

Digital Marketing Business Strategy In Indonesia

Rianto Nurcahyo, Didiet Gharnaditya, Agung Surya, Ghea Natalia

Abstract: This research aims to provide input to PT. ABC Indonesia in the digital marketing industry about a strategy that will provide competitive advantage from other competing companies in the digital marketing industry. The data processed with descriptive qualitative methods of Milles and Huberman, The data collected based on primary and secondary data through direct interviews with companies in the digital marketing industry to look at external and internal factors that include PESTLE (Political, Economic, Social, Technological, Legal, Environmental), 5 Forces Porter, RBV (Resource Based View) methods at PT. ABC Indonesia . Recommendation Strategy based on VRIO (Valuable, Rare, and Imitability Organized) to see the resources are a competitive disadvantage, competitive advantage parity, or sustainable competitive advantage and SWOT (Strength, Weakness, Opportunities, Threat) matrix to see and create alternative strategies that can be implemented firmly.

Index Terms: Strategy, VRIO, SWOT, Competitive Advantage, Competitive Disadvantage

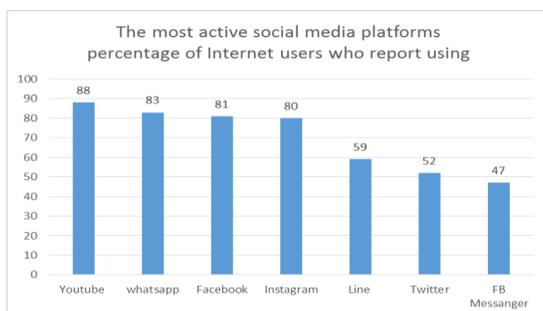
1. INTRODUCTION

THE development of rapidly advancing information technology on a global scale is increasingly exacerbating the company's business competition when senior management needs to think about strategic steps in each plan of business activity. One of the company's efforts to win the competition is to use the Internet as a complete and accurate medium. The presence of the Internet is very helpful in providing information and knowledge. Increasingly, the Internet, as a communication and information medium, will facilitate the rapid dissemination of information for all users, especially consumers. Table 1: The world's largest Internet user in 2018

No	Country	Total
1	China	855.0
2	India	469.5
3	Indonesia	121.6
4	Japan	104.8
5	Russia	97.9
6	Brazil	138.2
7	USA	285.4

Source: eMarketer2018

The above picture shows that the population of Indonesia is 262 million people that of Internet users in Indonesia is 121 million, 46% are active users. The following data relates to the effectiveness of digital marketing based on its platforms.



Source : global web index (q2,q3) 2018

A strategy is a way to achieve long-term goals. Business strategies can be in the form of geographic expansion, diversification, acquisition, product development, market penetration, employee rationalization, divestment, liquidation and joint ventures (Kartajaya in Yuliana, 2013). The strategy is a unified, comprehensive and integrated plan that addresses the company's strategic superiority to environmental challenges and ensures that its business objectives can be achieved through its proper implementation (Nitisemito in Yuliana, 2013). According to David (2015: 39), management strategy can be defined as the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its goals. Barney and Clark in Butarbutar et al. (2017) propose a V-R I-O framework to assess whether a resource offers a sustainable competitive advantage. First, resources must be valuable (V) or provide added value to the end product and consumers. Second, these resources are hard to obtain or rare (R). Unless it is difficult to source resources, there is equality of the competition. Third, resources must be difficult to replicate or have low imitability (I) because they are historical, have a causal link with a performance that is difficult to understand, socially complex, or in fact cannot be replaced. Finally, these resources must be well utilized by the organization (O). Therefore, strategic planning must analyze the factors of corporate strategy (strengths, weaknesses, opportunities, and risks) under the current conditions. The SWOT analysis compares external opportunities and threats with internal strengths and weaknesses. Barney in Setiawan (2017) defines strategy as a business theory for successful competition. The implementation of business theory on competitive behavior has three effects on a company's competitive position: 1. Very successfully compete for competitive advantages, 2. Successful competition for equality of competition, 3. Competition is unsuccessful to gain competitive disadvantages, that is when the company's actions in an industry. Offer no economic added value.

2 RESEARCH METHOD

The research approach is incorporated into descriptive research with a qualitative approach. Understanding Qualitative Research is research that seeks to understand the phenomena that are experienced by research topics holistically and by a description in the form of words and language in a special complex that is natural, and using various natural methods (Moleong in Bayu Aji) Pernama Journal, 2012). A qualitative descriptive approach is used, with the aim that this research can be carried out in-depth to

- Rianto Nurcahyo is currently lecturer at Bina Nusantara University , Indonesia , Mobile : +62 85289352873. E-mail: murtjahjo@binus.edu
- Didiet Gharnaditya is currently lecturer at Bina Nusantara University , Indonesia
- Agung Surya, Ghea Natalia is currently student at Bina Nusantara University , Indonesia

provide answers to the problems formulated. This type of research is descriptive research with the aim of systematically, factually and accurately describing the facts and characteristics of populations and certain objects. Qualitative research does not prioritize population size or the sample is very limited, even among the population or sample. If the data collected is profound and can explain the studied phenomenon, there is no need to look for other samples. Here the problem of the depth (quality) of the data and not the quantity) of the data is emphasized more. The Unit Analysis in this study is the digital marketing industry of PT ABC Indonesia. The technique of data acquisition takes place over the cross-sectional time horizon. According to Sekaran and Bougie (2013: 106), cross-sectional research is a study that can be conducted if the data is collected only once. The data collection techniques used in this study include the interview method, observation method, and documentation method.

3 RESULTS AND DISCUSSION

a. VRIO results

Based on the data that has been obtained and analyzed, VRIO FRAME described in the following table:

No	Capabilities & Resources	Type of Resource	VRIO				Categories
			V	R	I	O	
1	Human Resource	Human Capital	o	o	o	o	Competitive Disadvantage
2	Employee loyalty	Human Capital	o	o	o	o	Competitive Disadvantage
3	Distribution of employee work	Structural Capital	x	o	o	o	Competitive Disadvantage
4	Relationships between employees	Structural Capital	x	o	o	o	Competitive Disadvantage
5	Relationships with suppliers	Relational Capital	x	o	o	o	Competitive Disadvantage
6	Relationships between employees	Relational capital	x	x	x	x	Sustainable competitive Disadvantage
7	Relationships with customer loyalty	Relational Capital	x	x	x	x	Competitive Disadvantage
8	Employee ideas	Human Capital	x	x	x	x	Competitive Disadvantage

Based on the results of the VRIO analysis in the digital marketing industry at PT. ABC Indonesia can develop alternative strategies to maximize PT's resources and capabilities. Above all, PT. ABC Indonesia relies on resources and capabilities that remain competitive advantage and competitive advantage equality to gain sustainable competitive advantage. For those who have tasted in the category of lasting competitive advantage, resources and capabilities do not require specific strategies or new strategies, but only to continue to maintain and sustain the existing strategy. Based on the results of the analysis of the importance of resources and capabilities in PT. ABC Indonesia in the digital marketing industry has found that there are sources and capabilities that fall into the category that is urgently needed for a new business development strategy that has two competitive disadvantages, namely human resources and employee retention, three competitive parties, namely, division of labor, employee relations, and supplier relationships, then there are three of the lasting competitive advantages, namely customer loyalty, customer relationships, and employee ideas.

b. SWOT analysis results

Following are the results of the analysis of the SWOT analysis results

No	SWOT	Results
1	Strength	a. The offered price is cheap and still has quality b. The price depends on the budget of the customer c. Give the customer a free trial d. Give customer priority e. Stay in touch with customers who have employment contracts
2	Weakness	a. Not many customers due to labor shortage b. New in the digital marketing industry c. Most marketing uses WOM d. The workforce is less committed and disciplined
3	Opportunities	a. Master most of the forex industry b. Offer opportunities through digital seminars c. The era of digital transformation d. The capital is no bigger than online
4	Threat	a. New trends and competitors b. Work results can not be known by the public c. A company that already has its own digital marketing division

d. Five Forces Porter analysis

Based on data obtained from primary data through direct interviews with PT. ABC INDONESIA and secondary data from the Internet provide researchers with information related to the Five Forces Porter theory. The details of the information obtained can be explained as follows; 1) Threat of replacement products or services, the risk of replacing products or services is inherently low. 2) The threat of new entrants in the digital marketing industry is quite strong. 3) The threat from suppliers' bargaining power is relatively weak. The digital marketing industry is categorized as an attractive industry because Facebook and Google alone are estimated to benefit up to 106 billion US dollars from digital advertising in 2017.

e. PESTLE analysis

Based on the indicators contained in PESTLE namely Politics, Economy, Social, Technology, Legal and Environment. It was found that PT. ABC Indonesia has several things related to these 6 indicators, as explained in previous research about the meaning of the PESTLE analysis which is a very useful tool in understanding an external environment that is based on opportunities and opportunities from the surroundings, namely external parties.

Table : Pestle Analysis

Politics	<ul style="list-style-type: none"> There are obstacles in blocking Facebook in several countries
Economy	<ul style="list-style-type: none"> A weakening exchange rate economic growth grew by 5% which affected purchasing power
Social	<ul style="list-style-type: none"> changes in people's lifestyles
Technology	<ul style="list-style-type: none"> the internet creates a paradigm in the industry in society
Legal	<ul style="list-style-type: none"> the legality of the ITE Law in Indonesia
Environment	<ul style="list-style-type: none"> The application of digitalization to paper reduction

3 CONCLUSION

Based on the data analysis results obtained by PT. ABC Indonesia concluded that:

a. SWOT analysis

In this case, the results of the SWOT analysis obtained by researchers were obtained from the results of interviews conducted with the top management, namely the director of PT. Saint Technologies Indonesia. From the conclusions of the researcher, an alternative strategy formulation was obtained, which was implemented by PT. ABC Indonesia is called: Market penetration, Market development, Product development, Forward integration

b. VRIO analysis

The VRIO analysis carried out was obtained with the results of interviews with the top management, namely the director of PT. ABC Indonesia and subordinate management, namely PT's Chief Marketing Officer and Copywriter. Saint Technologies Indonesia, therefore the data will be summarized and alternative strategies will be applied that can be applied to PT. ABC Indonesia, namely: Market penetration, Product development, backward integration

c. Strategy recommendations

From the results of the analysis with SWOT and VRIO alternative strategies can be derived, which are recommended by PT. ABC Indonesia is two suitable strategies that can be implemented based on the company's external and internal environment. Defining the strategy of the researchers based on the results of the company analysis. The strategies that can be implemented are market penetration strategy and product development strategy

4. REFERENCE

- [1] Asoasi Penyelenggara Jasa Internet Indonesia (2016) Akses 20 Oktober 2017 dari : <https://www.apjii.or.id>
- [2] Butarbutar, K., Tricahyono, D., & Djatmiko, T. (2017). ANALISIS PERUMUSAN STRATEGI BERSAING TELKOMSEL REGIONAL JAWA BARAT MENGGUNAKAN KONSEP 'RESOURCE-BASED VIEW OF THE FIRM'DENGAN KERANGKA VRIO. *Journal of Accounting and Business Studies* Vol, 1(2).
- [3] Eddy Yunus. (2016). *Manajemen Strategis*. Jakarta. Penerbit Andi
- [4] Forest, D. R., & Fred, D. R. (2015). *Strategic Management*. Edinburg Gate: Pearson Education Limited.
- [5] GetCraft (2017) Akses 20 Oktober 2017 dari :<https://www.slideshare.net/digitalinasia/indonesia->
- [6] Hapsari, G. R. E., Hadiwidjojo, D., & Thoyib, A. (2014). Pengaruh Pembelajaran Organisasional, Orientasi Pasar dan Inovasi Organisasi terhadap Keunggulan Bersaing (Studi pada PT Bank Rakyat Indonesia (Persero) Tbk. Cabang Malang Raya. *Jurnal Aplikasi Manajemen-Journal of Applied Management*, 12(1), 124-134.
- [7] Hijrah Wahyudi (2017) ANALISIS PERANAN JEJARING SOSIAL DI KOTAMADYA PONTIANAK DALAM MENGHADAPI ERA DIGITAL MARKETING. *JURNAL STIEM SAMARINDA*
- [8] John A, Pearce II & Richard B. Robinson, Jr. (2008). *Manajemen Strategis - Formulasi, Implementasi, dan Pengendalian*. Jakarta : Salemba Empat
- [9] Nisak, Z. (2014). Analisis SWOT Untuk Menentukan Strategi Kompetitif. *Jurnal EKBIS*. Fakultas Ekonomi: Universitas Islam Lamongan.
- [10] Nurkamid, M., Gunawan, B., & Mulyani, S. (2017). Teknologi Informasi E-commerce Untuk Batik Bakaran Dalam Membangun Pasar Global Berbasis Resource Base View (RBV). *Prosiding SNATIF*, 255-263.
- [11] Paulus, A. L., & Murdapa, P. S. (2016). PEMANFAATAN TEORI RESOURCE-BASED VIEW PADA RITEL MINIMARKET: IMPLIKASINYA TERHADAP STRATEGI DAN KEUNGGULAN BERSAING. *Jurnal Riset Ekonomi dan Manajemen*, 16(2), 215-224.
- [12] Retnosary, R. (2016). PENERAPAN STRATEGI PENJUALAN PRODUK ORGANIK DALAM UPAYA MENINGKATKAN DAYA BELI KONSUMEN (STUDI KASUS PT HERO SUPERMARKET CIKAMPEK). *Buana Ilmu*, 1(1).
- [13] Setiawan, A., & Ilman, B. (2012). Perencanaan Strategik Sistem Informasi pada Perusahaan Penerbitan dengan Metode Ward & Peppard: Studi Kasus pada Penerbit Rekayasa Sains Bandung. *Journal of Technology Management*, 11(3).
- [14] Setiawan, T. (2017). Pencapaian Keunggulan Kompetitif Perusahaan Dengan Pengelolaan Sumber Daya Manusianya. *Media Mahardhika*, 16(1), 53-64
- [15] Susanto, A., & Budiman, F. (2015) REKAYASA MODEL INTERNET MARKETING PADA E-SUPERMUSEUM BATIK UNTUK MENINGKATKAN PEMASARAN BATIK PRODUK UNGGULAN UKM BATIK DI AWA TENGAH. In *Seminar Nasional Informatika (SEMNASIF)* (Vol. 1, No. 1).
- [16] Suyetno, S., Teddyana, A., & Putra, F. P. (2017). ANALISA PERBANDINGAN FILTER SITUS DAN MANAJEMEN BANDWIDTH PADA PROXY SERVER DAN WEB PROXY PADA MIKROTIK. *JURNAL INFOTEKMESIN*, 8(1).
- [17] Wicaksono, K. C. B. (2013). Mengukur Efektivitas Social Media Bagi Perusahaan. *Binus Business Review*, 4(1), 551-564.
- [18] Yuliana, R. (2016). Analisis strategi pemasaran pada produk sepeda motor matik berupa segmentasi, targeting, dan positioning serta pengaruhnya terhadap keputusan pembelian konsumen di Semarang. *Jurnal STIE Semarang*, 5(2).