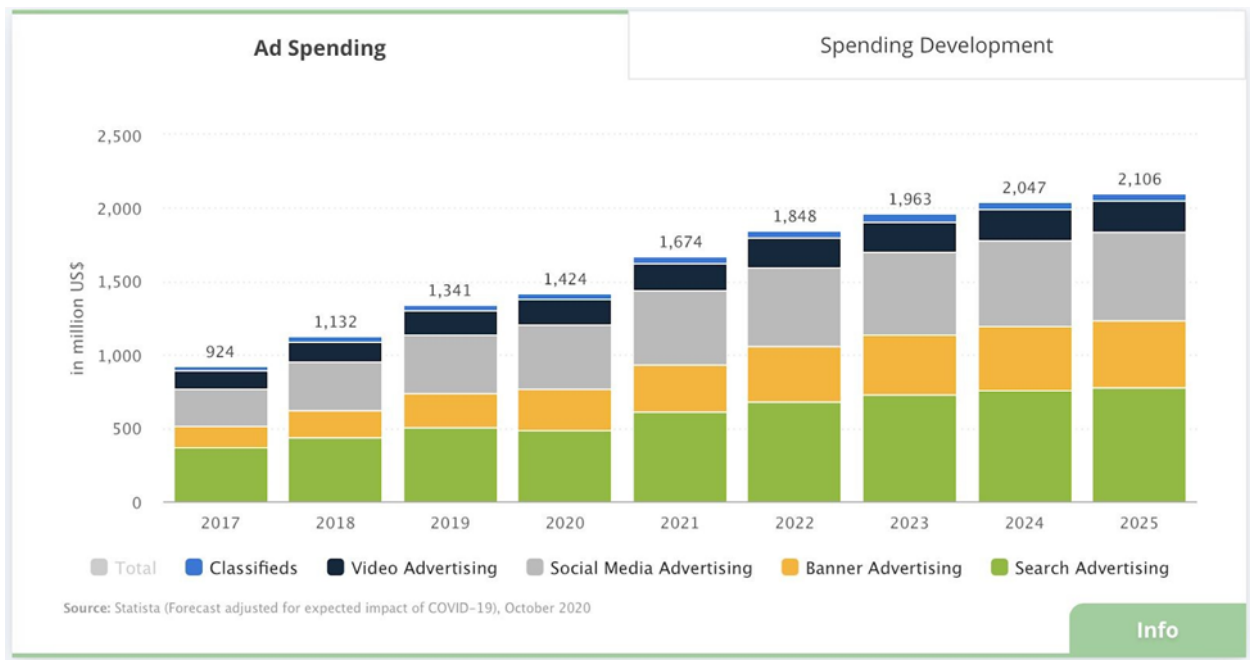


Figure 1.1 Ad Spending In The Digital Market Graph

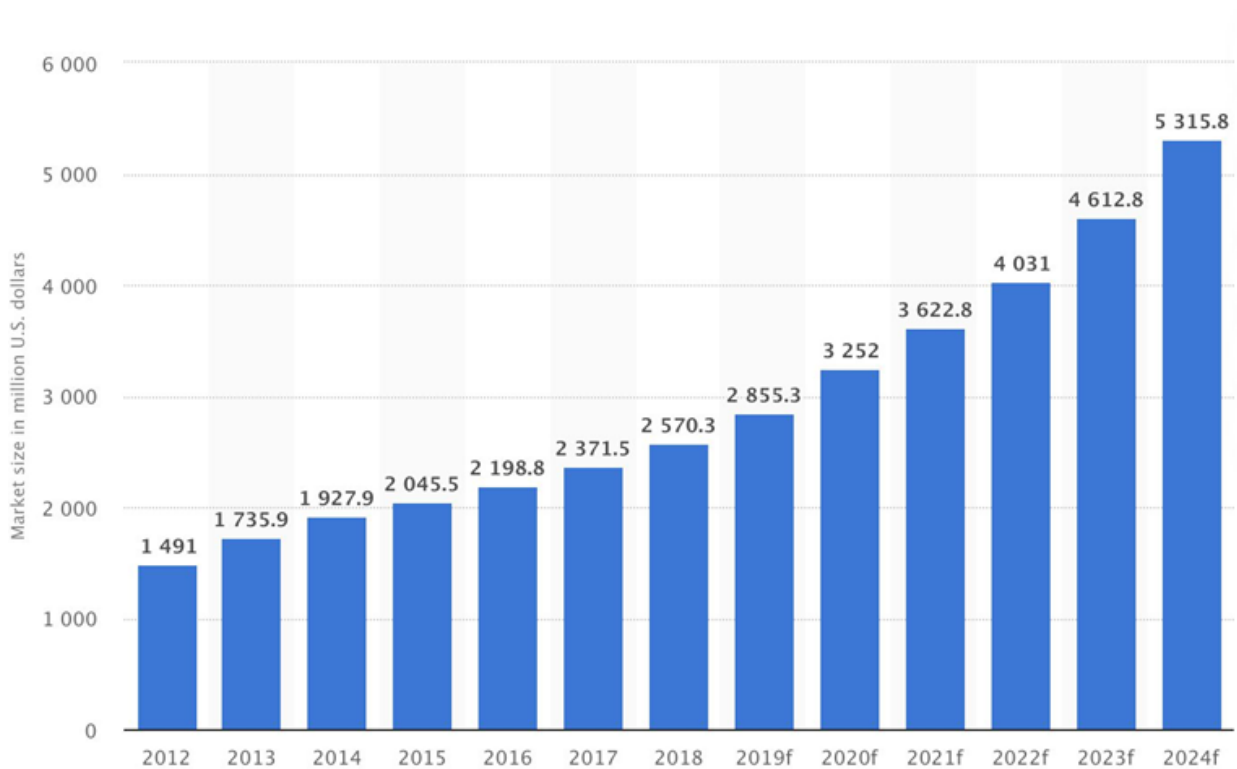


Figure 1.2 Advertising Market Size in Indonesia

This data is also impacted from the rapid technology growth, including social media users, that is also predicted to keep on increasing for the upcoming years. However despite all of that, advertising in Indonesia still has quite a lot of challenges. With so many

available platforms that are provided by the internet to advertise, this will give a higher chance that the advertising market becomes very saturated. One of the examples is when there would be thousands of flyers, and brochures that are distributed every single day.

Another example is also known as the out-of-home advertising technique which means exploring and advertising outside indoor locations. Go-Jek mostly uses lots of their advertising using the out-of-home advertisement technique by providing the audience materials to read in the billboard whilst they are being stuck in traffic. These examples previously shown simply means that the advertising industry has very high competitors in the industry because everyone is fighting to try and get their businesses running by capturing the customers' attention.

2.3 Advertising Industry from The Perspective of Six Top Unicorn Startups

2.3.1 Go-Jek

Gojek was founded by Nadiem Makarim and two others in October 2010. Gojek started its business as a motorbike motorcycle taxi service through the call center and while standing only had 20 drivers. The title of unicorn status was won by Gojek in 2017 when the valuation was estimated at 1.2 billion US dollars. After two years, the status of Gojek increased to decacorn.

One of the online motorcycle taxis that is in great demand by users of online transportation services is "Go-Jek" which is one of the pioneers of transportation using two-wheeled vehicles or motorbikes. Gojek now has operations in 204 cities and districts in Indonesia. Not only that, but overseas expansion has also been carried out in several Southeast Asian countries, including Vietnam, Singapore, and Thailand. With the application that is owned by Gojek, it makes it easier for services users to order and use the Gojek services. And not only Goride or Gocar services but Gojek also have other features created to make their target market more easier to use the features that customers need. We all know the features are GoFood, GoShop, GoMart, GoSend, GoTix, GoBox and etc.

The decision to use online transportation services is a process for consumers. This process is theoretically aligned with the understanding of purchasing decisions. Go-Jek in

implementing marketing strategies through promotion in print and digital media, including through various social media. YouTube and other social media. Promotions include Go-Pay (price cuts), customer services attributes of Go-Jek in the form of helmets, jackets, masks, headgear and raincoats. Gojek develops its business in advertising by launching Go Screen, an outdoor advertising media or Out Of Home (OOH) by following technological developments and is said to be able to make advertising more effective, optimal, and right on target.

Gojek's Chief Commercial Officer, Antoine de Carbonnel, said the main challenges of outdoor advertising users today are measuring the effectiveness and performance of ads. GoScreen uses technology that is able to measure and perform based on location and the time precisely so as to provide advertisers with a complete report (Antoine during a virtual press conference).

2.3.2 Traveloka

Traveloka is a leading Southeast Asia online travel company that provides a wide range of travel needs in one platform, enabling customers to create moments together with their loved ones. Traveloka offers flights, hotels, trains, flight + hotel packages, attractions & activities, connectivity products, airport transports, buses, and car rental. The Traveloka mobile app has been downloaded more than 30 million times, making it the most popular travel booking app in the region.

Ticket booking service companies and hotels have started using online systems to serve their customers, such as www.traveloka.com. Traveloka is a company that provides online flight and hotel ticket booking services with a focus on domestic travel in Indonesia. At the beginning of its concept, Traveloka functioned as a search engine to compare flight ticket prices from various other sites. In mid- 2013, Traveloka then changed to a flight ticket reservation site where users can place orders on its official website. In March 2014, Ferry Unardi stated that Traveloka would soon enter the hotel room reservation business. In July 2014, hotel reservation services were made available on the

Traveloka website. According to the Alexa website, Traveloka.com is the most visited online ticket sales website and is ranked as the 97 most visited website. PT Traveloka

Indonesia feels that there is a lot of potential out there that has not been captured by them. Therefore, Traveloka finally issued a strategy, by airing advertisements on television as a form of promotion. Which is where the advertisement gives different views according to the type of ticket advertised.

2.3.3 Tokopedia

Tokopedia is a marketplace business model in Indonesia that is present in mobile applications. Tokopedia provides opportunities for individuals, small shops, and brands to offer and sell products or services online. Tokopedia has a program to support Micro, Small and Medium Enterprises (MSMEs) and individuals so they can develop businesses by marketing products online. Tokopedia is under the auspices of PT Tokopedia which was founded by William Tanuwijaya and Leontinus Alpha Edison on February 6, 2009 (Tokopedia, 2018).

Tokopedi's advertising strategy is considered different from most other marketplaces because they want to invite people to become entrepreneurs. This can be seen from the advertisements they often make. Create Opportunities and #MulaiAjaDulu are their two most recent campaigns in the last two years. This is inversely proportional to other marketplaces that prefer to offer promos in their ads.

In the Tokopedia 'Create Your Opportunity' campaign, they also chose to use Chelsea Islan as their model which implied that young people should have started to dominate the business world and lost the impression that only parents should be in business. Tokopedia actively creates seller stories which are uploaded through its Youtube media channel. It aims to introduce successful entrepreneurs as well as invite other people to start doing business using Tokopedia as a medium of course.

We all know Tokopedia recently really active with their big project with various Famous and Popular Kpop Star such as BTS, Twice, Stray Kids, Secret Number and recently Blackpink also become advertising media influencer for Tokopedia in their Big Project "WIB" Waktu Indonesia Belanja. Tokopedia really follows the season of the famous things in this era, and they also collaborate for almost celebrity and influence in Indonesia to support Tokopedia.

2.3.4 Bukalapak

Bukalapak is one of the e-commerce startups in Indonesia who received a unicorn title. This startup was founded by Achmad Zaky along with two of his friends, Nugroho Herucahyono and Fajrin Rasyid, in 2010.

At that time, they read about potential opportunities to develop an online store website which is now known as e-commerce. His foresight finally paid off with Bukalapak being transformed into a startup with a unicorn title in 2018.

Bukalapak.com provides a variety of features to provide convenience for its users to find the products and information they want and to attract more consumers, Bukalapak.com provides discount features. The Impact of Using the Bukalapak.com (Caesar) Site is where this feature is used for pelapak to make his merchandise sell faster and the desire of the buyer to get goods at a cheaper price and be able to make mutually beneficial transaction agreements. And with this feature, Bukalapak.com provides a special page to display a list of discounted items. Bukalapak also has a negotiable item price feature, where consumers can negotiate the price of the goods they want to pelapak and with this feature consumers also provide consumers to get goods at prices according to their wishes. These features lead to unplanned buying behavior because more or less these features also influence consumers in making decisions in shopping online.

Bukalapak is releasing a new promotional feature, Bukalklan Shopping, which utilizes the Google Shopping Ads advertising platform to advertise merchants selling goods. Not even been released a month, this feature is claimed to be 2.5 times more effective in helping sales than customers who don't use this feature. Bukalapak's VP of Marketing, Bayu Syerli Rachmat, said that to use this feature, pelapak must pay a minimum fee of IDR 10 thousand per day to promote the products it sells to appear in Google search results.

Social media plays an important role in the sustainability of Bukalapak.com in promoting products offered by sellers who use the buk Bukalapak.com site as a means of buying and selling online. Because with the social media buk Bukalapak.com, you can update information about the latest, most popular products and discounts directly. In other words, this plays an important role in attracting consumers to use the buk Bukalapak.com

site. The social media used by buk Bukalapak.com include Facebook, Twitter, blog and Youtube.

2.3.5 OVO

The startup in the field of e-wallet, OVO, officially holds unicorn status in 2019. OVO itself is mentioned as a mobile payment application made by LippoX in 2017. The news of the status of the unicorn OVO first emerged from the data provider of the platform for analysis and machine intelligence, CB Insights, which has a list of startup groups that have won the unicorn title.

In the list, there is a startup name OVO. Three investors have joined OVO, namely Grab, Tokopedia, and Tokyo Century Corporation. OVO valuation is said to have reached 2.9 billion US dollars or equivalent to IDR 40 trillion as of October 2019.

Online Payment via OVO OVO is an online wallet that collaborates with Grab and is very popular among the public. Only OVO has its own application different from GoPay. Almost All people from teenagers to parents use the Ovo application. With ovo, people can pay in the same way as gopay, by scanning a QR code via cellphone to a QR code available in the shop that will make a transaction, however, some shops have used special EDC machines for OVO.

One of the efforts to widen the use-case, ovo is partnering with Grab online transportation for payment methods. In essence, now the OVO application has multiple functions from financial matters such as mutual funds, insurance payments, transactions, transfers, to payments. The development of this feature is inevitably dependent on the existing ecosystem.

Meanwhile, customer behavior has also begun to change - from paying with cash to cash. And, OVO seizes this as an opportunity as well as continuously educates non-cash. "Our job is to change this habit. Of course at the beginning we have to give the sweetener first. This includes facilitating transactions in a wider range of affairs," he said. Nowadays, people are increasingly trusting to put their virtual money in mobile payments such as OVO. This trust is currently the main capital for OVO to develop this use-case. With greater trust, the bigger the basket size at OVO. The use of the OVO application is currently still

dominated by shopping

2.3.6 JD.id

JD.id was founded by Liu Qiandong, who has very strong work ethics in efforts to make JD.id as one of the most trusted online shopping websites known for their outstanding innovation and technology. JD.id has their main mission which is to “make the joy happen” bringing contentment to customers in Indonesia by providing very fast, reliable, and ensured safety services when choosing a series of original products with tremendous quality. This company also utilizes their own logistics fleet and is supported by a broad network connection all throughout Indonesia. Having to match their competitors, JD.id vision is to become the most famous yet trustable e-commerce company by providing services mentioned previously.

The advertisement made by JD.ID has a unique and intriguing advertising concept with a distinctive storyline and singing by parodying Candil with his distinctive voice, making it easy to sing. Advertising activities that are based on have also been quite intense, as evidenced by the data on advertising spending on television by JD.ID in 2017, which was ranked third in Indonesia, reaching RP. 215. 6 billion Ads are also included in the 10 most favorite ads on Youtube.

2.4 Possible Strategies

2.4.1 Possible Strategies for Kinky Pisan

Kinky Pisan is a fashion company for people with exceptional taste. Our clothing line ranges from women’s to men’s wear which is concentrated in young adult lifestyles. We are having a problem finding the right way to reach our customers. For years we’ve been distributing our budget to different advertising channels such as: Social media (Facebook and Instagram); TV; Radio; and printed media (including billboards) But lately we found out that TV advertising, radio, and printed media is not as relevant anymore. We believe so because nowadays, the age of viewers and listeners doesn’t match our customer profile. We had an argument on whether we should invest more on online advertising and expand our advertising to different online platforms.

Kinky Pisan asked several questions, including "should we completely remove our

irrelevant advertising? And How can we be sure that it's completely irrelevant?" and our answer is should remove irrelevant ads because advertising is a tool between the product and the buyer, how will increase the number of purchases of the products we sell ?, if the advertisement is not relevant to the product that has been made, because Advertising is a tool for presenting products that are marketed to potential consumers. It can be seen by the number of interactions between the market and the advertisements we publish, how the market responds and of course if the ads we display are relevant, the market will automatically respond positively and make maximum interaction with the products offered. And Market interactions with products, if the ad is irrelevant, the market interaction on the product will be small and very not optimal for the results expected from the main function of the ad, and if the ad shown is relevant, market interaction will be maximized and will make traffic to the product high.

Second question is about SWOT if they invest their money in online advertising for fashion industry

<p>STRENGTHS</p> <ol style="list-style-type: none"> 1. Relatively cheaper cost 2. Wider advertising access 3. Available 24 hours for advertising 4. Online advertising can save time 	<p>WEAKNESSES</p> <ol style="list-style-type: none"> 1. Prone to technical errors 2. The initial upfront costs for advertising are quite high 3. Vulnerable to hackers 4. Ease of sudden shifts in market demand
<p>OPPORTUNITY</p> <ul style="list-style-type: none"> ● Can cross geographic boundaries ● Keep in touch with customers ● Get feedback instantly 	<p>THREATS</p> <ul style="list-style-type: none"> ● There are still many customers who shop online ● Some customers are less proficient in using internet applications

- | | |
|--|---|
| | <ul style="list-style-type: none">● Not in direct contact with the customer (weak relation) |
|--|---|

And for the last question is If we are going to expand our online advertising platforms, where should we go? We understand that Tik Tok is booming nowadays, but if we're going to invest much money into it : How long will the boom last? So our answer is TikTok is one of the platform choices to introduce the products you offer, on the one hand, TikTok is booming and where all TikTok content is very unique, they provide advertisements, education or other content in a concise and clear way in the form of videos and depending on how big the market segment of the market you choose for the product you put out, if the bigger the market, the longer your product will boom (if the advertisement and the product are equally promising) but if the market scope for your product is small, then it will be very likely boom in your product is not that long.

2.4.2 Possible Strategies for KPMG Group

KPMG Group consult to us ask give some the tips how make their advertisement unique that will attract both local and foreign tourist, our tips are make a partnership with local and international influencer, to partnership their company could be choose the famous influencer that influence their market, ask for constants reviews and feedback, to improve and grow their business need the feedback how the experience, create advertisement campaign, give the strong social media presence to attract people, this could be effective to for non digital platform is use Television and Billboard exposures because some of us is busy to looking for in social media but when they see the advertisement with TV or Billboard is more effective for them that not using social media, appealing copywriting the target market audience, interactive online ads when interactive in online ads it will be improve their business exists by their target market, Striking images and videos ads to create visualisation of audience, highlight benefits and promotions, personalisation this one tag line and color theme.

KPMG in the case said that they want to invite Indonesian celebrity Raffi Ahmad and his family to visit the theme park of KPMG, and they ask what the positive impact if they have someone like Raffi Ahmad and his family to star in their advertisement. The celebrity endorsement helps increase the brand awareness and familiarity of theme park, it could be build more credibility to the people who decides to visit the park, will help the theme park stand out and build its brand equity to star celebrity, and Raffi Ahmad also have a huge number of followers that will help increase the traffic and boosts sales, and also can help improve ad recalls that will help maintain brand loyalty and sustainability. So to invite the celebrity or influencer make sure that the celebrity or influencer have good issues in the media, have a huge number of followers, and they have a good rating in the entertainment world.

Based on the case that KPMG Group explains, There are some perfect themes for their advertisement. KPMG Group gave information about the clue that they want to become a theme park still related to Indonesian Background. Our consultant gave them the ideas and strategies, first Theme park should change it per season, to give the different and unique showing per season, KPMG company can choose the season based on national or international event, for example season in Independence Day the theme relate on games traditional of the Indonesian Heros. Second, because of their theme park in Indonesia, they should create the indonesian culture to your theme. Some of the places are the traditional story of Indonesian, for example choose Danau Toba History and Malin Kundang that are famous of Indonesian Story. Third is create the educational theme, this theme park target market is universal or for all genders and ages, but most of them would invite and bring the children to theme park, to make it the great showing, games, attraction with educational background related with Indonesian History. And last give some famous buildings in Indonesia that are similar with the real buildings, for example there is some place having Monas, Candi Borobudur, Pura Besakih, Masjid Istiqlal and any other famous building in Indonesia.

2.4.3 Possible Strategies for Accenture

Accenture owns a sports equipment brand in Indonesia that wants to attract young adults in buying their equipment as they are the brand's main target. Our first recommendation

is to make use of sponsorships with influencers that are related to the sports industry. By doing this it will help increase the brand's awareness due to the impact of the influencers' huge amount of followers, as well as building the brand's credibility and trust within the target audience. Not only that, another reason why is because this would convince these young adults that the sport equipment they're using are in style and is up to date with the trend now, hence will even build more confidence for the customers. Lastly, these people who want to purchase the products could look at these influencers as their inspiration on how to use the products for their daily lives.

Next recommendation is to build a strong social media presence for this sports equipment brand because all businesses need this to further expand their audience online. Considering that this brand's main target is also young adults, social media is also a very effective way to go because we could find most of them always maximizing the use of their gadgets in doing all activities. Another reason is because using social media platforms (Instagram, Twitter, Facebook, Youtube, TikTok) to distribute contents will allow an increased engagement and participation towards the customers that will influence their behavior and outlook when purchasing the products. It will also keep them updated and entertained towards all the latest news regarding Accenture, so they wouldn't miss out on any new updates in the near future.

The third recommendation is to create ads that will be outstanding to your customers using appealing pictures, videos, or even testimonials in all the content you will produce. An example is when the brand wants to promote its products through YouTube by making a video advertisement, it is very important to consider high quality video when producing the content because this will make customers more intrigued in getting to know the brand.

Last important decision is to maximize the advertisements by trying to get the most use through Search Engine Optimization (SEO). The function of this tool is to have a further advantage against your competitors because it enables Accenture to stay on top of other brands as a sports equipment brand if used correctly. It also ensures that the brand will reach out and connect to the right target audience which in this case is young adults who love sports by using the customer's personal data in deciding which online platform they use the most in order to demonstrate the advertisements.

2.4.4 Possible Strategies for Deloitte

Firstly, they want the most effective advertising to promote their product. Let customers sample the products before they commit to making a purchase, while consumers should know the texture, and some quality ingredients, an attractive price tag and advertisement may be enough to attract the consumer, other consumers like to try products before buying them. The sampling helps ease a consumer's hesitation and maybe they could give recommendations to spread for everyone. And they should solicit testimonials, use testimonials throughout all forms of media deloitte use to market your skin care products, including deloitte website, email campaigns,

Instagram or social media platforms. Skincare consumers will appreciate reading about the results of other experiences while using the product and testimonials add credibility to the deloitte brand and allow deloitte to position their current customer as evangelists for their brand. Next they need Micro influencers because that is the key of to customer's heart, customer want to interact with real people and identify with their everyday struggles, this is why micro influencer become popular recently, because they are who knows to build communities based on trust, loyalty, and authenticity will win the attention of customers. Choosing the right influencer for the Deloitte campaign has never been easier. Next is they should collaborate with an Organization that supports social causes and values, it could attract consumers that our product is active and exists and buy their product collaboration because they know that their brand supports social values. And last we recommend their company to unleash the potential of content marketing, the example things are create the tutorial of skin care routine with deloitte product and give some information about the ingredients how to apply, what is the benefit of each product and additional for the testimonial before and after consumer use deloitte product, another example could live video on social media platform that have high impact for existence product and brand, instagram have high potential to live video, give the unique title or invite the special beauty expert to discuss about deloitte product.

Second problem they consult about is if they advertise through online means, how can deloitte create advertising that is eye-catching and doesn't make customers close or hide the ads. This problem relates to the design concept of the business, we give a note to them

that the key is to create ads that capture their consumers attention with a strong visual hook. We give them some tips to make the right content, first they should choose the right medium, it means each ad should try to say something important about their product, and every message has a good point to make the audience understand what their business delivers. Secondly they choose the right fonts and colors, to make an eye-catching advertisement is a combination of several visual aspects ranging from the image or video itself to things as basic as the tools and fonts they choose. Third, the content should stay on topic , important to remember that their goal is to highlight their brand. Whether they're working with a short video or image but they have to introduce their company, and lastly to keep it simple, create the content, image, video, and words must be focused on finding ways to stay more with fewer components and maximizing the limited real estate they have to engage viewers.

Last problem they consult about is how they convince people through their ads that their quality is equivalent to the brands consumers have been using, yet cheaper in price? Is there a way where they could show their trustworthiness through their ads? Our consultant give them some answer that could be effective, first the most effective way is to let previous customers that have purchased their products provide rating, testimonials and reviews to make convince the new customer buy deloitte products, second this could be in a form of picture or even video ads uploaded through their social media as a social proof that the brand is high in quality yet cheaper in price, and last the example is featuring customer that highlights the positive impacts of their skincare brand.

2.4.5 Possible Strategies for CIA Corporation

The CIA Corporation expanded their business in the insurance sector, and they still confuse how to advertise their product is it using digital advertising or non digital advertising. And we give them the solution that their business is using digital advertising, now era is all about digital and technology, to get the easier target market and to help their generate leads and earn more referrals, First they should hone their website this website makes an excellent first impression. Their website goal is to help potential clients to easily contact their agency, this is effective nurturing leads who are still researching the customer insurance options. Next is Put Testimonials on Their website they can have a testimonials page, but more effective also there should be widgets that allow to review

from Google or Facebook where their clients can testify through those social media, in website they should provide a testimonial page which is effective to build trust and interest of their potential clients and they can also add testimonials in form of video in their testimonial page. Third use Facebook advertising, they should create a Facebook Business Page, it allows them to target audiences based on precise demographics, life events, and interests. They can also retarget both people who visited their website or interacted with their Facebook or Instagram pages. Last is use CRM and Marketing Software is the key to success, they need use CRM software to track activity with leads and clients. For insurance agents, this is a must just so they can stay organized. And a great way to track the customer journey from lead to long term client. It will save their time and focus their resources for maximum ROI.

CONCLUSION AND RECOMMENDATION

In conclusion, the advertising industry is the global industry that serves as a conduit between manufacturer and consumer. Overall advertising is one of the important things in the growing business, choose the target market, look at the situation in this era in the business world because now almost whole people in the world using technology and use digital, advertising has a huge way to spread in the market, the different types and how we use the advertising well. People now really know how easy it is to look for the product or services they need, because of the internet, e-commerce, social media platform, chatting platform, and adsense. But also some of us are still looking for the product and services to go to the mall or the store of the product and services we are looking for, but for the entrepreneur all the things in advertising really help their business to grow and be useful for their target market.

For our recommendation, we think that to advertise your business it is very necessary to consider these factors: the nature of the product itself that you want to promote, the target audience/potential market size, the type of distribution strategy, competitive advantage in the advertising industry, overall budgeting, the brands' goals and objectives for advertising, and the type of media platform/techniques that are going to be used to advertise your brand. Considering that it is very critical to know what kind of product you are going to be advertising to be able to elaborate the factors mentioned above. Aside

from that, we would also recommend you to always include these things when wanting to advertise your product. The advertising technique you use should be aligned with the product you are promoting, in order for it to stand out against other brand competitors. What customers look out when deciding to buy a product is the authenticity of the brand itself, so it is very essential to always make the advertisement as original as possible without copying other people's works.

Another reason for this is by having originality in your brand, it would captivate the customers' attention and even attract more new customers. The next thing to consider is your advertisement should always be memorable so that it would hold value in customers' minds, as this makes it easier for people to recall the ad and thus come back for more. Hence, these customers would even stay loyal and will help with your business' sustainability and increased brand awareness. Lastly, as much as possible try to make the advertisements interactive whether it'd be the online or offline way. By doing this, lots of customers will find it more interesting and thus feel like they are more involved in the whole advertising process, resulting in a positive increased engagement and participation.

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CHAPTER 8. ENTREPRENEURIAL MINDSET

LEARNING OUTCOME

1

Critically evaluate many factors related to entrepreneurial mindset and apply the knowledge gained to business sector

2

Articulate their understanding and awareness about entrepreneurial mindset and the best practice

Learning Outcome

1

Critically evaluate a range of contemporary business issues and apply the knowledge gained to the entrepreneurial mindset and organizations

2

Articulate their understanding and awareness of such issues in the entrepreneurial mindset and produce recommendations in the form of a business report

Project by:

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EXECUTIVE SUMMARY

This report provides an overview of the topic, entrepreneurial mindset, and its importance. Methods of analysis include: defining entrepreneurial mindset from various perspectives and sources; researching about entrepreneurial mindset in Indonesia and its application; investigating the key indicator points that influence entrepreneurial mindset; and comparing entrepreneurial mindsets between six unicorn startups in Indonesia. In addition, this report addresses the general problem regarding the beginning of one's journey towards entrepreneurship, and addresses issues from potential entrepreneurs regarding the startup of a business and how they may be solved, through implementing strategies from various companies.

INTRODUCTION

1.1 Background

Mindset consists of two words, "Mind" and "Set". Mind is the source of thoughts and memories, the center of consciousness which has the result of a thought, feeling, an idea, an opinion how to store knowledge and memories. Sets are a way of how to prioritize improvements in ability in activities. So, Mindset is a state or mental perspective that has an influence on one's approach in dealing with a phenomenon. There are so many mindsets that humans have about something in their life, one of which is an entrepreneurial mindset.

Starting a business requires two important factors, the first is skill and the second is the entrepreneur mindset. From that factor, having an entrepreneur mindset is very important in running a business. Because with the entrepreneur mindset, someone will be motivated to always be productive and make new innovations to create profitable business opportunities.

"Entrepreneurial mindset plays a significant role in the process of nurturing the entrepreneurial skills and capabilities of a person" (Chinonye & Akinlabi, 2014)

Entrepreneurial mindset is a way of thinking that allows you to overcome challenges, be assertive, and accept responsibility for your results. The mindset of an entrepreneur is a

productive, creative, innovative mindset because this kind of thinking is what all entrepreneurs need to run a business. Entrepreneurs are not always smooth in running their business. There are several obstacles that entrepreneurs may experience when building a business. If an entrepreneur has an entrepreneurial mindset, they will learn from every mistake, dare to take steps and be responsible for what they choose. In order to keep the business running smoothly, the kind of mindset that is always looking for new opportunities is a mindset that every entrepreneur needs to have. Many people limit their abilities and potential by stopping at one point. An entrepreneur needs to be sensitive to the opportunities that come and then take these opportunities after thinking carefully.

“The entrepreneurial mindset is a state of mind interested in the pursuit of opportunity. The goal is to create user defined value at various multiples of the existing competitive offering through the deployment of innovation.” (Arlen Meyers, 2019)

1.2 Problem

It is no surprise that establishing a business takes courage, commitment, and confidence, especially when a lot is at stake; entrepreneurs must be ready to tackle any risks or uncertainties they face, and push away any existing doubts, fears, or worries. There are many who struggle to begin their journey towards entrepreneurship, or starting a business; they feel that they do not have the readiness or whatever it takes to start a business, so they struggle to even take their first steps. But, it is normal to be unprepared when you are only at the beginning; and some have failed to see that it is okay to have these doubts or worries, but they should not let it constrain themselves from moving ahead. After all, an entrepreneurial mindset does not develop over a single night.

The general problem Deloitte Consulting Firm is addressing is the issue of “taking your first step,” where people have fears and worries about facing the risks they would face; that these prevent them from gaining courage to start their business. Although, we also address other issues that are relevant to entrepreneurial mindset, like the ones from our clients.

1.2.1 Problems from clients

1. Wahid from Accenture Strategies

“I have been thinking of opening a cafe for a while now, and I have already bought a place. I wished to make my business for teenagers and young adults, but from what I know, the area of the place consists mainly of older adults and elderlies.”

2. Bagawan from KPMG

“I am planning to open a restaurant and I have already found a strategic place, but the problem is that I would be competing with four other popular restaurants, while being newly-established.”

3. Angela from Y&L

“We, friends of 3, want to open a restaurant and we already thought of the concept and what we would need to begin. But, even if we collectively provide funds for the business, it is still not enough to start.”

4. Lita from McKinky & Co.

“We are from Dinginsonic, an electronic company, and we have been in the industry for 75 years. We had a great run for so long, but these unprecedented times has forced us to constantly improve and innovate due to the increase of electronic companies from all around Asia entering the Indonesian market, who are coming to the country with new innovations; and it’s such a shame that we are unable to innovate as quick, although we have a greater understanding of the market.”

1.3 Purpose

1. Explain what entrepreneurial mindset is and its importance.
2. Discuss problems that are relevant to entrepreneurial mindset.
3. Analyse the potential strategies and propose the best recommendations related to entrepreneurial mindset

ANALYSIS AND DISCUSSION

2.1 Entrepreneurial mindset in Indonesia

An entrepreneurial mindset indicates a way of thinking about business and its opportunities that capture the benefits of uncertainty (Dhliwayo and Vuuren, 2007). According to Seneges (2007), it portrays the innovative and energetic search for opportunities and facilitates actions aimed at exploiting opportunities. Establishing an entrepreneurial mindset is important to sustain the competitiveness of a country's economic and the socioeconomic lifestyle of the population through value and job creation.

In Indonesia, the number of entrepreneurs as of 2018 was 5 million people, which has decreased from 7,75 million per 250 million citizens in 2017 (BPS statistics, 2018). The number of entrepreneurs is still relatively low when compared to the ratios of other countries, such as Singapore of 7%/total population, Malaysia of 5%/total population, and Thailand of 4,5%/total population.

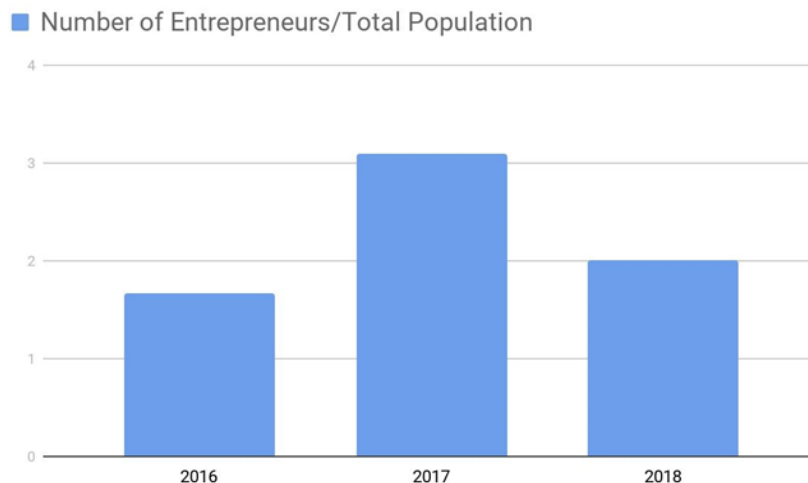


Figure 1. Ratio of Number of Entrepreneurs/Total Population in Indonesia (Source: BPS Statistics, 2016 to 2018)

Similarly as depicted in Figure 2 below, data on job-seekers of college graduates from the Ministry of National Education data (2018) exhibits 83.2% of college graduates choose as job-seekers rather than as job-builders. By considering college students as Indonesia's human resource and young educated generation, It is unfortunate to know

that the orientation of Indonesia graduates to be job-seekers is much greater than job-builders. The interest to be a job-builder among Indonesian is still low, mindset to be employees especially civil servant is still dominated.

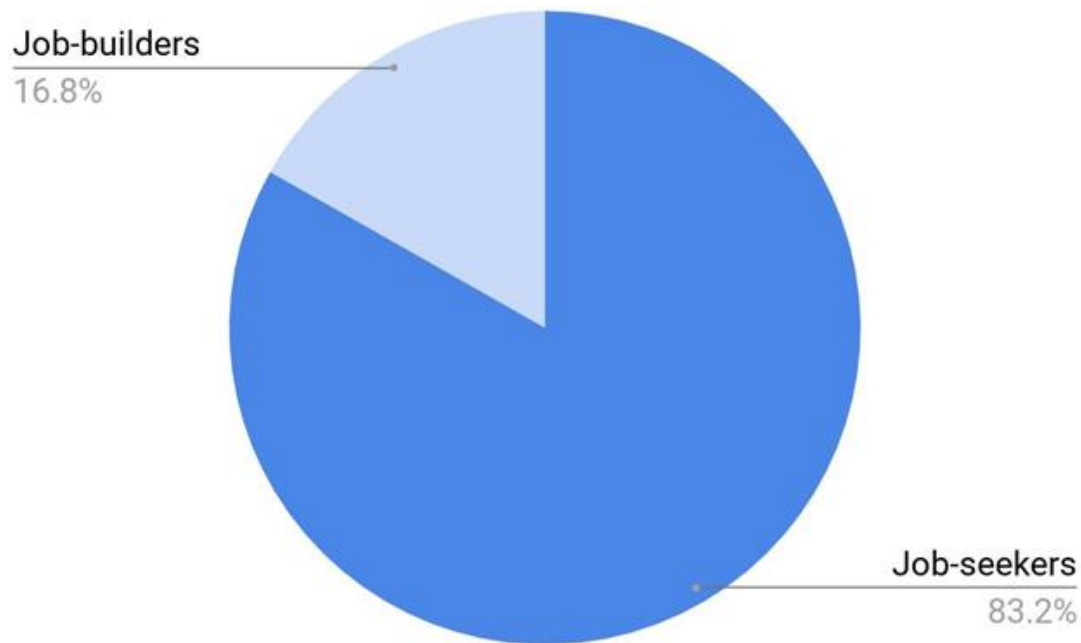


Figure 2. Percentage of College Graduates as a Job-Seekers and Job-Builders (Source: Ministry of National Education Data, 2018)

The information above illustrates the importance of entrepreneurial mindset development in Indonesia. Entrepreneurs play a very important role for the economic sustainability and competitiveness of Indonesia. Furthermore, the development of local Indonesian entrepreneurs will strengthen domestic needs, so that in the long term it can reduce dependence on foreign markets.

2.1 Indicator points that influence entrepreneurial mindset

According to Ngek, N (2012), there are four main indicators that influence entrepreneurial mindset, they are as follows:

1. On-going training, education and work experience on entrepreneurial mindset.

According to Singer (1995), previous entrepreneurial experience is one of the most reliable forecasters of future entrepreneurial performance. Most literature studies have

confirmed a positive relationship between the entrepreneur's prior experience, a firm's growth and survival of their businesses. In conducting a study on entrepreneurship, Pihie and Sani (2009) adopted three teaching techniques: running a real business, visiting a business location, and interviewing an entrepreneur. The outcome of this study demonstrated that students who preferred running a real business technique acknowledged that it enabled them obtain real business experience; allowed them to recognize and experience the sense of responsibility in understanding the risks and rewards of setting up a business as well as gain real experience in raising money; and planning all the business management functions.

On the other hand, Peterman and Kennedy (2003), in their studies, validated that individuals, who had a low positive awareness on entrepreneurial experience before following the enterprise education program, witnessed significant changes in their knowledge towards starting a business after participating in the program. This is because enterprise education programs provide social experience, for example in opportunities to work out significant responsibilities, to create individuals.

2. Creativity and motivation on entrepreneurial mindset.

According to Dhliwayo and Vuuren (2007), entrepreneurial mindset is about creativity, innovation and taking opportunities that leads to organisational wealth creation and success and that this type of mindset enables entrepreneurs to make realistic decisions when faced with uncertainties. Creativity is a means to unlock the entrepreneurial potential of individuals, entrepreneurs and organisations, since new ideas and approaches are key ways of promoting an entrepreneurial culture. Motivation on the other hand reflects a complete psychological force that directs a person's behaviour in an organization, a person's level of effort, and a person's extent of persistence in the face of setbacks (Dunnette and Hough, 1990). Motivation helps entrepreneurs to acquire knowledge, skills and abilities (KSAs) and thus provide the impetus and energy needed to implement the actions (Shane et al., 2003). Motivation can possibly separate individuals who positively evaluate opportunities from those who do not.

3. The influence of risk on entrepreneurial mindset.

Risk according to Forlani and Mullin (2000) reflects the degree of uncertainty and

prospective losses associated with the outcomes, which may be gotten from a given behaviour or a set of behaviours. Dhliwayo and Vuuren, (2007) in the same light define risk taking as an important element of the strategic entrepreneurial mindset. This is because risk-taking is essential for the success and growth of a business, which is based on how entrepreneurs perceive and manage the risks in their environment.

4. Business support mechanisms in Indonesia for small and medium enterprise (SME) success.

In order to increase the number of entrepreneurs, several efforts have been carried out by the Government of Indonesia. One of them is through a number of training and development of Micro, Small and Medium Enterprises (MSMEs) (Koran Jakarta, 2018). In addition, the government provides initial capital assistance to budding entrepreneurs for micro-business development. In 2017, the Ministry of Cooperatives and Small and Medium Enterprises budgeted Rp. 15.6 billion which was allocated for 1,200 startup entrepreneurs in underdeveloped areas, special economic zones, and areas between low-income groups. The program has continued in 2018, it is targeted that as many as 1,831 startup entrepreneurs with capital assistance amounted to 10 to 13 million rupiah.

2.2 Entrepreneurial mindset from six top unicorn startups

Although the entrepreneurial intention among Indonesian is characterized as low, there are some entrepreneurs that succeed, especially in startups. Startups in Indonesia have been growing exponentially. For instance, Go-Jek has reached milestones such as hosting over two billion transactions a year and a 13.5x increase in gross transaction value from 2016 to 2018. Their app has accumulated over 142 million downloads; over half of Indonesia’s population. Table 1 below presents the list of startups in Indonesia along with their business concept.

Table 1 Entrepreneurial Mindset from the 6 Unicorn Start-Ups in Indonesia

Company Name	Founder(s)	Establishment Date	Business Background (Solving Society)	Business Concept

<p>GoJek</p>	<ul style="list-style-type: none"> ● Nadiem Makarim ● Michaelangelo Moran 	<p>October 2009</p>	<p>Ojek drivers spend most of their time waiting for customers, while customers waste time by walking around looking for an available ojek</p>	<p>Providing a platform where drivers and riders can connect efficiently and allowing those drivers to improve their income</p>
<p>Traveloka</p>	<ul style="list-style-type: none"> ● Ferry Unardi ● Derianto Kusum ● Albert Zhang 	<p>February 2012</p>	<p>There are many people at that time they have to buy ticket, accomodation with high price and very difficult to find</p>	<p>Offering flight, hotel, attraction tickets, car rental, and restaurant services online expanding rapidly in Southeast Asia and Australia.</p>

<p>Tokopedia</p>	<p>William Tanuwijaya</p>	<p>February 2009</p>	<p>Tried to solve the discrepancy issues in the country. Thus, the company mission is to democratize commerce through technology.</p> <p>Starting with a marketplace business, Tokopedia has now grown into a technology company with marketplace, fintech, payment, logistics, fulfilment and new retail businesses.</p>	<p>Claims that online shopping on their site is more secure and fraud-free, because your payment is forwarded to the seller after you receive the goods.</p>
<p>Bukalapak</p>	<p>Achmad Zaky</p>	<p>January 2010</p>	<p>Bukalapak wants to embrace SMEs all over Indonesia and then International to utilize advanced technology to broaden their market reach.</p> <p>The nickname "Pelapak" is a common term used to call the sellers in Bukalapak</p>	<p>A separate app for reselling Bukalapak various digital products so that buyers who don't have access to the internet</p>

OVO	Lippo Group	September 2017	It starts with many people used to using wallets and carrying so much money in their wallet, and OVO tries to make it simple by creating an electronic wallet so you can carry money without difficulties.	It is a digital platform for simple payment and smart financial services, with affiliated merchants, business partners and members in its ecosystem. OVO is the leading digital payment service in Indonesia based on transaction value.
JD.ID	Liu Qiangdong	October 2015	JD.ID first they had an idea for selling handphoned online that came up viral with price little cheap. The problem is when we want to buy "tech" stuff we have to come to the store	It is an app for online shopping especially for technology for an example handphone, laptop and others and now JD.ID can also shop other stuff like shirt, bag ,etc

2.3 Possible strategies

Deloitte Consulting Firm looked up the strategies used in successful established companies and picked out some that are relevant to our issues:

2.3.1 Conducting market research

Conducting market research before applying any business idea is a must. In this research, you have to aim for a specific market, analyze their problems and needs, and find the solutions (Startup in Indonesia : Success Tips from Local Unicorns' Stories, 2018). This was what the founders of two startup unicorns did before they started their business:

a) Tokopedia

The founders of Tokopedia saw two problems in Indonesia: no proper online marketplace and unsecure online payment system. Now, the solution is Tokopedia: It holds the payments made by the buyers, and only after the buyers receive their items Tokopedia transfers them to the sellers (Wee, 2011).

b) Traveloka

Its initial business model was metasearch due to its efficiency. However, it turned out that the infrastructure in Indonesia was still very early at that time so he later realized that they have to handle everything so they changed the business model to Online Travel Agent (OTA) (How to Build Unicorn Startups: Lessons from Tokopedia and Traveloka, 2019).

This strategy is applicable to the problems posed by Wahid and Bagawan. It can be implemented by researching what kind of coffee shop do their respective target market need. In addition to solving Bagawan's problem, he can do something like finding and exploiting holes in his competitors' business model to set his business apart.

2.3.2 Looking for opportunities

There are ways to look for opportunities, some of which are: you should know what is going on around you and in the world, be open to turning the unforeseen into an opportunity and make creative links between bits of information. In 2007, Tokopedia's founders saw an opportunity to make an online marketplace (Hendra, 2018).

This strategy can be a continuation of the previous one. It is another strategy to solve Wahid's problem. If the area mainly consists of adults and elderlies, he should look for what kind of business opportunity can arise from such a situation.

2.3.3 Using networking to build your business

A startup founder should build a positive network within the startup environment (Startup in Indonesia: Success Tips from Local Unicorns' Stories, 2018). The founders of the following companies utilized the same strategy for their respective businesses:

a) Docstoc

Jason Nazar, co-founder and CEO of Docstoc, said that he owed his success in funding and growing his company to his networking efforts. Thanks to his networking, he was able to raise \$4 million in startup funds and to find a co-founder and built the majority of his organization (Hessinger, 2013).

b) Tokopedia

Its founders got their first funding from an acquaintance who trusted them (Adriennawati, 2019). The reason behind using your network to fund your business is because having insufficient cash is one of the top reasons startups fail. In other words, investors are the lifebelt for many startups.

If you have better quality connections, it would be easier for you to attract investors to put money behind your startup. Angel and her friends can make use of their network in starting their business especially when looking for funds.

2.3.4 Applying the 15% rule by 3M or 20% time by Google

These policies allow their employees to spend up a portion of their time on creative ideas that could give way to new products. The portion of time varies among companies. Employees in 3M are permitted to use only up to 15% while Google allows up to 20% of their time for exploring new ideas (Vora, 2008).

a) 3M

The intrapreneurs, which are employees who take on entrepreneurial roles within the company, developed post it notes (Deeb, 2015).

b) Google

Some of its best products like Gmail, AdSense and Google News were created through this policy (Thomas, 2017).

To solve the problem posed by Lita, Dinginsonic can apply similar policy in their company to instill the entrepreneur mindset and to encourage their employees to think outside the box.

2.3.5 Welcoming failure

An environment valuing failure and encouraging their employees to take risks as a way to improve will fill the company with budding intrapreneurs (Manning, 2018). In 3M, delegating and allowing people to make mistakes is one of its greatest management cultures. The unpredictability and failures that the Company thrives on lead them to some path breaking innovation (Vora, 2008).

As the path of the entrepreneur is one of risk and failure, Dinginsonic can also apply the entrepreneur mindset by not punishing their employees who fail and discouraging them from doing anything new or daring. This would help their employees to be more open to challenges and explore their utmost potential.

2.3.6 Segmenting, targeting and positioning

Segmenting is used to make products for different types of people. Targeting breaks a large market into smaller segments. And positioning establishes the identity of a brand to be perceived in a certain way.

In Volkswagen, they produce different types of cars for different needs. From producing small cars like Polo and the well-known Beetle to much costly ones like Lamborghini, Audi and Bugatti. They choose the multi-segment strategy. The Company targets customers between 18-49 years old. They offer more affordable and efficient cars and also high end ones for high end customers. They know where to position a model more than the other one like pick up cars in South America or Asia, smaller cars in a crowded city (Volkswagen(people's car). The perfect example for STP, 2016).

For Wahid's problem, he can do the market segmentation by determining important characteristics of each market segment. He can find similarities between the characteristics of both the younger and older adults, and use it to attract both. For example, both segments like to stay longer in a cafe with a cozy ambience. The similar characteristics he finds can also be used to position his café in the customers' minds.

CONCLUSION

The entrepreneurial mindset is about a certain way of thinking; it is about the way in which you approach challenges and mistakes. It is about an inherent need to improve your skill set and to try and try again. The entrepreneurial mindset is what you need to propel yourself forward. This mindset can dim as you get in experience in the daily grind of entrepreneurship. But by making an effort to make this mindset, you position yourself to meet everyday challenges and experience growth.

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CHAPTER 9. CSR STRATEGIES FOR START-UP BUSINESSES

LEARNING OUTCOME

Learning Outcome

①

Critically evaluate a range of contemporary business issues and apply the knowledge gained to the CSR strategies for start-up businesses and organizations

②

Articulate their understanding and awareness of such issues in the CSR strategies for start-up businesses and produce recommendations in the form of a business report

①

Critically evaluate many factors related to csr strategies for start-up businesses and apply the knowledge gained to business sector

②

Articulate their understanding and awareness about csr strategies for start-up businesses and the best practice

Project by:

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EXECUTIVE SUMMARY

This report discusses the problems and obstacles that businesses and startups face related with their CSR (Corporate Social Responsibilities) systems, it also overviews the importance of CSR in companies and what are the advantages and disadvantages of having a CSR system in your company. We highlight the need of CSR systems in companies and all types of organizations around the world, our purpose is to make sure CSR is supporting the SGD goals which would allow fairness and wellness for every community.

Additionally, as consultants we would like to refer to questions and issues that some companies have experienced and we will share our recommendations on how these issues can be addressed. By analyzing the companies and discussing the different options of CSR that can be applied to their businesses.

INTRODUCTION

1.1. Background

Corporate Social Responsibility is the activity of being responsible for our surroundings, including the people who surround us, the environment around us and other aspects. And for many years it has been a concern for the human kind, we try to be fair and ethical with our surroundings in order to function well among all communities. These past few years CSR has been a big factor in the business world, where it could define your brand value, depending on your business's CSR actions.

As a result, many companies and governments and communities now join forces and grow interactions in order to work as a whole and create a healthy business environment where everyone is benefited and no one is affected negatively. Before businesses were simply driven by their economic results, today however, businesses focus on maintaining a great image which shows that they are socially, morally, legal, and ethically responsible as a company.

Corporate social responsibility will provide companies with a new concept of value, not only how much money they are able to fund and contribute into their community, but also their involvement in other activities which will improve their surrounding

communities starting from their own shareholders and employees. As it is an important matter, many businesses seek to be more corporate socially responsible and seek the help of external organizations which are capable of providing strategies and systems for those companies.

Over 50% of companies that have been surveyed regarding their growing success, is said to be because of their CSR efforts¹. And over 90% of customers would choose a company that contributes to the good cause². However, some companies and startups feel burdened by the fact that a CSR strategy is a big addition to their budget, on the other hand, there are companies that are still solely focused on the monetary results of a business. We as consultants intend to enhance the importance and benefits of obtaining a CSR strategy and how it can help business grow and develop.

1.2. Problem

The newly started businesses and companies are trying to maintain their finances in the terms that they are saving not simply for funding future activities and expansions but also for emergencies and to make sure they are not affecting the funds for daily operations. Another common issue is that businesses do not oversee the need of a good CSR system to maintain their employees' motivation, one of the strategies of CSR is also supporting their employees in any way that may increase their efficiency and performance.

Corporate social responsibility provides companies with the view that being unethical at the expense and sacrifice of the environment, health and human lives, will be seen as bad and create a bad value image for the companies. Of course companies wish to be smart when it comes to saving costs and being expense conscious for their operations in their companies, often companies or startups like one of our clients named PJ Furniture question whether applying a sudden CSR strategy will take time or disturb the ongoing operations at their company?, which is a big concern for businesses because they have to be wise regarding the strategy they wish to approach and that is most suitable for their business. Another example of a concern from companies or startups regarding CSR strategies is from one of our clients named Mets Consultants who is worried that the shareholders at the companies will either be satisfied with acquiring a CSR strategy and in which way might affect the trust with the shareholders.

1.3. Purpose

- Further study the importance of CSR for the business sector
- Understand the purposes of CSR
- Analyse issues which business go through when wanting to apply CSR
- Finding solutions to mentioned concerns or issues

ANALYSIS AND DISCUSSION

2.1. Perception on CSR and its Impacts on the Real World

In an increasingly globalized business world, intangible assets such as corporate reputation are becoming increasingly important and inseparable from (large) corporations. CSR then, is an excellent way for companies to give back to their societies and along the way gain valuable points for themselves from the general public. But how does corporate reputation and in turn CSR translate into the real world? Where results weigh heavier than everything else.

Evidence strongly suggests that the performance of a company's CSR is positively and closely associated with indicators or markers of a firm's successes; such as financial performance (Tsoutsoura, 2004; Waddock & Graves, 1997), customer trust (Salmones, Crespo, & Bosque, 2005; Marin, Ruiz, & Rubio, 2009; Van den Brink, Odekerken-Schröder, & Pauwels, 2006), customer buying behaviour (Mohr, Webb, & Harris, 2001), stakeholder trust (Castaldo, Perrini, Misani, & Tencati, 2009), employee satisfaction (Coldwell, Billsberry, Meurs, & Marsh, 2008), and firm attractiveness (Albinger & Freeman, 2000; Jones, Willness, & Madey, 2010; Maheshwari & Yadav, 2015; Turban & Greening, 1997). This goes to show that a company's CSR performance is indicative of a specific firm's sustainable success. Further evidence also shows that CSR has larger positive effects on external stakeholders (customers and consumers) than internal stakeholders (employees) (Lee, Park, & Lee, 2013; Raub & Blunschi, 2013).

But also, CSR as in itself can be further divided into three main branches, Ethical CSR, which focuses the justices and fairness in the practices that they practice (Carroll, 1991), Strategic CSR, which focuses on conducting social services to communities with some kind of profit orientation to the company (Porter & Kramer, 2006), and Philanthropic

CSR, which focuses on giving back to the society without expecting anything in return (Carroll, 1991), this type of CSR is most commonly inferred to by the general public.

One of the easiest examples of large-scale CSR and its impacts onto the real world (specifically, onto Indonesia) is about the construction of Indonesia's Semanggi Interchange (Flyover Semanggi). Where, the 360 billion rupiah project was wholly funded by PT. Mitra Panca Persada (a subsidiary of Japan-based Mori Building Company) was then constructed PT. Wijaya Karya Tbk.. Led by then ex-Jakarta Governor Basuki Purnama, it goes to show that CSR, if correctly used, can be a very powerful tool for companies and nations alike.

2.2. Advantages and disadvantages of CSR

2.2.1. Advantages

- It builds a corporation's public trust / image
- It enhances positive relationships (customer or partners)
- Increase profit
- Encourage professional and personal development

2.2.2. Disadvantages

- CSR costs money to implement (more detrimental to smaller businesses)
- It may enhance investor resistance
- It promotes greenwashing
- Shift in a firm's profit-making goal

2.3. Issues faced by clients

Client	Context	Question
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PJ Furniture	Operating a furniture retail store and is looking to enter the CSR-space.	Hi, we are from PJ furniture. We've been operating for a year now and this CSR concept is a whole new thing for us. Could you explain how we could start implementing CSR effectively without interrupting our company's operations? Is it financially safe for a start-up company? We would very appreciate an answer from you
Mets Consultants	Not specified	Hello guys, we are METS consultants. By making a CSR program, can the company get the stakeholder's trust? If can, how and explain it please

2.4. Solutions and Recommendations

2.4.1. PJ Furniture

For starters, we would recommend that you do a socialization to your internal team (employees & management) on what CSR is and what benefits it entails for the company itself and for the surrounding communities.

After socialization, since the company itself is still considered a start-up, it is not to be recommended to immediately expending resources for any CSR activity or project. Instead, put away certain percentages of your profits on every sale you make and put those gains into a separate CSR fund. These percentages should be actively monitored and maintained to ensure that these activities do not hurt your internal financial cash-

flow at all.

As for activities once a target nominal has been reached in the fund, we believe that you can start off with some volunteer work considering that you are a furniture company and then you can move up from there.

Simply, just follow these following steps :

1. Make a socialization program for your employees and for your fellow directors
2. Set aside a certain percentage of your profits to put into a CSR Fund
3. Use that CSR fund within set routing intervals (quarterly, semi-annually, annually)
4. Actively monitor the CSR percentage to maintain your start-ups' cash flow
5. Once your fund has reached a certain target, brainstorm what to do internally

2.4.2. METS Consulting

Only making profits for its shareholders is no longer the most important goal in a company. Especially within larger companies. As these companies grow in size, so too does their carbon footprints grow. And as the world around us becomes more environmentally conscious, and humanitarily-conscious, becoming an entity that contributes back to society is becoming increasingly important.

Simply, by giving back and being conscious and in turn socially-responsible of our surroundings, not only will we show that profits are not on the top of our mind, but also show that we care about making our business more sustainable, more ethical, more transparent and above all else, more accountable.

These factors are what makes shareholders, stakeholders and consumers alike lend their trusts to us. This in turn, creates a higher value for our brand, our image, our products and within companies, the most important indicator (relatively), creates a higher share price.

CONCLUSION AND RECOMMENDATION

In conclusion, CSR is an important action that firms should give society a sense of corporate responsibility. By providing an impact to a firm in changing the way firms and

corporations environment did, giving them a great value to the public. Firms need to accomplish CSR in addition to aiming for profit maximization and maximization of the benefits. A firm that wants to achieve and apply CSR need to pay attention to the community and environment around the company to get the idea of CSR and the public. Mainly CSR is involved with economic responsibility. Firms need to invest in economic projects from where they receive goodwill and financial support for the firms.

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