FOREWORD

Welcome to the 2st International Conference on Entrepreneurship
(2015 ICOEN**, INDONESIA**)

On behalf of The Distinguished Managing Director of Ciputra Group, The Excellence, Rector of Ciputra University, Keynote Speakers, Conference Co Host,. Organizational Committee, Steering Committee, and The Honorable Presenters and Participants.

It is my great pleasure to welcome you to this International Conference on Entrepreneurship **(ICOEN)** 2015 in Indonesia.

The conference is held on August 27th and 28th; 2015 moreover. It attracts educators, researchers, and entrepreneurs which related with scientific disciplines of practitioners.

On this occasion, let me give special thanks to the Keynote Speakers (1) Prof. Annie Koh, Ph.D, VP for Office of Business Development Singapore Management (2) Edward Rubesch,Ph.D, Director of International MBA Program Thammasat University Bangkok, Thailand (3) Mohd. Shawahid Haji Othman, Ph.D, Professor of Faculty of Economics and Management, Universiti Putra Malaysia (4) Harun Hajadi, M.B.A, Managing Director of Ciputra Group, Indonesia (5) Prof.Michael Frese, Ph.D, Institute for Strategic HR Management, Reserch & Development Institute of Corpoarte Development LEUPHANA, Universit of Lueneburg, West Germany (6) Kim Sung Sup, Ph.D, Director of Small and Medium Business Administration, Republic of Korea (7) Yunita Resmi Sari,M.B.A Director of Small and Medium Enterprises Development Central Bank of Indonesia, and (8) Ir. Antonius Tanan,M.B.A., M.Sc., M.A President of Universitas Ciputra Education Center, Indonesia.

Your contribution to this seminar as reviewers and keynote speakers make this event more meaningful and evaluable. We are also thankful to all reviewers, for their commitment, effort and dedication in understanding the task of reviewing all of the full paper.

We would like to thank to all authors who have submitted their papers to be reviewed, those whose paper were chosen to be presented in the seminar, and those who have submitted manuscripts to be publishes in proceeding

Last but not least, we would like to express our sincere gratitude to everyone who has contributed and made the joint conference a success.

Best wishes,

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GRAND STRATEGY FOR PT RIMA TO INCREASE THE MARKET SHARE OF BULK CEMENT

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ABSTRACT

The research is about grand strategy for PT RIMA as a bulk cement distributor in East Java to increase market share. The aim of the thesis is to study and analyze grand strategy that PT RIMA should be applying in order to achieve growth in market share for bulk cement sales. The research applies PEST Analysis, Five Forces Porter Analysis as well as SWOT Analysis. The method being used in this research is qualitative approach. The techniques being used to collect data are open-ended interview, observation and documentation. Based on the research that has been conducted, there are four outcomes that should be applied by PT RIMA, first, changing pricing strategy from being price maker to become price facilitator. Second, to develop promotion via online activity. Third, improve distribution strategy by developing railway transportation mode. Fourth, implementing rapid growth strategy to increase bulk cement market share.

Keywords: Grand Strategy, SWOT analysis, price, promotion, distribution

INTRODUCTION

Background Information

Household or a place to live is one of the basic essentials for a person's daily life. A house enables a person to rest after busy activities, spend quality time with family or friends as well as protections from unfriendly weather condition. A well-built house generally requires good quality cement to lock the bricks together. As population increases, ASI (Indonesian Cement Association) predicts that more houses will built and hence cement consumption in East Java will grow by 6%.

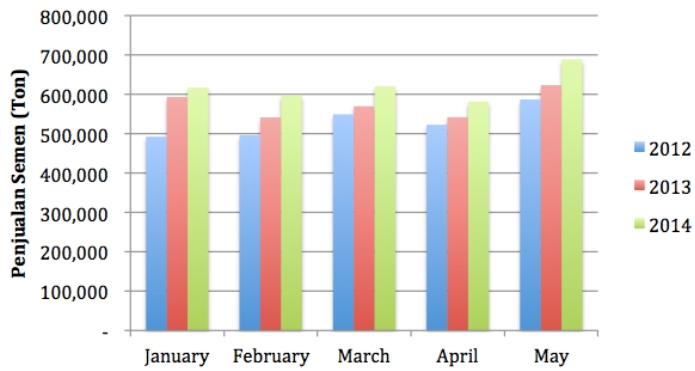

Figure 1. Cement Sales in East Java
Source: Indonesian Cement Association

As shown in figure 1 above, the cement sales increase from year to year. Based on this fact, cement manufacturers compete to increase their capacity. In addition, many new players are interested to invest and compete in Indonesian cement market. Consequently, ASI (the Indonesian Cement Association) estimates that Indonesian cement production capacities in 2016 will 15,000,000 ton higher that the market demand and hence tense competition will take place between producers and distributors. All manufacturers will conduct all sort of marketing strategy in order to become the winning brand. The major cement players in East Java are Tiga Roda, Gresik, Holmic and Bosowa.

Cement sales in East Java can be categorized into two groups, which are bagged cement and bulk cement. The consumers of bagged cement are usually building material retailers or contractors. For bagged cement, the minimum purchase per transaction is 200 bags or 8 ton. On the other hand, building material industries usually purchases bulk cement as one of their raw materials. For bulk cement, the minimum purchase per transaction is 1 bulk truck or 20 ton. Generally, bulk cement is being purchased by end users whereas bagged cement are by resellers.

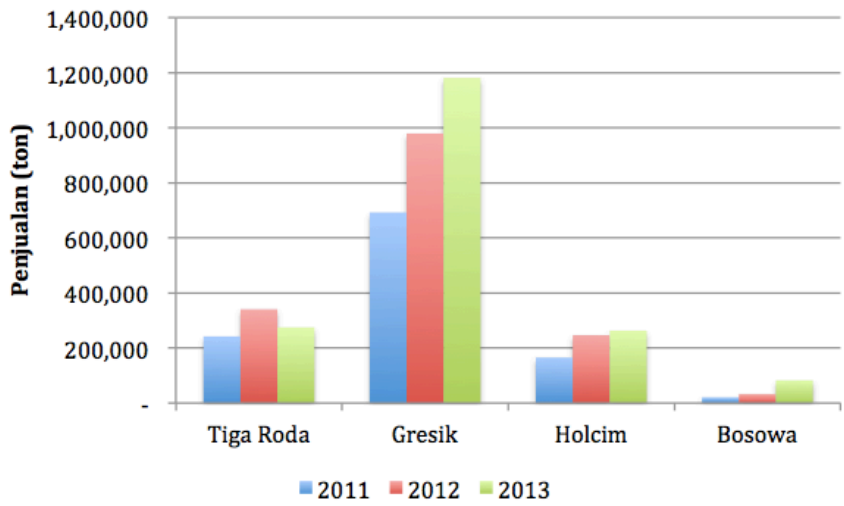

Figure 2. Bulk Cement Sales in East Java
Source: Indonesian Cement Association

Figure 2 shows the bulk cement sales in East Java in accordance to the data provided by the Indonesian Cement Association. The data indicates that the bulk cement sales of Gresik, Holcim and Bosowa experienced growth in 2011 to 2013. Unfortunately, Tiga Roda is not experiencing similar desirable growth trend. The decrease of bulk cement sales of Tiga Roda in 2013 needs special attention.

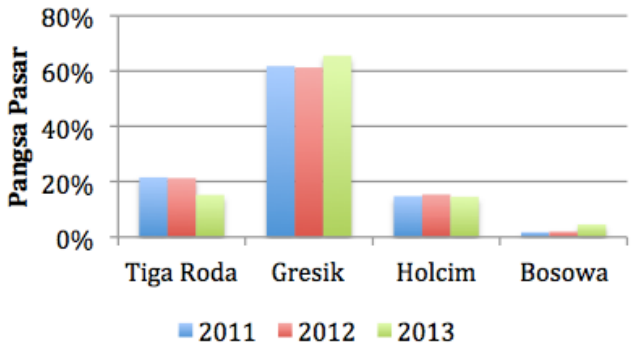

Figure 3. Bulk Cement Market Share in East Java
Source: Indonesian Cement Association

Figure 3 implies the bulk cement market share in East Java according to the data provided by the Indonesian Cement Association. The data reveals that the market share of Gresik and Bosowa increase, the market share of Tiga Roda decreases and the market share of Holcim remain stable. The tense competitions to gain market share and the decrease of bulk cement sales in 2013 are very concerning for PT RIMA as the distributor of bulk cement Tiga Roda in East Java. Consequently, PT RIMA needs to enhance their pricing, promotion and distribution strategies in order to grow in the market.

Based on the background information explained above, this research aims to analyze the: *"THE GRAND STRATEGY FOR PT RIMA TO INCREASE THE MARKET SHARE OF BULK CEMENT"*.

Research Objective
The objective of the research is to explore, study and analyze the grand study grand strategy that PT RIMA should be applying in order to achieve growth in market share for bulk cement sales.

LITERATURE REVIEW
Previous Researches
The first previous research being studied was the research conducted by Raj, Sasikumar and Sriram (2013) with the title of "A Study on Consumers Brand Preference in SUVS and MUVS: Effect of Marketing Mix Variables." The purpose of the study is to identify the factors that affect the SUV and MUV car brands in Cochin, Kerala. In the study, 143 random questionnaires were used. The variables of the research include product reliability, monetary factor, vogue or trendy appeal, sensitivity of maker to costumer needs, trustworthiness and product promotion. The study was used as reference to analyze pricing, promotion and distribution strategy for Semen Tiga Roda in East Java.

The second previous research being studied was the research by Adebumiti and Faniran (2014) titled "Operational Problems Associated With Cement Distribution Processes: A Study of A Selected Nigerian Company." The aim of the research is to study the operational problems of cement distribution in Nigeria, especially those that are related to logistic issues. Random

interviews were conducted for 150 respondents that are directly involved in cement distribution in Nigeria. Variables of the research are operational issues that cause the cement distribution to be ineffective which include inadequate spare parts supply, insufficient funding and manpower training, absence of railway track, inadequate infrastructural support, logistics of fuel, underutilization of available waterways, insufficient info-tech support, busted tires and springs resulting from bad roads, insufficient manpower and frequent change of types. The outcome of the study was used to help analyze the distribution strategy of PT RIMA.

The third previous research being studied was the research conducted by Afrillita (2013) titled "SWOT Analysis to Develop Marketing Strategy for PT Samekarindo Indah as motorcycle dealer in Samarinda." The goal of the investigation was to develop marketing strategy of PT Samekarindo Indah based on their strength, weakness, opportunity and threat. The research methodologies used were observations and interviews. The variables were the effect of external and internal environments of the company. Based on this research, similar SWOT analysis was used to develop pricing, promotion and distribution strategy for PT RIMA.

Conceptual Frameworks

According to Wheelen and Hunger (2012:176), SWOT is a technique or tool used by business companies in order to analyze strategic factors (strengths, weaknesses, opportunities and threats). Kotler and Armstrong define strengths as internal capabilities that may help the company to reach its objectives, weaknesses as internal limitations that may interfere with the company's ability to achieve its objectives, external factors that the company may be able to exploit to its advantage and threats as current and emerging external factors that may challenge the company's performance. The purpose of SWOT analysis is to explore the factors that are critical or irrelevant for business companies to achieve success. SWOT analysis assist marketers or business owners to focus their attention to strengths, weaknesses, opportunities and threats that are important to bring their companies to the next level.

Based on Ireland (2013:98), there are five forces that affect level of competitions in business industries. These forces are competitive rivalries, threat of new comers, threat of product substitutions, bargaining power of buyers, bargaining power of suppliers and threat of substitute products. In order to remain competitive, these five forces must be examined at all times. The tool that is often used to explore or investigate the competitiveness or internal factors of business companies is know as Five Forces Porter Analysis.

Ward and Peppard (2002:71) explain PEST analysis as an analyzing tool to explore important external factors such as politics, economies socials and technologies. The purpose of PEST analysis is to provide a framework to evaluate circumstances, strategies, companies' directions or marketing plans. Based on the outcome of PEST analysis, the opportunities and threats of the companies can be identified.

According to Aprizal (2012), market share measures the portions or percentage of the total market that is being occupied by a company or brand. Market share is usually presented as a percentage organized by an association. In a business society where the competition is very tight, one percent market share could be very expensive and worth up to hundreds billions of Rupiah for certain industries (Kotler, 2012:304).

In an era where technology is developing rapidly, people become more creative than the previous era (referred as legacy era). In new wave era like now, people and information are connected via the Internet. Consequently, human's characters are changing from vertical to

become horizontal, from exclusive to become inclusive and from individual to become social. The new wave era urges the increase of participation; more people are connected and collaborating with one another to create value (Kartajaya, 2009:156). In legacy marketing, customers are often related as king, where a company has to give the best service. This kind of approach was successful but current consumer behavior has changed. Consumers in new wave era are still expecting to experience excellent service but with approach as a friend with high level of care. Based on Kartajaya (2013:37), legacy marketing tend to be dominated by organizations' attempt to approach customer whereas new wave marketing tend to highlight the interaction between organizations in a two ways interaction.

Kotler and Keller (2012:51) define price as value or money that must be paid by customer in order to receive product or service in return. Price is often related as the value indicator or a product or service. In the new wave era, pricing and costing dynamics become more and more transparent. Hence, price setting can no longer be decided one-sidedly by a company but must be negotiated or communicated intensively to consumers. Marketers need to change their function as price maker to become price facilitator (Kartajaya, 2010:145).

Generally, promotion can be described as all marketing activities that aim to introduce a product, encourage/influence consumers/customers to conduct a transaction. Kotler and Armstrong (2012:51) define promotion as activities that communicate the advantages of a product so that the consumers or customers will conduct a purchase. There are five types of promotional activities, which are advertising, sales promotion, public relation, personal selling and direct marketing.

Place or distribution covers activities that are being conducted by a business company in order to ensure that products that are being marketed are available for the customers (Kotler and Keller, 2012:51). According to Kodrat (2009:118), the factors that need to be observed in distribution activities are facility, inventory, transportation, communication and unitization.

RESEARCH METHODS

Research can be described as channel to fulfill man's curiosity about something or a problem with a specific treatment to the problem such as checking, investigating, analyzing and studying carefully and formation of hypotheses in order to obtain something like reaching the truth, obtain answers to problems or the development of science or knowledge (Siregar, 2013).

Herdiansyah (2010:9) explains qualitative research is a scientific research that aims to understand a phenomenon by bringing forward the process of interaction between researchers in-depth communication with the phenomenon under study. While Sugiyono (2010:15) conclude that qualitative research is used to examine the conditions in which the natural object of researchers is a key instrument. Data collection techniques performed by triangulation (combined) with the data analysis is inductive / qualitative. The results of qualitative research more emphasis on meaning rather than generalizations (Sugiyono, 2010:15).

From some of the above theory, it can be concluded that this study into the category of qualitative because it encompasses the process of trying to get a better understanding of the complexities that exist in human interaction. This research is descriptive nature, such as interview transcripts, field notes, drawings, photos or audio and video recordings.

Research Time and Location

The research was conducted at the head office of PT RIMA in Surabaya as well as at the customers' offices or factories. The research was conducted in October 2014.

Informant Selection Method

According to Creswell (2003), qualitative research is needed to identify data collection parameters such as intentional selection of informant, document or visual material that can answer research questions. Based on Given (2008), qualitative research generally uses informants snowball technique where researchers will collect information according to research as much as possible that start from one informant continued with other informants suggested by informants before. Informants' criteria chosen by the researchers are newcomers, consumers or buyers, suppliers, competitors and substitute products.

The first informants are new players that will market cement in East Java. These informants will provide a picture of the threat of new entrants that will tighten competition in the bulk cement market in East Java. The second informants being chosen are the consumers or customers. The goal is to obtain data, opinion or their views about the current performance of the Tiga Roda bulk cement and to know the services expected by the customers. The third informant is the supplier. The aim is to able to obtain information of bulk cement market in East Java from view manufacturer. The informant also will give an indication regarding the bargaining power of suppliers. The fifth informant chosen are companies with products that can replace the Tiga Roda bulk cement. The informant is expected to provide opinions on the threat of substitute products in bulk cement market in East Java.

There are several sampling methods being used in this study. The methods used are non-proportionated stratified random sampling and saturation sampling.

Table 1. Sampling Method

No.	Informant	Population	Sampling Method	Sampling
1	Newcomer	2	Saturation Sampling	2
2	Supplier	1	Saturation Sampling	1
3	Customer	159	Non-proportionated stratified random sampling	3
4	Substitute Product	5	Saturation Sampling	5
5	Competitor	5	Saturation Sampling	5

Data Collection Method

Methods of collecting data from every aspect can be described through data types, data sources and data collection techniques listed in the following table:

Table 2. Data Collection Method

No	Indicator	Data Source	Data Type	Data Collection Techniques
1.	PEST analysis a. Politic	Secondary	Nominal, ratio	Documentation

	b. Economy		Ratio	
	c. Social		Nominal	
	d. Technology		Nominal	
2.	Five Forces Porter analysis			
	a. New Entrants	Primary, Secondary	Ratio	Interview, observation and documentation
	b. Supplier		Ratio	
	c. Customer		Ratio	
	d. Competitor		Ratio	
	e. Substitute Product		Ratio	
3.	SWOT analysis	Primary, Secondary	Nominal	Focus Group Discussion, observation and documentation
4.	Analysis of pricing strategy	Primary, Secondary	Ratio	Observation and documentation
5.	Analysis of promotion strategy	Primary, Secondary	Ratio	Observation and documentation
6.	Analysis of distribution strategy	Primary, Secondary	Ratio	Observation and documentation

Research Instrument

The research instrument is a tool that is used by researchers in collecting data for these activities be neat, systematic and efficient. Instruments used in this research are interview guide (some list of questions submitted and explained to the parties associated with the object of study in order to obtain the information needed). Interview techniques used are open-ended interview question.

Data Verification

In a qualitative research, an investigation or information can be stated as valid if and only if the researcher's report is equivalent to the reality of the object studied. Validity is conformity between the measuring instrument with something to be measured, so that the measuring results obtained will represent the actual size dimensions and can be accounted for (Herdiansyah, 2010; 190). According to Yin (2009), there are four kinds of tests to perform validation tests of the data, namely through the construct validity (construct validity), internal validity (internal validity), external validity (external validity) and reliability.

Data Analysis Method

Data analysis is going to be conducted by analyzing every aspect of the various issues related to these aspects. Aspects analyzed are aspects of pricing strategy, promotion strategy aspects, aspects of distribution strategy and the environmental aspects of the business. Analysis of pricing strategies, promotion and distribution is done by doing a comparison between strategies that has been used by the company with the strategy adopted by competitors. Results of this comparison are then used to apply better strategies for PT RIMA.

On the external aspects of the business environment, the factors analyzed are political, economic, social and technology. These factors are called PEST analysis. PEST Analysis of the results will show the opportunity and threat. In the aspect of internal business environment,

factors that are analyzed include the threat of new entrants, bargaining power of suppliers, bargaining power of buyers, the threat of substitute products and the intensity of industry competition. The fifth factor is known as the Five Forces Model of Competition. Results of Five Forces Model of Competition show strength and weakness.

Focus Group Discussion (FGD) will be formed in order to analyze the weights of internal and external factors. Focus Group Discussion (FGD) is a discussion that is carried out in a systematic and focused on a particular issue or problem. In this study, the internal and external factors in the analysis together in a focus group consisting of marketing manager, logistics manager and marketing director. With the focus group discussion, critical and constructive information can be collected quickly from participants who have a background different. Following FGD, the SWOT (strength, weakness, opportunity and threat) of the companies in further analysis using the IFAS (Internal Strategic Factors Analysis Summary) and EFAS (External Strategic Analysis Summary). Finally, the company determines the strategy to be chosen with the help of SWOT Matrix.

DATA ANALYSIS

Analysis of Pricing Strategy

The setting of the selling price is very important in the sustainability of a business. If set correctly and in accordance with customer expectations and in accordance with the desired level of profit by the company, will be very positive for the sustainability of a business. Policy of the supplier is to maintain price positioning Tiga Roda bulk cement as a price leader. One of the most important factor for PT RIMA to be able to increase the market share of bulk cement is pricing strategy or a change in the selling price of the competitor that set prices are always competitive.

The current selling price policy of bulk cement PT RIMA associated with the amount of monthly purchases, where consumers are taking the number above 2,000 ton will get a better price than the consumer who takes the number of 200 ton. So far the bulk cement price strategy PT RIMA has not been effective in achieving the expected market share of 25%.

In the new wave era, the price cannot be determined unilaterally without negotiation process and horizontal approach. In determining pricing strategy, PT RIMA must make the transition from its function as a price maker into a price facilitator. Prices can no longer be determined based on the standard monthly purchases of bulk cement or the number of transactions carried out. Price was determined by negotiation and approach to the management of the customer. The purpose of the negotiations and approach with customers is to study and determine the factors that the basic needs of the customers and creating excellent customer experience within the limits of the distributor margin is controlled by the manufacturer. To be able to negotiate and better approach, then the number of sales force and frequency of sales visit need to be analyzed and addressed as follows.

Analysis of Promotion Strategy

Promotion should be made as effective as possible to create consumer interest. Appropriate promotional strategies will be able to increase sales of the company that is expected to eventually be able to improve the profitability of a company.

With the development of technology, as difficult to argue that the online promotion, a virtual path or e-channel is the channel promotional activities are very promising future. Distributor Semen Gresik uses an online promotion such as company website, Facebook and twitter. Sales

promotion online or virtual path is a channel that needs to be developed by PT RIMA to be able to help increase the market share of bulk cement Tiga Roda in East Java.

Analysis of Distribution Strategy

Distribution is all the activities of the company with the goal of making products that are needed and desired by consumers can be easily obtained at the time and the right place.

One of the limitations of bulk cement Tiga Roda is the length of distribution lines compared with Gresik and Holcim. This will be an obstacle during the rainy season where delivery via the waterway impaired huge waves and delivery experience overload of traffic. In order to overcome this limitation =, PT RIMA is working with suppliers to study the possibility of using the train line as a mode of transportation of bulk cement. It is not a long-term project for the use of railway as a mode of transportation has been successfully used for the distribution of PT RIMA in the retail segment (bag cement).

PEST Analysis
Based on PEST analysis that has been done, a challenge and a threat to the PT RIMA can be summarized as follows:

Table 3. PEST Analysis

Factors	Threats	Opportunities
Politic	• Mr. President Joko Widodo's policy that encourages accelerated development of infrastructure is connected.	• Government infrastructure projects prioritized products from BUMN companies. • The amount specified LTV SEBI burdensome for property consumers, especially consumers of the middle class. • The policy of subsidized fuel.
Economy		• Increase in bank loan interest rates • The increase in the minimum wage of the people (UMR) • AEC 2015→ entry of foreign cement players to Indonesian market
Social	• Increasing number of inhabitants and the construction of homes. • The development of mobile lifestyle trends that drive the increase hotel and restaurant.	
Technology	• Development of online sales promotion activities at no cost that is too high	

Five Forces Porter Analysis
The Outcome of the Five Forces Porter analysis can be summarized by the following figure.

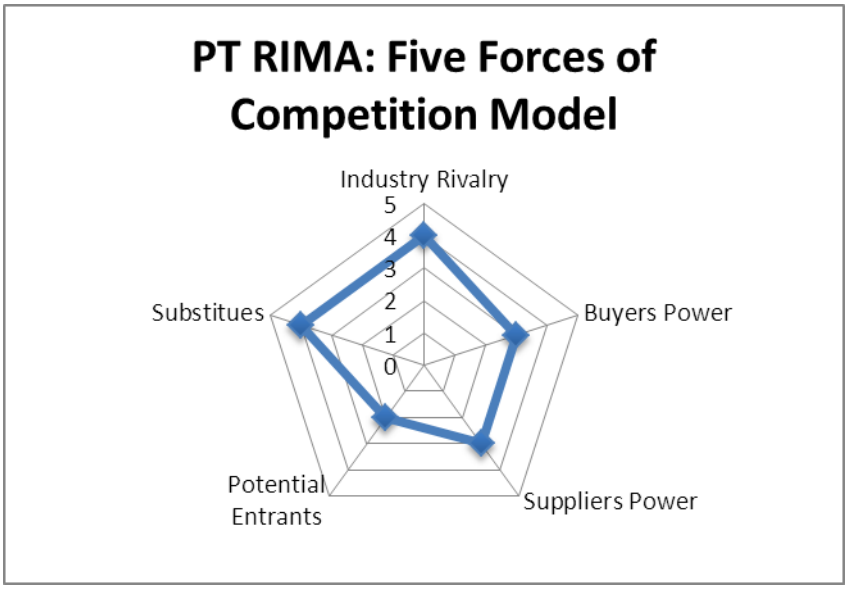

Figure 4. Five Forces Porter Analysis

SWOT Analysis

Based on the ratings discussed through FGD, SWOT matrix for PT RIMA is described by the following figure.

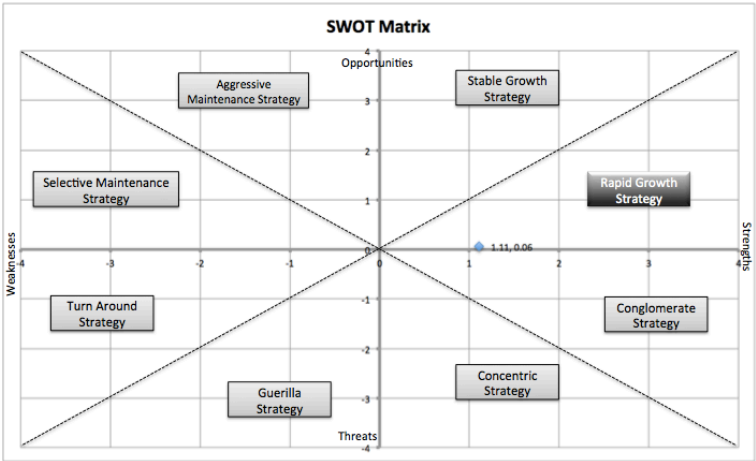

Figure 5. SWOT Matrix for PT RIMA

Based on the results of SWOT analysis, PT RIMA included in quadrant 1 which is a growth quadrant. Where the strategies to be used by PT RIMA to develop Tiga Roda bulk cement market share is Rapid Growth Strategy. This strategy can be conducted by using the power of the company to take advantage of opportunities

CONCLUSION & RECOMMENDATION

Research conducted in a thesis entitled Grand Strategy for PT RIMA to increase the market share of bulk cement is qualitative research. This study discusses the company's business environment (PEST, Porter's Five Forces and SWOT) to determine the pricing strategy, promotion and distribution to market bulk cement PT RIMA.

In pricing strategy, PT RIMA needs to become price facilitator. In promotion strategy, PT RIMA needs to develop online-based promotional activities. In the strategy of distribution, the goal is to be able to implement delivery by railway transportation mode. Based on the outcomes of PEST, Five Forces Porter and SWOT analysis, Rapid Growth Strategy needs to be adopted by PT RIMA.

From the results of research conducted then there are some suggestions that might be done in the future for research, especially in developing business PT RIMA.

1. Research that focuses on the public perception of Semen Gresik to be able to study the important factors behind the greatness of Semen Gresik in maintaining 70% market share for many years.
2. With the network in the possession of PT RIMA, very unfortunate if only used for the cement market. Further research could be focused to increase the marketable commodity PT RIMA for precast industries such as steel, stone aggregates and sand materials.

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THE INFLUENCE OF CULTURE ORGANIZATION TO EMPLOYEE PERFORMANCE of PT X

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ABSTRACT

The main purpose of this research is to determine the effect artifact, nt apocryphal work, a narrative of cultural values and culture on employee performance. The population in employee PT X. This study uses a test the validity test and realibility test before to test the validity and reliability of any statement filled. Hypothesis testing is performance using F test, t test, correlation greatly enhanced by of treatment and partial greatly enhanced by treatment. Tjis research used classical nt apocryphal work test, which is consist of multikolineritas test, normality test, heterokedastisity test, autocorrelation test, and liniearity test.
The result property of this research shown that financeroll.com were significant effect between cultural values (X2) and nt apocryphal work of the culture (X3) on employee performance. And not significant effect between artifact (X1) on employee performance.

Keywords: artifact, cultural values and basic assumptions of organizational culture

INTRODUCTION

Electronic trading is a form that were targeted to help trade website to increase the number of visitors and introducing products or services through the internet, and give the facility in the procurement a work. *E-commerce* be the general term for the process of purchasing and sales that are to support by internet . *E-Commerce* is now expanding to a phenomenon that trade most commonly used in the whole world (Chaffey in Adriana 2014).
This is the case with PT X that move in line with education system *E-commerce*, trying to provide a redundancy customers, this is very important because necessity and demand from consumer that is increasing and the booming the development of technology and internet in Indonesia at present.
The success a corporate was influenced by employees performance (job performance) or results of the work that was achieved by an employee in do the job in accordance with the responsibility that was given to him. Are non-renewable resources Employee important for

company, because it has a talent, power, and creativity that is needed by the organization to achieve its goals.
As is well known that the performance (*performance*) is the work that can be reached by a person or group of people in an organization, in accordance with the authority and responsibility each of them, in order to achieve the aim at once legally, does not violate the law and in accordance with moral and ethical (Riyadi 1998 in Ardini 2014).
To have a skilled, have ability work and loyal to companies, is not an easy thing. Culture of the organization directing acting to improve commitment or employee loyalties to companies so that it was able to improve the performance of the company in empowerment of human resources context, in order to produce a professional employee and integrity.
At its core each company must have *organization culture* which is adjusted to the type of vision, mission from the company. Culture of the organization to form a performance employee, because create a motivation for karayawan, to give his best ability take advantage of the opportunities in given by the company. The values that is adhered with make employees feel work, has a commitment and loyalty and employee put more effort, improving performance and job satisfaction and maintaining competitive (Pratiwi, 2012).
Schein in Ariwibowo (2013) paints culture of the organization in 3 level, artifacts, the culture of the organization and basic assumptions culture. In every culture of the organization to each other high levels. In the making artifacts are required for the culture of the organization as our standard, as in the making the culture of the organization basic assumptions needed culture of the organization. See the impact culture of the organization that great performance of employees, so it needs to be examined more about culture of the organization, So that I was interested in doing research with the title of " **the influence of culture organization of employees performance in PT X**.

LITERATURE REVIEW

1. Understanding culture of the Organization

According to Kreitner and Kinicki in Winanty (2013), culture of the organization is a form the notion that implicitly owned, received by the group and determine how these groups feel, think and react to their surroundings, which are varied
Culture of the organization dideifinisikan as good values, a series confidence, and behavior patterns that make up their identity organizations as well as on its members. Culture of the organization based on other definitions, can be placed in the values (values) and norms on (Deshpande & Farley in Pantouw 2013).

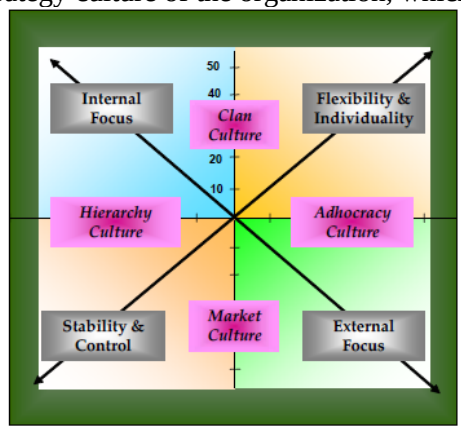
2. Type of culture of the Organization

According to Kreitner and Kinicki in Gultom (2014), in general there are three kinds of culture of the organization based on character of a person, they are:

1) Constructive culture
   Constructive culture is a culture where the employees are encouraged to interact with others and on the tasks and the projects in a way that help them in fulfilling their needs to grow and develop. Type this culture supports confidence normative related to accomplishing such a goal, an award self actualization humane and unity.
2) *Passive-Culture called defensive*
   Passive - Culture called defensive characterised confidence that is possible that PT interact with other employee in a way that didn't threaten themselves. Bduaya promote confidence normative related to the agreement. Conventional wisdom, dependence and livelihoods.
3) *Aggressive Culture-called defensive*

Aggressive Culture - called defensive encourage employees to do their jobs with hard work to protect security work and their status. Type this culture which characterised normative confidence that reflects the opposition, power, and competitive perfeksionis.

While according to Brown and Quinn Cameron in Wibowo (2012), identify 4 kinds of culture based on the emphasis on strategy culture of the organization, which are:



1) Clan Culture

A Model or type of culture of the organization that characterised by a pleasant place of work, such as a big family. An effective leader was a leader who was to play such a role mentor, even as "the parents" for his subordinates. Glue in the organization is loyalty and traditions.

2) Adhocracy Culture

A Model or type of culture of the organization is characterised by a workplace that dynamic, and entrepreneurial. The effective are those who have the vision far ahead, innovative, and have the courage to take the risk. That glue in this organization is our commitment to opportunity to do some experiment and innovation to continue and landslides. The success seen from leadership products and innovator

3) Market culture

A Model or type of culture of the organization is characterised by place of work results-orientated. Effective leaders are those who are hardened, like worked hard, and mobile. Glue in this organization is the desire to win the competition. The criteria success is usually seen market share and position to compete.

4) Hierarchy Culture

A Model or type of culture of the organization is characterised by a workplace that formal and tersruktur. In addition, culture of the organization is also a structure is emphasized the importance of good, tidy in the organization. All work process set up raw materials and systematic. An effective leader is the coordinator. Maintain continuity in the company is extremely important. The rules and the policy is glue organization. A Model or guidelines management that has long been a favorite in the control is usually used and a strict controls.

3. The dimensions culture of the Organization

Gibson (2012) in culture presents 4 elements:

1) The avoidance of uncertainty

The avoidance of uncertainty is level where members of the community did not feel comfortable with uncertainty and ambiguity. This feeling directed them to believe certainty and promised and to maintain agencies that protect adjustment. People who have evasion

uncertainty continues to maintain a strong belief and behavior that tight and not tolerant toward people and ideas that flirt with.

2) Masculine vs Feminim

High masculinity is a tendency in the community will achievements, heroic, firmness and success material, while feminalitas reflect a tendency for relationship, the simplicity, attention to the weak and quality of life. Main issues in the dimension is way for people to allocate social role for gender differences.

3) Individualism vs togetherness

Individualism is a tendency in social frameworks which the individual is suggested to keep themselves and their families. Collectivity reflect a trend where individuals can hope for relatives, tribe or other groups to protect them in return for absolute loyalty that they give.

4) The distance power

Power is the measure The distance where a community members to accept that power in the institution or organization are not distributed equally. This was affected on members who came to power and authority. Main issue dimension is how a community dealing with differences between the people when this happens.

Horisson and winanty Stokes in 2012, distinguish one culture to 4 dimension that is oriented culture,namely :

1) The Power Orientation

In a company oriented to power, the leadership based on power, justice, and the policy. Its leaders felt responsible for to his subordinate. Orientation power was extremely according to the situation when leaders have the vision, highly regarded, and wanting to manage udaha and directly supervised such his subordinates.

2) The Role

Orientation on the role place a system of the structure and procedures to replace the power leaders. The structure and system providing protection against subordinate and stability organization. It is obligatory and rewards for the members or subordinates is defined in detail, usually in writing and held the contract explicitly between organizations and individuals.

3) The Achievement Orientation

Organizations that are oriented to the achievement disebit also organization in a row. Because this type using mission to make interesting and personal energy issue of its members to pursue common purpose. The members to give the their goals with free as a response to their commitment to the point that was divided into, they willingly give more to the organization.

4) The Support

Climate Change in an organization that is based on mutual trust among the members as individuals with this organization itself. In this condition officials are convinced that they considered as a human being, not only as a machine. There is a warmth that encourage the organization.

4.Levels culture of the Organization

According to Schein in Ariwibowo (2013) paints culture of the organization in 3 different levels which are:

1) Artifacts.

This level is a dimension most can be seen from culture of the organization, is a physical environment, rules, norms and social organizations. Members of the organization often do not realize the artifacts culture of the organization for them, but those outside the organization can rest watch them with clear.

2) The values.

All learning organization reflects the values, the feelings members of the organization them about what should be different from what is. If a member organizations facing a problem or new tasks, the solution is the values.

3) Basic assumptions.

If a solution that was put forward by corporate leader repeatedly can be successful, the solution is considered to have basic assumptions as they should. is a solution that most believed it was the same with the theory of knowledge that is being applied to a problem facing the organization.

According to Lundberg in Mohyi (2013) made levels culture of the organization as main topics classify culture of the organization in four classes, namely:

1) Artifacts

Artifacts are aspects culture that can be seen. Artifacts verbal, behavior, and physical in the manifestation of culture of the organization.

2) Perspective

The rules perspective, and norms that can be applied in certain contexts, for example to solve problems which face by members of the organization, how to define situation-siatuasi that emerged. It is usually members realize this perspective.

3) Value

This value more abstract than perspective, though often revealed in philosophy organization in carrying out its mission

4) Assumption

This assumption is often are not aware of artifacts, perspectives and values

5. Understanding Employees Performance

According to Cash and Fisher Brahmasari *et al.*,(2012), proposed that the performance often called the *performance* or *result property* that is defined by what has been produced by the individual employees. Performance was influenced by organization performance himself is on organizational development ,the plan compensation, communication system, managerial style, organizational structure policies and procedures.

According to Smith in Margareth (2012) definition performance was the result of a process, people or other. Performance employees is a most important characteristic to determine the success an organization.

Performance is a term that comes from the word *Job Performance* or *Actual performance* (work achievement or achievement is to be achieved) Performance (work achievement) is the work in quality and quantity that is achieved an officer in carrying out their duties in accordance with the responsibility that was given to him (Mangkunegara in Murti 2012).

6. Factors - factors that influence the performance employees

According to Notoatmodjo Riyadi in 2013, there are 3 main factors that influence to performance, namely

1) Individual (ability to work)

2) Business (a desire to work)

3)Support orgasnisasional (opportunity to work).

According to Dharma in Ruhana *et al.* (2013), explained that almost all ways performance measurements from the point of view management consider quantity, raise the quality and timeliness.

1) Quantity safety

Quantity safety is the number of textbook activities.the, which is to be completed by the employees. Not all kinds of work be measured in quantity work. The measurement quantity work involves calculating exodus from process or implementation. This was related to the number of exodus that are produced.

2) Work quality

Work quality related to a quality products that are produced by companies, including whether people like the product, if the product has been in line with minimum standard that has been set or still needs improvement in the form or another. quality can be interpreted as a certain level where process or implementation result in has approached to stay or has approached aim. Quality is good quality that was produced by (whether or not. Measurements reflect the level quality satisfaction, which is how well the solution.

3) Accuracy working time

Accuracy working time is a way that is used to know, the low performance employees. Timeliness can be seen from whether or not in accordance with the time that has been planned. Working Time is very important as a consideration in measuring either good or bad and rose an employee performance or revelation. When employees able to complete his work with good and right on time, it can be said that the performance employee was very good.

RESEARCH METHODS

Research Approach

This approach or used is an approach quantitative research by using a questioner that aims to examining the relationship between the free the culture of the organization and motivation variables are tied to the performance employee.

The place and time or

The research at the office of PT Indochart Ardimulyo on Malang, East Java. This research will be done in 2 different place because employees of PT Indochart in for a 2 parts. The research was conducted May 2015, because the division a questioner will be done on the work and in the clock spare employees.

Sampling methods

Sampling method is used saturated sampling techniques that determination samples if all the members used as a model. This is often done when population is relatively small, less than 100 people.

Collection Data

This research uses the data kuantitaf. Quantitative data that is used in this research data about the number of employees is, gender, employees' status, age employee.

VARIABEL RESEARCH

Culture of the Organization

1) Artifacts is a level where the first/activities or organization looks like a organizational structure and process, physical environment organization, indicators to variable artifacts are:
   i) Vision and Mission that imagible
   ii) Vision and Mission, which focused
   iii) Vision and Mission that Flexible
   iv) Social relationships among the employees who practice
   v) Controlled himself and to control his temper in work
   vi) On positive work in the workplace

2) The value is the principles of the social, goal and standards applied within the company and is considered important and define what is seen by each member of organization. The variable indicators are:
   i) Pofits in the targeted *owner*
   ii) On schedule, which is targeted market position *owner*
   iii) Employees who synergized
   iv) Employee salaries according
   v) Quality products
   vi) A *friendly*
   vii) Security cooperation with distributor
   viii) Time payments to suppliers who quickly

3) Assumption is a belief that is considered to have had to be in themselves and each member of an organization that covers aspects and pegged confidence, thought to have strong feelings organization. Variable indicators assumptions:
   I) Believe to be the best
   Ii) Believe in the service and quality
   Iii) Believe about the importance perfecting
   IV) Believe that our customers sovereign

Employees performance

Performance employees are what has been produced by the individual employees. According to Ruhana *et al.* ,(2013), performance indicator employees are:

1 Neatness
2 Attention
3 Many results
4 Work to target
5 Time

ANALYSIS DATA METHODS

After receiving a complete data or on the next step is to evaluate data that had been received by to solve the problems and at the same time to examine the hypothesis that has been put forward. The method of analysis is used in this research. Analysis methods in linear simple, mingled with the computer and using a program SPSS v. 16.00 .

The formula of Simple Linear Regression is as follows:

$$Y = \beta o + \beta 1x1 + \beta 2x2 + \beta 3x3 + \varepsilon$$

Note:

Y = the value of the relationship variables are free to variables are bound
B1 = koefesien partial regression artifacts
B2 = koefesien partial regression values
B3 = koefesien partial regression assumption culture of the organization
X1 = variables artifacts
X2 = variable values
X3 = variables assumsi
Bo = Constant
E = *standard Jusamn explained*

RESULTS of RESEARCH

$$Y = 6.669 - 0{,}096X1 + 0{,}96X2 + 0{,}095X3$$

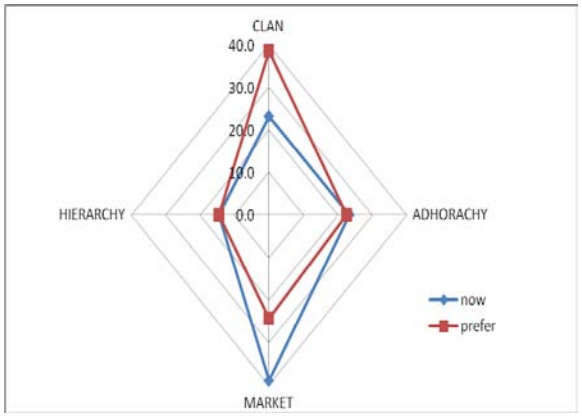
Note: Y : Employees performance

X1 : Artifacts
X2 : The culture of the organization
X3 : Basic assumptions

Regression equation can be described as follows:

1. Variable influence Artifacts (X1) tergadap employees performance (Y) based on the result calculating partially had a profound influence negative and not significant. The negative impact of -0.096, means that Artifacts is inversely proportional significantly affect and not to employees performance, so the more than Artifacts will not significantly affect on the work of employees.
2. Variable influence The culture of the Organization (X2) tergadap employees performance (Y) based on the result calculating partially have a positive influence and significantly affect. The coefficient regression analysis of 0.96 , means that The culture of the Organization is significantly affect on the performance and employees. If X2 up one unit of the Y will be up to 1,075 on the assumption that other variables to be more than The culture of the Organization, the higher employees performance nor
3. Variable influence on The assumption Culture Organization (X3) tergadap employees performance (Y) based on the result calculating partially have a positive influence and significantly affect. The coefficient regression analysis of 0,095 , means that basic assumptions culture of the Organization is significantly affect on the performance and employees. If X3 up one unit of the Y will be up to 0,064 on the assumption that other variables, so basic assumptions more than culture of the Organization, the higher performance nor employees.

OCAI result of the overall employees of PT X, provides an overview chart of organizational culture as follows:



The cultural profile of PT X is based on the graph shows that colored blue is organsiasi current culture profile (now) and red is the expected cultural profile of employees (Prefer).
Based on the calculation highest score is the market, as many as 169 of perception. Market type of organizational culture characterized by orientation on goal, won the competition, becoming the leader of a competitive market and high demand in the achievement of its employees. It happened at PT X is engaged in ecommerce, with the proliferation of companies engaged in the field of ecommerce, PT X is required to compete more closely. In the world of ecommerce, the ecommerce company should seek to demonstrate the credibility of the company as possible when he first entered the world of ecommerce, as the system ecommerce buying and selling via the Internet, where the Internet is a virtual world, where products are sold traded can not be seen in practice. So that the ecommerce company can lead in a competitive e-commerce market.

Cultural profile that tends expected next 3 years is a culture of clan, a condition where the company like a big family, there is a strong togetherness among all elements of the company. Employees at PT X wanted the type of clan culture due in achieving an organization's goals takes teamwork.

Based Model victor changes in Subayo tan (2012), it is done by PT X today with a grace period of 3 years is the change are:

1. Conducting interviews on the employees of PT X is carried out in the first year
2. Evaluate the behavior of employees, from the aspect of the activities and behavior of daily work tailored to the cultural characteristics that are expected over the next 3 years, the Clan. The evaluation was conducted in the first year and second year.
3. At the end of the second year, implementing organizational culture characteristic gradually and be monitored regularly.
4. In the third year, making some events that support the cohesiveness of teamwork. This is done to strengthen the cultural characteristics Clan family-oriented.

ADVICE

A Questioner or artifacts is less dynamic, so respondents only focused on a single answer only

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THE INFLUENCE BRAND AMBASSADOR to BRAND IMAGE ONLINE SHOP

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ABSTRACT

The main purpose of this research is to determine the effect of Brand Ambassador on Brand Image Online Shops. The population in this research -- consumen of Tokoedukasi and Tokopedia. This study uses the validity test and reliability test before to test the validity and reliability of any statement filled. Hypothesis testing is performed using F test, t test,multiple correlation greatly enhanced by and correlation greatly enhanced by of treatment. This research used classical nt apocryphal work test, which is consist of multicolinearity test, normally a test, heterokedastisity test, auto correlation test and linearity test.
The result of this research shown that financeroll.com were significant effect between Credibility (X_2), Attraction (X_3) and Power (X_4) on Brand Image Online Shop (Y) and Visibility (X_1) does not significant effect on Our Brand Image Online Shop (Y)

Keyword: Brand Ambassador, Visibility, Credibility, Attraction and Power

INTRODUCTION

The development of technology and internet in Indonesia have great impact on the change business, namely from advertising, selling, interaction between humans, and so on. In addition, Indonesia is one of the countries in the world that has the number of population that quite a lot, so it makes Indonesia to the potential in marketing and selling products. Internet users in Indonesia is increasingly increased every year, at the end of 2013 internet users as many as 82 million people, in 2014 reached 107 million people, in 2015 expected internet users as many as 139 million people, so as well as growth internet users in Indonesia has become one of the opportunity to online shop or e-commerce in Indonesia.

Rapid growth markets e-commerce in Indonesia there is indeed already could not be no doubt about it. With the number of internet users that reached the figure 107 million people, the e-commerce to gold mine that is very tempting for some people who will be able to see the potential growth in the future. E-commerce in Indonesia in 2013 as many as 23%, at the end of 2014 as many as 40%, and at the end of 2015 e-commerce increased to 53%. This growth in the data on internet users in Indonesia that continues to grow every year.

Industry Developing e-commerce in Indonesia makes many actors e-commerce using various strategies to attract the attention of the consumers and affected customers to buy the product. The suspect e-commerce is required to become more sensitive to the desire consumers and

communicate its products in a good manner and efficient. One of the strategy this marketing is to use a figure that has charisma and capability to attracting many and attractive consumers. This is called celebrity endoser or brand ambassador.

According to a survey to 10 consumer e-commerce in Indonesia, 8 people said "a brand ambassador for affected their judgment against existence e-commerce because big name and image brand ambassador that was carried out by e-commerce added to their confidence to online shop was while the rest as many as 2 people argue that there is a brand ambassador does not affect perception and their evaluation existence e-commerce, the most important thing is product quality, price and service of e -commerce .

Brand Ambassador

Natalia (2013) in his prediction that entitled Analysis/Appraisers usage Effective celebrity as a Brand Endorser to build a Brand Image, brand endorser / brand ambassador is one of the celebrity represent a certain brand during three years, brand ambassador for the one who represented as a portrait best products or services and brand ambassador strategy.

Nindwalanju (2013) in the research, entitled the influence Brand Ambassador in television advertising MAGNUM Classic toward the decision will brand ambassador is a person considered by the company and is held by the people in his daily life, this is related to his role as a communicator from the company to consumers in promoting a product.

Nindwalanju (2013) in the research, entitled the influence Brand Ambassador in television advertising MAGNUM Classic on Purchasing decisions, the model is used in the election brand ambassador is with the viscap model namely visibility, credibility, attraction and power.

1. Visibilty

Visibility is to see how much popularity brand ambassador who was chosen by companies in representing its products.

2. Credibility

Credibility is a component that see how much brand ambassador can be held by the community. This was related to how big trust that is in the knowledge that is in the brand ambassador and whether brand ambassador is in accordance to represent the product.

3. Attraction

Attraction is divided into 2 characteristics, namely:

a. Likeabilty

Likeability that is meant is associated with physical attractiveness and personality. Between the brand ambassador and the prospective customers will set up a positive image to the products to the prospective customers also will like what was formed by brand ambassador

b. Similarity

Brand ambassador in advertising products must have similarities with target, for example in terms of emotional, the age, gender. This similarity will trigger the interest.

4. Power

Power was looking at how much power which is owned by brand ambassador to do inducement to the candidates in considering the consumer product. Power that is how big effort, which will be done by brand ambassador in relation to our that he did with approaches to his prospective customers.

According to Putra (2014) in the research, entitled The influence Brand Ambassador to Brand Image and Its impact on Purchasing decisions, classify five specific dimensions endorser advertising to facilitate communication effectiveness. Five specific dimension endorser explained with acronym of TEARS.

a. Trustworthiness

Trustworthiness to refer to as far as where the source is seen as the integrity, the integrity and can be trusted

b. Expertise

Expertise to refer to the knowledge, experience or expertise that owned by a endorser associated with a brand that was supported

c. Attractiveness

Appeal to refer to themselves that is considered to be interesting to see in relation to the concept attractiveness. Glamour can include hospitality, pleasant, physical and work as some important dimension of the concept attractiveness.

d. Respect

Respect reflect quality is acceptable or vogue as a result of quality personal achievement

e. Similarity

Similarity is common on the audience is pointed to refer to the similarity between endorser and audience in this age, character, the interest, appetite, life style, social status and so on.

Brand Image

According to Frances and John (2014) in his research entitled Analysis of Effect of Visibility, Credibility, Attraction and Power Celebrity Endorser against Marcks Foundation Brand Image, Brand image is that the first is the notion of brands that are in the consumer's mind or memory, and the second is the way people think about a brand in the abstract in their thinking, even when they think about it, they do not deal directly with the product. The factors supporting the formation of brand image in relation to the brand association, among others:

1. Favorability of brand association. One of the determining factors of brand image are the hallmarks of products, where these products ahead of the competition.

2. Strength (Familiarity) of brand association. Build the popularity of a brand famous brand manjadi not easy, but the popularity of becoming one of the keys that can form a brand image for consumers

3. Uniqueness of brand association. Uniqueness is owned by the product.

Factors that Influencing Brand Image

According to Islami (2011) in or his image, entitled The influence brand (Brand Image) to product purchase Sophie Martin at the Polytechnic Institute Students MBP Medan, a brand that established will have outstanding position in the competition if supported by the association in the right direction. Various associations that are related to a series of the so-called Brand Image. More and more a association that has been established to be even more powerful brand image that belonged to him. There are eleven source association brand, namely:

a. Product attributes

Associate attributes or characteristics a product is positioning strategy that is most often used.

b. Intengibles Atribute

A factor does not exist is a common attribute, like perception quality, advances in technology, the impression that the digest a series attributes that objective.

c. Consumer's Benefit

Benefit to our customers can benefit as Rational (Rational Benefit) and the benefits psychology (Psychological Benefits).

d. Relative Price

Evaluation of the brand disebagian class this product will begin with the determination brand position was in one or two from high prices.

e. Aplication

This approach is to associate brand with a use or certain application.

f. User/ consumer

This approach is to associate a brand with a type user or customer class product.

G. Celebrity/ person

Relate to the well-known/artists with a brand can transfer association that strong which is owned by the well-known into brand.

H. Life style

The Association brand with a life style can be inspired by the association of customer brand with various characteristics personality and life style that is almost the same.

I. Product Class

Associate a brand through class product.

J. Competitors

Know competitors and try to equal or even surpassing competitors.

K. Country/ Geographic Area

A country can become a powerful symbol as long as it has a close relationship with the product, materials and ability.

HYPOTHESIS

1. There were no different dimensions that are composed brand ambassador for visibility, credibility, attraction, and power together to influence the course of events in brand image online shops
2. There were no different dimensions that are composed brand ambassador for visibility, credibility, attraction, and power partially influence the course of events in brand image online shops

RESEARCH OBJECTS

Questionnaire will be scattered through email to customers Tokoedukasi and Tokopedia, because Tokopedia is one of the few online shop that has been using brand ambassador in marketing and Tokoedukasi is the object in this research.

DEFINITION and MEASURING variable

1. *Visibility (X_1)*

Visibility dimension is how much popularity a celebrity affected customer perception about existence brand image online shop . Muktamar (2014) in the research that there were two indicators, which is used to describe visibility are:

a. Popularity: how much the community to know and understand celebrity
b. Appearances: intensity powered celebrity in public.

2. *Credibility (X_2)*

Customer perception to use skills, knowledge and experience that relevant inventory endorser of online store that advertised and consumer confidence to endorser for providing information, which is not common and objective. Natalia (2013) that there were 2 indicators that can explain credibility, namely:

a. Expertise: respondents can catch the impression that celebrity has the capability and expertise to communicate and give confidence to consumers about brand image online shop
b. Trustworthiness: how much capability which is owned by brand ambassador to deliver the information is honest to his prospective customers

3. Attraction (X_3)

Attraction is a good physical appearance and non-physical one character or the interesting thing can support advertisements and can lead to attract audience to scrutinize ad. Natalia (2013) said that the indicator attraction there are three are:

a. Similarity: respondents believes that celebrity as a figure who provide inspiration to respondents
b. Familiarity: high intensity celebrity appeared in public
c. Likability: attraction celebrity physically, character that good and the ability to attract and drug respondents

4. Power (X_4)

Power is charisma can affect a endorser for thinking behaviors, the attitude or respondents. Two indicators to explain power :

a. An example: celebrity is a figure who should emulate
b. An Idol reference: celebrity could be made as an example or standard

5. Brand Image (Y)

Natalia (2013) in the research says that there are three indicators forming brand image, which is

a. Favorability of brand association (superiority association brand): excellent range, where products are superior in the race and the extent to which a target convinced that the brand's benefits
b. Strength of brand association / familiarity of brand association: popularity brand to one of the key to form brand image even build a brand popularity is not an easy thing
c. Uniqueness of brand association : the uniqueness of the uniqueness that is owned by online shop

DISCUSSION

The talks will be examined about- results of research that is in accordance with the aim of the research that will be applied. This research and interpreted use and theories logic that is, and then compare with the relevant empirical hits.

The influence Sub variables Visibility (X_1), Credibility (X_2), Attraction (X_3) and Power (X_4) to the formation Brand Image (Y) partially.

1. Influence Visibility (X_1) to Brand Image (Y). Based on the result data analysis that has been described above it has been proven that partially test result Visibility (X1) did not significantly exceed Brand Image (Y). Because respondents do not see how popular or how many fans who owned by brand ambassador for the affected assessment respondents against brand image online shops. This research was supported by Nurvianto and Mahmud (2014) in his research that was entitled to influence Endorser Brand Image Drum Tama in Semarang, who said visibility does not affect brand image. This research is also supported by Endang and Dina (2012) that entitled The influence Agnes Monica as Celebrity Endorser toward The Formation Brand Image Honda Vario said visibility does not affect brand image. Popularity many useful if the goal of communication is brand awareness. If popularity is used as a model, it will be able to make a problem especially for celebrities who became endorser many products. Consumers will be confused when connecting products with a celebrity advertising.
2. Influence Credibility (X_2) to Brand Image (Y). Based on the result data analysis that has been described above it has been proven that partially test result Credibility (X_2) significantly affect to Brand Image (Y). Because respondents considered brand image online shops is based on the knowledge brand ambassador about online shops that are advertised, so it could be increased the trust respondents to online shop .
3. Influence Attraction (X_3) to Brand Image (Y). Based on the result data analysis that has been described above it has been proven that partially test result Attraction (X_3) significantly affect to Brand Image (Y). Because respondents considered brand image online shops is based on a level that is preferred audience (likeability) and high similarities with that the

user's personality products (similarity), so it could be increased the trust respondents to online shop.

4. Influence Power (X_4) to Brand Image (Y). Based on the result data analysis that has been described above it has been proven that partially test result variables Power (X_4) significantly affect to Brand Image (Y). Because respondents considered brand image online store based ability brand ambassador to attracting consumers to use products and improve their ability brand ambassador for the inducement to consumers so that consumers are interested to buy the product in that advertised

Multiple regression analysis result from this research is known that the variables that have a dominant influence to Brand Image is Power (X_4). The influence dominant Power (X_4) was known that based on the t test largest the probability of 12.116 and 0.000 . This is because respondents in this research more influenced by brand ambassador ability to attract customers to use products. In addition, it is also selebirits ability to make inducement to consumers so that consumers are interested to buy the product in that advertised. And also be able to give inspiration and good example for customers

CONCLUSION

This research aims to know which variables that affect Brand Image. In this research, the independent variables is Visibility (X_1), Credibility (X_2), Attraction (X_3), and Power (X_4) and dependent variable is Brand Image (Y).

Based on calculations multiple regression analysis, can be known:

1. Based on F tests, it is known that the F-calculate that 87,193 more may have from F 2.467 but it was decided H0 was rejected, this decision is enhanced by the probablitas that less than α (0.05) . It can be concluded that all independent variables together to influence the brand image
2. Based on multiple regression analysis, can be known as possible the independent variables to dependent variable, Visibility of 0.168 and the t test of 0.555, Credibility of 0.063 and the t test of 0.005, Attraction of 0.038 and the t test of 0.000 and Power of 1.193 and the t test of 0.000 so that it can be concluded that Credibility, Attraction, and Power directly proportional and influence Brand Image, while Visibility is inversely proportional and does not affect Brand Image. In other words,when Credibility, Attraction, and Power increased, so it would be followed by the increase Brand Image. While the Visibility is not followed the increase Brand Image.

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THE INFLUENCE OF PRODUCT QUALITY, SERVICE QUALITY, AND RELATIONSHIP MARKETING ON THE CUSTOMER SATISFACTION OF TSM

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ABSTRACT

Toko Seriti Mas (TSM) engages in the sales of interior design materials. This research is based on the problems found in TSM, such as inconsistent financial report and high customer turnover. A preliminary research is conducted to determine the variables of the research. The result of the preliminary research, as concluded from the consumers' opinion, suggests that product quality, service quality, and relationship marketing are the most essential aspects.
The purpose of this research is to determine whether product quality, service quality, and relationship marketing affect customer satisfaction partially. This research uses questionnaire as primary data source and the company's internal data as the secondary source. The population of this research is 150 consumers. A total of 60 respondents are selected as samples using simple random sampling. Structural Equation Modeling and SmartPLS 2.0 M3 are used as research models. Research results suggest that product quality, service quality, and relationship marketing affect customer satisfaction. It can also be concluded that relationship marketing variable has bigger influence on customer satisfaction than product quality and service quality.

Keywords: Influence, Product Quality, Service Quality, Relationship Marketing, Customer Satisfaction.

INTRODUCTION

Indonesia is a country with the third largest population and the population will increase until 2025. The increase in the population will increase the demand for space (house, shop, apartment, etc.). The demand for space will increase the demand for building materials, which will have a positive impact on the building materials dealer. TSM is a business that specializes in building materials. TSM products sold are plywood, HPL, glue, and other. The target market of TSM is the interior designer and furniture maker upper middle class. The increasing of the demand for space that was supposed to happen was not in line on TSM's financial statements. TSM's financial statements looks fluctuating for the past 1 year, the financial statements have shown that a fluctuating financial is a result of high customer turnover. High customer turnover seems higher on Surabaya than other. To find out the cause of customer turnover researcher do pre study to TSM's consumer, pre study found that the TSM's consumer said that they attach great importance to product quality, service quality, and relationship marketing. Therefore, this study will focus on product quality, service quality, and relationship marketing. This study was

conducted to determine whether the quality of products, quality service, and relationship marketing affect customer satisfaction.

LITERATURE REVIEW

The study entitled " Factors Affecting on Customer Satisfaction in Retail Banking: an Empirical Study" written by Chavan and Faizan (2013). This study aims to explore the main factors that shape customer satisfaction in retail banking in Western - Maharashtra, India. The results showed that customer satisfaction depends on eight factors, are: (1) tangibility, (2) E - Fulfillment, (3) convenience and availability, (4) accuracy, (5) responsiveness, (6) empathy, (7) promptness, (8) the personal assistance. The highest attributes held by tangible attributes comprising: providing individual attention to the consumer, the behavior of employees in instilling confidence in the consumer, bank facilities are attractive, no additional charges on another inspection, recording error is very important.

"The Impact of Customer Relationship Marketing on Customer Satisfaction of the Arab Banking Service" researched by Al-Hersh *et al*. (2014). This study aims to investigate the impact of customer relationship marketing on customer satisfaction in the banking industry in KSA (Kingdom of Saudi Arabia) and Jordan. The analysis showed that there is a positive influence on the two samples used for customer relationship marketing. Other findings also indicate that there are different behaviors in customer relationship marketing on customer satisfaction as seen from the gender, age, and education. It concluded that Arab Bank must implement customer relationship marketing at the central bank and branch to maintain its target market.

The study, entitled "Effect of Service Quality and Product Quality of Customer Satisfaction at Pipop COPY" researched by Melissa Tanuwijaya and Mohamad Yusak Anshori (2013). The purpose of this study was to identify the effect of service quality and product quality to customer satisfaction at Pipop COPY. The study states that the variable service quality and product quality has an influence of customer satisfaction at Pipop COPY. Service quality has a greater influence on customer satisfaction at Pipop Copy (38.5%) while the product quality has a 30% influence on customer satisfaction. The conclusion from this study is the service quality has an important role in Pipop COPY business especially on the speed and friendliness in providing services.

Research conducted by Widodo (2012) with the title "The relationship between Service Quality in Customer Satisfaction in the restaurant X". The purpose of this study was to determine the effect of service quality on customer satisfaction in the restaurant X. This research shows that tangible variables (location and seating facilities) and empathy (waitresses understand the needs, demands and desires, and the special wishes of customers) have a positive impact on satisfaction customer in the restaurant X, while the variable responsiveness, reliability, and assurance had no influence on consumer satisfaction restaurant X.

"Effects of Relationship Marketing Efforts at UD Sulkarina Brass, Juwana on the Consumer Loyalty" is a study conducted by Wiyan Ariyaningsih (2013). Results of research conducted that according to the questionnaire that was distributed and processed relationship marketing done by UD Sulkarina Brass is good, the level of customer loyalty is at partially satisfied buyer and dimensions of relationship marketing that influence consumer loyalty is trust, empathy, and shared value.

Product quality according to Kotler and Keller (2012: 143) is the totality of characteristics and features of a product or service that has a relationship with the product or service's ability to meet the needs expressed or implied. Dimensions of product quality according to Gazpers (2011: 133-135) are:

• Performance

The main factors that are considered by consumers to buy and use the product or service

refer to a functional specification (timeliness and service).

• Features

An additional specification that support the basic specification and related to the selection and development of product or service.

• Reliability (Reliability)

The possibility (probability) of a product or service successfully performs its functions in a certain period of time.

• Compliance with the specification (Conformance)

The suitability of the product or service to what has been stated, whether in accordance with the wishes of consumers. The diversity of products is a range of products related to the depth; breadth and quality of the products offered are also the availability of such products at any time in the store. (Remias and Lukman in Fure, 2013: 274) From the above understanding can be concluded that the diversity of the products are all kinds of products in terms of range of products ranging from the brand, size, and quality and availability of such products at any time in the store. On the theory of product diversity, will be more focused on the size and availability of products.

• Durability (Durability)

Refers to the lifetime of a product or service.

• Aesthetics (Aesthetics)

Consumer feelings about the existence of the product (quality) are subjective as it relates to individual preferences and personal considerations.

• Ability Services (Serviceability)

Characteristics associated with speed, friendliness, competence and the ease and accuracy in the improvement (in demand for services over the phone, etc.).

• Perceived quality (Perceive Quality)

Related to perceived feelings of consumers, such as increased self-esteem and is a characteristic associated with the reputation (brand name and brand image).

Dimensions of product quality used by TSM are performance and compliance with specifications.

Service creates a value for consumer satisfaction, value given in the form of quality. Kerin *et al*. (2013) stated that the quality of service is meeting the needs and desires of customers as well as the accuracy of delivery to balance customer expectations. Quality of service is a powerful weapon in the corporate excellence, especially service companies. Therefore the quality of service that must be administered continuously for the company to be strong in competing with other companies that provides similar services.

Two factors that affect the service quality is a service that is expected (expected service) and services received / perceived (perceived service). According Kresnamurti and Sinambela (2011: 114-115), there are five dimensions that can be used in determining the quality of services, there are:

1. Reliability (reliability) is the ability to provide the promised service reliably and accurately. If seen in service businesses restaurant, then a reliable service when an employee is able to provide services as promised and helping to resolve problems faced by consumers quickly.
2. Responsiveness (quick response) is a willingness to help customers and provide services quickly. If seen in more detail in fast service response at a restaurant, can be seen from the employee's ability to provide faster services and faster handling of customer complaints.
3. Assurance (guarantee) that knowledge, manners, and the ability of employees to generate confidence and trust. In a restaurant service assurance becomes important to be able to be given to consumers, such as security and safety of transactions and consumer privacy is guaranteed.
4. Empathy (empathy) is caring and individual attention given to customers. Services provided

by the employee must be able to demonstrate their concern to consumers.
5. Tangible (tangible) in the form of appearance of physical facilities, equipment, employees, and the material is installed. Describes the physical form and the services that will be accepted by consumers, such as the state of the buildings, facilities, building design, and neatness of employee's appearance.

Relationship Marketing according to Payne and Pennie (2013) is a strategy designed to encourage loyalty, interaction, and long-term relationships with consumers. Relationship marketing is designed to build a strong relationship with consumers, by providing information needs in accordance with the needs and interests and through open communication. The dimensions of relationship marketing that will be examined in this study are the dimension of trust, good experience, promise fulfillment, and communications. These four dimensions have been selected based on pre studies conducted; researchers drew the conclusion that the four dimensions, the most suitable on TSM.
1. Trust (Trust)
Trust refers to trust in the words spoken by someone. Trust based on reputation, personality, systems, and processes. Trust is an important consideration because it involves the relationship between consumers and suppliers who are not legally binding. Relationships built on experiences, satisfaction, and empathy.
2. Experience (Good Experience)
Experience is another factor that is important in a relationship with the consumer. Consumers tend to remember customer past experiences.
3. Fulfillment of Promises (Promise Fulfillment)
The fulfillment of the promise was seen as important in building relationships with consumers. This dimension is one dimension that determines whether the relationship with the consumer is continued or terminated.
4. Communications (Communications)
Communication is considered as an important component in the establishment of business relations. Communication provides an understanding of the intentions and capabilities of business partners. Communication is the early establishment of a relationship.

Satisfaction is a form of emotional reaction to the experience of a service (Oliver in Rahman, 2012). According to Woodside *et al*. in Widodo (2012) consumer satisfaction is the shape of the feeling of pleasure or disappointment after consumers feel the service when they make purchases. Customer satisfaction is the assessment of the customer to the product or service if it meets the needs and expectations of customers. Customer satisfaction can be formed through a three-dimensional (Andreassen in Widodo, 2012), namely:
1. The level of satisfaction with the overall service.
2. The level of satisfaction with the service when compared to similar services.
3. The level of satisfaction with the service during a relationship with the company.

RESEARCH METHODS

This research is a quantitative research; quantitative research according to Silalahi (2012: 76) is a research approach that is objective, covering the collection and analysis of quantitative data, and using statistical testing methods. This study uses Partial Least Square (PLS) as an analytical tool. The sample selection would be to use non-probability sampling because each population does not have the same opportunity. The sampling technique used purposive sampling. Purposive sampling is used because researchers use specific considerations (Umar, 2013: 92). Consideration is done is B2B TSM consumers who never make purchases at TSM, a minimum of three times.

The number of samples that should be used is calculated using the Slovin's formula. Samples were obtained from 60 respondents Slovin's formula. Fault tolerance limits are used by 10%. The data used in this study there are two kinds, namely primary data and secondary data. Primary data is data obtained directly from the respondents. Primary data were obtained through answers to the questionnaire were distributed. Secondary data is data in the form of references from previous studies that used as a support.

Data analysis is the process of simplification of data into a form that is easier to read and implemented. Analysis techniques are used to interpret and analyze data. In accordance with the model developed in this study, the data analysis tool used is Partial Least Square Structural Equation Modeling (PLS-SEM).

Model analysis using the PLS is more appropriate in this research because research measurement model is a combination of formative and reflective models. In addition, the use of PLS in this study caused also by the small sample size (60 respondents).

Evaluation models using multiple testing, testing on the outer model and inner model. On the outer test models, testing different on each model constructs. On testing the construct reflective look validity (convergent validity and discriminant validity) and reliability. In the formative constructs look at the significance of weight. In the inner testing the model will look at the R Square and Q Square. Below is an explanation.

Table 1. Rule of Thumb

Validity	Parameter	Rule of Thumb
Convergent Validity	*Factor Loading*	>0,5
	AVE	>0,5
	Communality	>0,5
Discriminant Validity	*Cross Loading*	Cross loading between the indicator value > cross loading between the indicator values with one another
Reliability	*Cronbach's Alpha*	>0.6
	Composite Reliability	>0.7
	Significant of *Weight*	• > 1,65 (level of significant10%) • >1,96 (level of significant 5%) • >2,58 (level of significant 1%)
Inner Model	R-*Square*	0,75 (strong), 0,5 (moderate), and 0,25 (weak)
	Q^2 *Predictice relevance*	0,35 (strong), 0,15 (moderate), and 0,02 (weak)
Hipothesis test	Significant (2-tailed)	t-statistic > 1,65 (level of significant 10%), >1,96 (level of significant 5%), >2,58 (level of significant 1%)

FINDINGS

Questionnaire validity and reliability tested by using SPSS version 20, the test show that the questioner valid and reliable. Respondents based on the characteristics of sex in this study were divided into two, men and women. Number of male respondents who filled out questionnaires in this study amounted to 54 people (90 %). Number of female respondents who filled out questionnaires in this study amounted to 6 people (10 %) . Characteristics of respondents by age category are divided into eight age groups can be seen that 27% of consumers TSM are consumers aged between 32 to 37 years. Age with the smallest percentage (2 %) is a TSM consumers aged between 56-61 years. On the characteristics of the job criteria dominated by the interior designers (97 %) and other works are furniture (3 %) . The job characteristics in accordance with the target markets are headed TSM is interior designer and furniture.

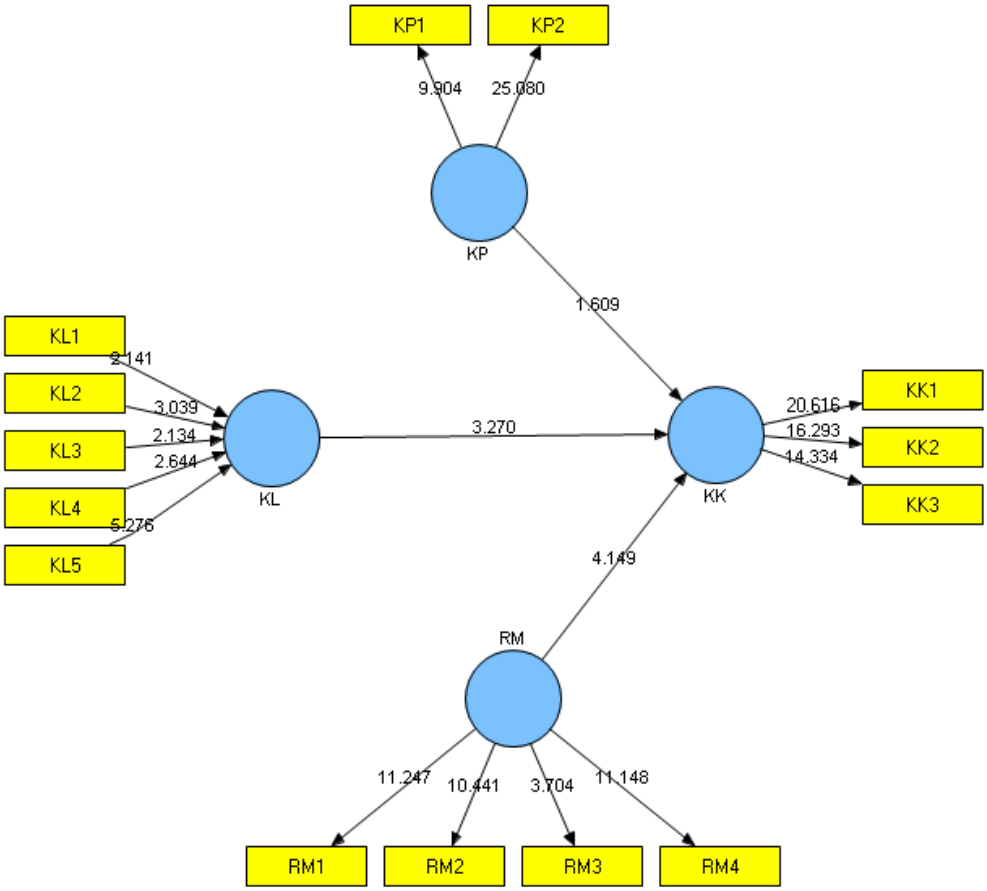

Figure 1. PLS Bootstraping

DISCUSSION

T-statistic values product quality by 1653, greater than the value of 1.65 t-table so that it indicates that the variable Product Quality (X_1) has a significant influence on consumer satisfaction (γ_1) TSM.

The results are consistent with previous studies, the research done by According Tanuwijaya and Anshori (2013) the quality of the product has an influence on customer satisfaction.

According to Kerin *et al*. (2013) are the goods, services, or ideas that include tangible and intangible attributes to satisfy the needs of consumers. Product quality according to Kotler and Keller (2012: 143) is the totality of characteristics and features of a product or service that has a relationship with the product or service's ability to meet the needs.
T-statistic values of service quality by 3389, greater than the value of 1.65 t-table so that it indicates that the variable service quality (X_2) has a significant influence on Customer Satisfaction (γ_2) TSM.
This research is consistent with prior research conducted by the Tanuwijaya and Anshori (2013) the product quality has an influence on customer satisfaction. According to Widodo (2012) explains that service quality has a positive effect on customer satisfaction. According to Kerin *et al*. (2013) ministry or service to create value for customer satisfaction, value given in the form of quality.
T-statistic values customer satisfaction for 3741 is greater than the value of 1.65 t-table so that it indicates that the variable relationship marketing (X_3) has a significant influence on customer satisfaction (γ_3) TSM
This study agrees with studies Payne and Pennie (2013) that relationship marketing is used to improve the continuity of relationships with existing customers and continues to seek and obtain new customers; the concept of customer satisfaction should be enforced. According to Chavan and Faizan (2013) relationship marketing especially tangible dimension greatly affects customer satisfaction in the banking industry. According to Al-Hersh *et al.* (2014) customer relationship marketing has a positive impact on consumer satisfaction.

CONCLUSION

The variable of product quality has an influence on customer satisfaction significantly. The variable of product quality TSM's consumer pay more attention to the quality of the product compared to the diversity of its products.
Service quality variable has a significant influence on satisfaction TSM's consumer. Tangible indicators have the greatest impact among the other indicators of the services quality.
Relationship marketing variable has a significant influence on consumer satisfaction TSM. At this variable, indicator trust has the greatest impact compared with other indicators in the relationship marketing variable.
Relationship marketing holds the greatest influence of all three variables X above. Variable product quality and service quality has influence but not for relationship marketing.
Suggestions short term and medium term will focus on the service quality variable. In the short-term advice given to TSM are augment the fleet (personnel and vehicles). Additional staff is needed to accelerate the delivery of information about inventory and order handling goods. The addition of a vehicle used to accelerate the delivery of goods to consumers, so consumers will be satisfied about the service and delivery of goods. TSM medium term suggestions will be working with HPL agent, so that TSM can provide a warranty on consumers.
Long-term suggestions will do is improve the relationship marketing through the collection of consumer data. TSM consumer data collection is necessary because consumers want to be noticed through TSM considering all the data recap consumer purchases.
In a subsequent study researchers can be expected:
1. Examining all dimensions contained in the product quality and relationship marketing.
• The dimension of product quality there are 8 dimensions to measure the quality of the products and on relationship marketing there are 10 dimensions measuring relationship marketing, in this study only uses two-dimensional and four-dimensional product quality relationship marketing. Therefore, further research is recommended to investigate all dimensions contained in the product quality and relationship marketing.
2. Using other variables that may affect customer satisfaction.

• The research is based on a pre-study has been done and found to be variable. For further research can by using the theory of pre-study or use the question again to see is there any other variables that may affect customer satisfaction TSM.
3. Examining until the consumer loyalty
4. Evaluate the improvements made companies
5. Adding a study in order to obtain a more optimal answer to development TSM

Limitations Research
This study has several limitations, among others:
1. The study only focused on TSM Surabaya
2. This study only refers to the financial statements TSM from January 2014 until December 2014.
3. The study was confined to the TSM consumer data recorded on January 2014 until December 2014 and the consumer area of Surabaya.

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THE ENHANCEMENT OF MARKETING PERFORMANCE THROUGH RELATIONSHIP MARKETING WITH COMPETITIVE ADVANTAGE AS AN INTERVENING VARIABLE IN ISTANA KAIN SERAGAM (IKS)

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ABSTRACT

Istana Kain Seragam (IKS) sells various textile products and still widely-open business opportunity. The company's goal is to enhance business profit by improving its marketing performance through financial perspective, customer perspective, internal process, and innovation.
Relationship marketing can be used to enhance marketing performance by sharing information, createing a common understanding, and constructing a memorable relationship. Competitive advantage is also an essential factor in winning business competition in terms of pricing, quality, delivery dependability, product innovation, and Time-to-Market.
The purpose of this research is to determine if: relationship marketing has a positive effect on competitive advantage and marketing performance, competitive advantage as an intervening variable has a positive effect on marketing performance. This research is a confirmatory research with 65 samples. Smart PLS 2.0 M3 is used as data analysis tool.
Research results suggest that: relationship marketing has a positive effect on competitive advantage and marketing performance, competitive advantage as an intervening variable has a positive effect on marketing performance, so relationship marketing can directly affect marketing performance or through competitive advantage.

Keywords: Effect, Relationship Marketing, Competitive Advantage, Marketing Performance, Intervening Variable

INTRODUCTION

The Economy of Central Java in 2014 from Berita Resmi Statistik grew 5,4 percent, including trading in the 4th rank.

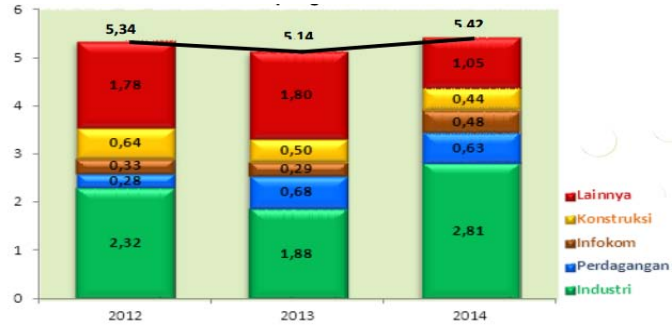

Figure 1. Source of GDP Growth According to Business Field

In line with statistic data of economic growth, the growth of trading is as shown in the internal data of IKS sales report from January 2011 until December 2014, which shows the growth of sales report of IKS.

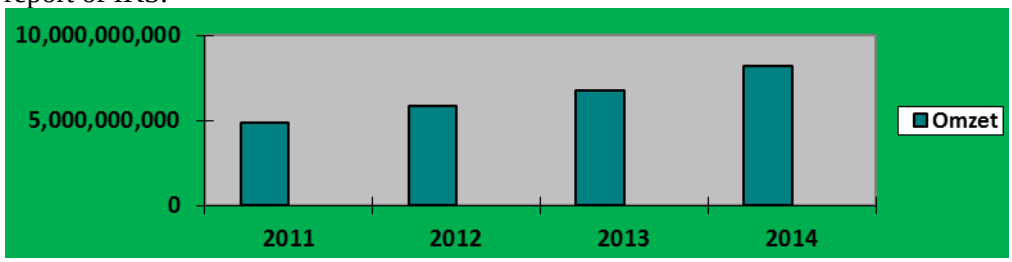

Figure 2. Sales Growth of IKS

The goal of this study is increasing the company's profit margin, which can be achieved by fixing the marketing performance, that will result in the growth of the sales, profit margin, and competitive advantage (Hamali, 2013). Profit margin from January 2011 until December 2014 shows that IKS got profit margin for only about 9,75 percent from the total sales of uniform products and retail products.

Table 1. The Comparison of Sales Report and Margin Profit from January 2011 - December 2014

Sales & Profit (Rp)								
Bulan / Tahun	2011		2012		2013		2014	
Januari	204,237,565	27,124,715	328,318,250	36,019,590	439,517,625	52,240,170	496,604,725	47,226,520
Februari	261,163,875	24,608,495	383,006,015	44,403,190	347,286,000	40,856,485	380,449,950	41,516,705
Maret	352,727,085	37,393,750	695,672,790	58,335,350	539,152,400	64,364,095	581,737,675	55,881,560
April	262,621,940	27,035,995	389,797,600	24,536,740	583,347,475	62,771,325	801,065,850	83,656,730
Mei	532,337,675	47,614,385	499,488,400	38,831,295	667,772,850	62,486,995	582,664,125	64,761,355
Juni	448,160,750	38,580,385	596,263,115	48,525,920	691,320,175	68,931,840	855,567,525	71,535,910
Juli	846,881,450	58,826,265	903,858,300	96,045,845	1,182,160,400	110,553,010	1,077,385,150	80,446,875
Agustus	680,244,800	56,522,915	477,050,165	52,332,310	437,433,025	58,127,920	1,089,521,000	108,169,655
September	392,408,425	50,006,560	642,695,475	56,556,230	744,692,600	80,366,925	1,035,945,350	92,390,505
Oktober	541,404,450	65,061,320	514,788,300	61,204,735	808,205,975	74,694,405	694,513,275	77,247,203
November	322,893,300	27,285,240	389,546,200	27,285,240	334,883,300	42,534,065	894,413,500	64,944,934
Desember	227,297,600	23,741,440	358,728,275	35,489,275	411,259,475	57,733,480	546,476,775	56,446,585
TOTAL	**5,072,378,915**	**483,801,465**	**6,179,212,885**	**579,565,720**	**7,187,031,300**	**775,660,715**	**9,036,344,900**	844,224,537
% Profit	10%		9%		11%		9%	

Strategy including competitive advantage is expected to increase sales, profit margin and is appropriate with the risk that must be faced (Adisaputro, 2014:17). Short term competitive advantage (Suat, 2014:152) can be increased by achieving innovation and in which relationship marketing is really needed. Relationship marketing is a relation and ability of study, which happens between company and customer dynamically and full of commitment to create the same vision for supporting competitive advantage (Wijaya, 2012: 32-33).

According to the passage, the researcher is interested to do a research entitled "The Enhancement of Marketing Performance Through Relationship Marketing With Competitive Advantage As An Intervening Variable In Istana Kain Seragam (IKS)".

LITERATURE REVIEW

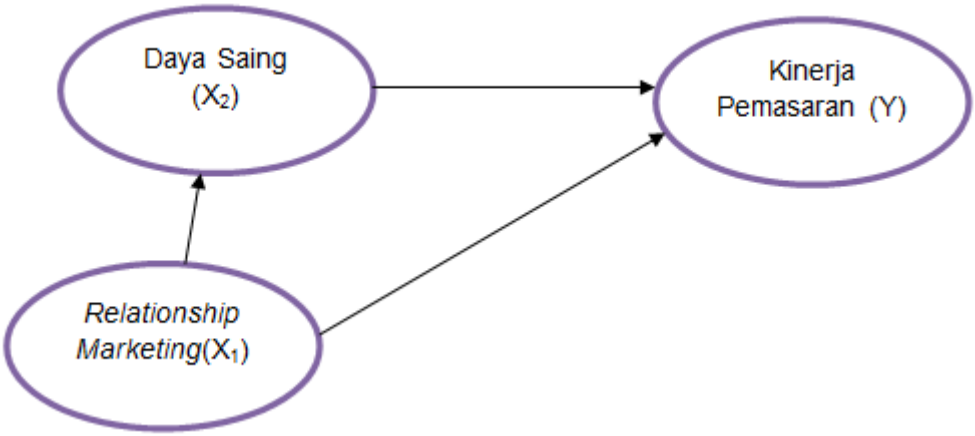

Figure 3. Research's Framework

Relationship marketing gives effect to competitive advantage and relationship marketing, and competitive advantage gives effect of company's marketing performance (Oscarius Wijaya, 2013 dan Hashem Jenatabadi, 2013). Indah (2013), Arifin (2013), and Darmanto (2015) show that relationship marketing can createe competitive advantage to maintain old cutomer and to get new customers, which then will increase marketing performance of the company.

Kinerja Pemasaran

Marketing performance, according to Adisaputro (2014: 4-5) and Hamali (2013) is tools which are used by management to measure and evaluate the effectiveness and return of marketing activites, especially sales and market share. The measurement of the marketing performance can be seen from the sales data and the expansion of the market share (Irawan, 2015) and also customer loyalty, brand loyalty, and innovation competences (Wijaya, 2012: 99-100).

The indicators of this research are (Chang et al., 2012):

Table 2. Evaluation Criteria of Marketing Peformance

Criteria	Indicator
Financial Perspective	Sales, Revenue growth, Return on investment
Perspektif Pelanggan	Customer satisfaction, Customer retention, Market share, Brand popularity, Brand image, Service quality, Goodwill
Proses Internal	Response time for customer complaints, On-time delivery, Inventory turnover, Launch time and quality of new products or services

Inovasi dan Pembelajaran	Employee satisfaction, Employee training hours, Employee development, Advancement opportunities, and Turnover rate

Relationship Marketing

Relationship marketing (Wijaya, 2012: 35-36) is information which is communicated and interpreted or understood between company and customer, from which integration of knowledge is created and it can be increase the value of relationship and create a special memory. Relationship marketing concept is included in value preposition (Pyne, 2013: 23) which is aimed to create value that is mutually beneficial, long term profitability, and value for the shareholder. More clarification of relationship marketing will be displayed in Table 3. (Sumber: Payne, 2013: 43):

Table 3. The Difference between Transaction Marketing and Relationship Marketing

Characteristic	Transactions Marketing	Relationship Marketing
Marketing emphasis	Obtain new customers	Maintain old customers
Market emphasis	Market of customer	Market of stakeholder
Focus	Fungtional (marketing)	Cross-functional (all function)
Orientation	Extra Services	Value of customer
Timescale	Short term	Long term
Customer service	Shrift	All concerned
Customer commitment	Limmited	High
Customer contact	Limmited	High
Quality	Focusing on operational	Focusing on all function

For increasing marketing performance, the company must develop vertical and horizontal relation network (Purnomo, 2013) and according to Long (2013) the positive effect of marketing performance will be felt with a good relationship marketing.

Competitive Advantage

Competitive advantage is an activitiy which is complementary and strengthening each other to create value for customer, which differentiate the company from its competitor to defend its position on the market (Indah, 2013). Competitive advantage is an ability to reach important position than its competitors (Kuncoro, 2011: 85) in the decision of the management about cost, quality, delivery system, and flexibility (Anatan, 2014) and all it depends on continuity of internal and external capability with the changes in the company.

Five key dimensions (Indah, 2013) which affect competitive advantage are competitive price (Teguh, 2013) by pressing the cost, the quality of product and service, product delivery or delivery dependability of amount, type, time, beside that the importance of innovation which is appropriate with the customer and time to market in terms of speed on createing new products to achive market leadership.

Competitive advantage can increase marketing performance through learning orientation (Zaini, 2014) and the key factor of competitive advantage is innovation that is suitable with the demand of increasing profit (Hana, 2013)

Hypothesis

1. H_1 = Relationship marketing has a positive effect on competitive advantage in IKS company.
2. H_2 = Relationship marketing has a positive effect on marketing performance in IKS company.

3. H_3 = Competitive advantage has a positive effect on marketing performance in IKS company.
4. H_4 = Competitive advantage is an intervening variable between relationship marketing and marketing performance in IKS company.

RESEARCH METHODS

This study is a quantitative research, which is according to Silalahi (2009: 30) is aimed to analyze the relationship between relationship marketing, competitive advantage, and marketing performance through hypothesis testing with statistic method. This quantitative research (Kuncoro, 2011: 145) will measure in numeric scale.

This research uses Partial Least Square (PLS) method (Fanani, 2015: 4), which is one of the ways to analyze Structural Equation Modeling (SEM).

This research takes place in Klewer Market in Surakarta, Central Java where IKS opens the business. This location is chosen because the researcher give the quistionnaire to the respondent who has bought products in IKS.

Population research (Sugiyono, 2010: 115) is the zone where there are qualified or specific object character to be studied and drawn the conclusions from. The population of this research is 181 respondents who are IKS's customers, which is recorded in 2014. The samples of this research use purposive sampling, in which the researcher chooses the sample to make it suitable with the aim of the research. The sampling election method uses judgement sampling which is one of the method of purposive sampling, using the customer whose transactions have been recorded for three months in 2014 (Kuncoro, 2011: 139). This research uses 65 respondents who are IKS's customer that have transaction with IKS company in 2014.

Validity test is used to measure the validation of the questionnaire. Validity (Kuncoro, 2009: 175) is the degree of the valid instrument in measuring the concept that will be counted. Questionnaire validity can describe and reveal the goal of this research. Sig validity questionnaire, must be more than 0.1 so that it becomes a valid questionnaire.

Reliability is used to convince that the measurement result is not varied on each time of the measurement (Kuncoro, 2009: 175). Reliability is the degree of instrument reliability, which shows the consistency and the stability of the score. The questionnaire is reliable if Cronbach's Alpha's value more than 0.6.

Data Analysis Technique

1) Conceptualization model (Ghozali, 2012: 49), is the first step to analyze SEM-PLS, the first step is to design the inner model between laten variable which based on theory or rational research. PLS enables to explore the relationship between laten variables. The second step is to design the outer model, on PLS the measurement of outer model is the most important step, which will determine the feature of the indicator, that can be formative or reflective on each laten variable. The primary feature of indicator is appropriated with empirical or rational research.
2) Determine the Analysis Method with Algorithm and Resampling
3) Convertion the path diagram into system of equation, the result of the inner and outer model will be displayed on path diagram so that the result can be more understandable.
4) Estimation Weight, Path Diagram, and Loading, estimation method in PLS is the least square methods. Estimations in PLS are weight estimate (to count variable laten datas); path estimate (to relate each laten variable), and loading estimation between laten variable with its indicators. Means and Constanta regression, intersept is parameter location between indicator and laten variable.
5) Goodness of Fit Evaluation

Measurement model or outer model with its reflective indicator is evaluated with convergent and discriminant validity from its indicators and composite reliability for all the indicators. On the other hand outer model with formative indicator is evaluated based on substantive content, with comparing the relative weight and see the significance the weight. Inner model will be evaluated with variety percentage (R^2) to dependent laten variable using Stone-Geisser Q Square Test and also using path diagram analysis. The stabilization of the estimation is evaluated with t-statistic through bootstrapping procedure.

6) Hypothesis Examination
Using resampling bootstrap method, which enables the data to be distribute freely, and without assumption and minimum sample are 30 respondents. In t-test with signification 10%, if the t-statistic is more than 1.65 and it means H_1 is accepted. If the result of the hypothesis on outer model is significant, the indicator can be used as measurement of laten variable. If the result of the hypothesis on inner model is significant, so there are effects between each laten variables.

RESULT

Characteristics of Respondents

In this research there are two gender characteristics, 51 respondents or 78.5 percent is male and 14 respondents or 21.5 percent is female. It can be conluded that IKS have more male respondents than female respondents.

There are four age characteristics of respondents, (1) 5 respondents for age 24-29; (2) 7 respondents for 30-35; (3) 18 respondents for 36-40; (4) more than 40 years are 35 respondents. It can be concluded that 53.8 percent IKS's customers are more than 40 years old. The smallest respondents about 7.7 percent are between 24-29 years old. Others about 10.8 percent are 30-35 years old and 27.7 percent are between 36-40 years old.

The occupation characteristic is more dominated with entrepreneur for about 49 respondents (75.4 percent), 4 respondents are employees (6.2 percent), 10 respondents are sewer (15.4 percent), and others are about 2 respondents (3.1 percent).

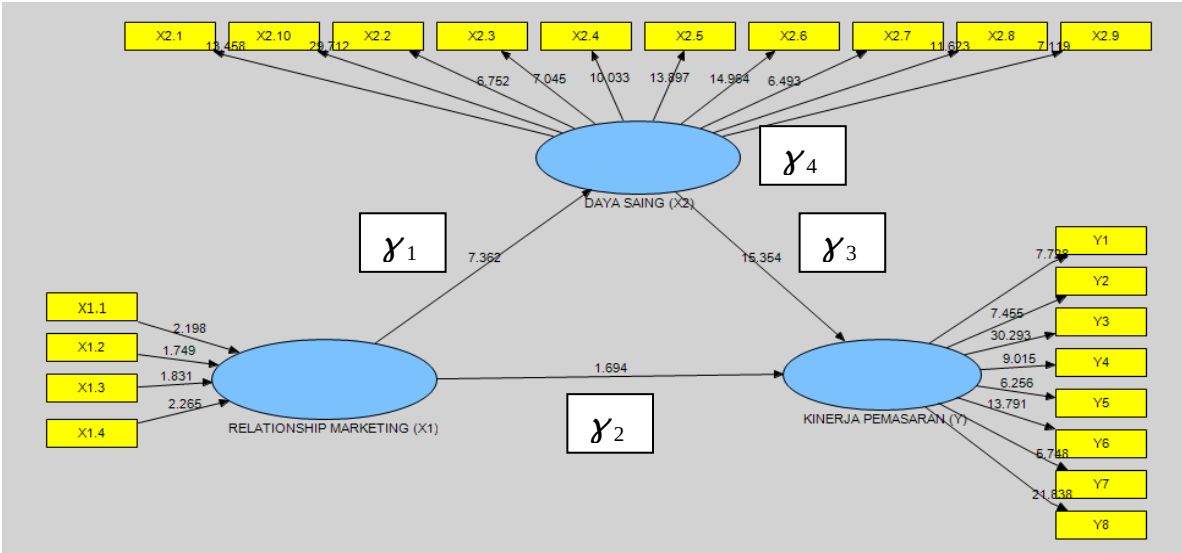

Figure 4. Analysis Model after Bootstrapping

This Figure 4 shows that analysis model in this research has three variables, which are relationship marketing, competitive advantage, and marketing performance. Relationship

marketing variable has relationship with competitive advantage and marketing performance. Competitive advantage variable has relationship with marketing performance.

Table 4. The Result of Coeficient Value and T-Statistic

Hipotesis		Koefisien	*t-statistic*	Keterangan
γ_1	*Relationship Marketing* →Daya Saing	0.077609	7.246422	Signifikan
γ_2	*Relationship Marketing* →Kinerja Pemasaran	0.062109	1.757263	Signifikan
γ_3	Daya Saing → Kinerja Pemasaran	0.048960	15.316788	Signifikan

The relationship marketing effect of coefficient estimation value to competitive advantage is 0.077 with the t-statistic 7.246422 more than t-table 1.65, this result shows that there is significant effect between relationship marketing with competitive advantage. The first hypothesis can be proven.

The relationship marketing effect of coefficient estimation value to marketing performance is 0.062 with the t-statistic 1.757263 which is more than t-table 1.65. This result shows that there is significant effect between relationship marketing with marketing performance. The second hypothesis can be evidenced.

The competitive advantage effect of coefficient estimation value to marketing performance is 0.049 with the t-statistic 15.317 which is more than t-table 1.65. This result shows that there is significant effect between competitive advantage with marketing performance. The third hypothesis can be proven.

If γ_1 x $\gamma_2 < \gamma_3$, it can be concluded that competitive advantage is an intervening variable. It means that competitive advantage is the mediator variable between relationship marketing and marketing performance. Relationship marketing can affect marketing performance directly or can affect relationship marketing through competitive advantage to marketing performance on the enhancement of marketing performance. The forth hypothesis can be proven.

CONCLUSION

The result of this research about the enhancement of marketing performance's Istana Kain Seragam (IKS) through relationship marketing with competitive advantage as an intervening variable, can be concluded that:

1) Relationship marketing has a positive effect on competitive advantage in IKS company. There are three indicators of relationship marketing, giving the information, createing the same assumptions about the information, and having a relation that can create a specific memory. These three indicators form relationship marketing variable. IKS's competitive advantage can be enhanced with the improvement of relationship marketing's company.
2) Relationship marketing has a positive effect on marketing performance in IKS company. Relationship marketing can enhance the IKS's marketing performance from financial perspective, customer perspective, internal process, and innovation.
3) Competitive advantage has a positive effect on marketing performance in IKS company. There are five indicators that reflect competitive advantage are price, quality, delivery dependability, product innovation, and time to market. These five indicators of competitive advantage have huge effect to the enhancement of marketing performance, so that if there is improvement of competitive advantage, marketing performance will increase.

4) Competitive advantage is an intervening variable between relationship marketing and marketing performance in IKS company. Competitive advantage is mediator variable between relationship marketing and marketing performance. Relationship marketing can affect marketing performance directly or can affect relationship marketing through competitive advantage to marketing performance on the enhancement of marketing performance.
5) Competitive advantage has the bigger effect to the enhancement of marketing performance than relationship marketing, so if competitive advantage increases, the enhancement of marketing performance will also increase significantly.

Suggestion for the next researcher:

1. The next researcher must add other variables that will affect the enhancement of marketing performance. The other variables are, for example, market orientation that can describe market's demand so that it will produce a strategy that is right on target and can enhance the marketing performance. Entrepreneurial orientation variable can also be used, because as an owner of the business, entrepreneurial orientation is an important part to enhance the marketing performance. Marketing mix (product, price, place and promotion) can also be used as a variable to enhance marketing performance. Adding other variables is aimed to explain more clearly about the enhancement of marketing performance.
2. The next researcher can use other indicators, which are related with the enhancement of marketing performance. The other indicators, for example in market orientation variable which have customer orientation, competitor orientation, and the system of the company. Competitior orientation is used to prepare strategy to win the competition and have a system that is integrated to each other. Entrepreneurial orientation explains about being brave to innovate, being able to solve complaints, and seeking new opportunities, organization role and role of the market to enhance the marketing performance. The researcher must explore the job field or other research to find the suitable indicator that can affect marketing performance.

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HOW IS UNITRI ENTREPRENEURSHIP PROGRAMS PERFORM?

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ABSTRACT

As one of the largest countries with more than 250 million people and more 124 million of labor force (BPS, 2014), Indonesia has a experiencing high unemployment, which reported has nearing 7,24 million. Indonesia also has a challenge to provide amount of employment and also economic opportunity for the population.

Over the last ten years (2004-2014) number of entrepreneurship has fluctuated, but tend to be slightly decreased (BPS, 2014). Even tough there still a polemic, as the number of unemployment has significantly decreased for the same periods, we can mentioned that entrepreneur activity hasn't yet significantly contribute to suppress unemployment. The fluctuation in other sight has also say that there is still a high intensity of an entrepreneurs which enter or out of business in a short time.

Anyway, those condition has shown that there are some lacks on entrepreneurship program. One is a matter of effectiveness, and other is a matter of endurance.

This study was aimed to: (1) measure effectiveness of several entrepreneurship programs of TribhuwanaTunggadewi University which shown by its Gross Enrollment Rate (GER), (2) measure durability of students business in experiencing its first year of operation. (3) determine the critical point along the phase of entrepreneurship program in generating new business and (4) Comparing the GER of all kind of entrepreneurship program.

TribhuwanaTunggadewi University has engage several Entrepreneurship development program for young people, which mostly containan elements i.e; (1) showed the vast opportunities, (2) payload great hi-technology, (3) ease to access resource and information, and (4) Ability to manage and reduce risk. In order to enable those elements, the UNITRI entrepreneurship learning system must be involved three parties stake holder which are; (1) Education Institution, (2) Research and development Institution and (3) Business Institution.

This study has using secondary data which collected from several Entrepreneurship Programs conducted in UNITRI during 2012 to 2014.

This study has reveal that in order to increase performance of entrepreneurship programs to deliver a significant number of new entrepreneur and new business, there still many improvement needed. This study showed that, previous improvement over conventional entrepreneurial programs which implemented through Agropreneurship and Technopreneurship, has proven to be significantly increase the entrepreneurship program to be effectively deliver higher number of new

business. The study has reveal several weaknesses which need to be dealt in the future

Keywords : agropreneurship, technopreneurship, entrepreneurship, gross enrollment rate, critical points, fear of failure

INTRODUCTION

Indonesia is one of most populated country in the world. Known as fourth highest populated country with more than 250 million peoplelived in, Indonesia has facing several problems due to the population. One of the problem is unemployment. As there are more than 124 million of labor force (BPS, 2014), Indonesia has a experiencing high unemployment, which reported has nearing 7,24 million.

For the last ten years, Indonesia has struggle from unemployment problem. In 2006 number of unemployment has reach 10,26 million people. This number was 10,3% of labor force (BPS, 2014).

One of most popular program to fight against unemployment is entrepreneurship. In February 2nd, 2011 government has launched GerakanKewirausahaanNasional (National Entrepreneurship Movement) (Annonymous, 2011), which target to create more new entrepreneursthus there will projected reach 55 million in 2025 (Rohmat, 2013).

Over the last ten years (2004-2014) number of entrepreneurship has fluctuated, but tend to be slightly decreased (BPS, 2014). Based on National Statistical Board, the number of people who operated their owned business which representation of entrepreneurs was 45,17 million people in 2004. This number has reach its highest on 2009 when the number extend to 48,04 million people, and continue decreased as the number get in to 43,94 million on 2014, which lower then 2004.

Table below has shown, that over three elements of entrepreneur, only entrepreneur whose employ non formal labor has shown negative growth. Other wise, entrepreneur whose employ a formal labor and entrepreneur whose operated their own business individually has shown increasing number over 10 years (BPS, 2014).

Table 1. Number of Entrepreneurship 2004-2014

	Number of People (million) of the year :										
Main Occupancy	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Self Employment	19,1	17,7	20,5	21,3	21,8	21,9	21,5	18,8	18,7	19,2	20,5
Entrepreneur, employed non formal labor	23,0	22,2	21,2	22,0	22,8	22,9	22,4	19,7	19,2	19,3	19,3
Entrepreneur, employed formal labor	3,1	2,9	3,0	3,0	3,1	3,2	3,3	3,7	4,0	3,9	4,2
Total	**45,2**	**42,9**	**44,7**	**46,2**	**47,7**	**48,0**	**47,2**	**42,1**	**41,9**	**42,4**	**43,9**

Source : National Statistical Board

On the other hand, the number of unemployment has been slightly decreased along the same periods (2004-2014). This number has slightly decreased as government employ some

programs to against unemployment. From 10,26% at the February 2006, at 2014 the rates of unemployment has fall over 5,9%.
Even though there still a polemic, as the number of unemployment has significantly decreased and the number of employment can be say has aalmost negative growth at the same periods, we can mentioned that entrepreneur programs and activity hasn't yet significantly contribute to suppress unemployment. It can be shown from the reduction of an unemployment number which reach 32%, while reduction of entrepreneur has reach 3%.
Small number of entrepreneur growth has proven two matter; first, somehow there are a problem of entrepreneurial program ineffectiveness. Entrepreneurial Programs which addressed to empowering students in creating new entrepreneur has deliver a low rate of participation of its tenant during its phases. This ineffectiveness has results to inadequate number of entrepreneur creation to deal with labor force growth and contributes job opportunity against unemployment.
Secondly, the fluctuation number of entrepreneur during the period 2004-2014 in other sight has also shows that there was a high intensity of a number of entrepreneurs which enter or exitthe business in a short time (yearly). Those condition has shown that after creating a new entrepreneurs, sustaining the business is another common problem for entrepreneurship.
Timmons et al. (1985), has mentioned that 40% of small businesses in United States fail in their first year, 60% in their second year and 90% in their tenth year. In New Zealand, from small business which initiated in 1995, 25% has failed during the first year, 44% has failed during the second year (1997). Over all 60% of business has failed during 1995-1999 (Cox and Vos, 2002). Arguments about entrepreneurial first year failure described above has answer part of a question on, why the number of entrepreneur data has behave as shown in Table 1.

TribhuwanaTunggadewi Entrepreneurial Programs

TribhuwanaTunggadewi University (UNITRI), as a higher education institution has developed entrepreneurial program as a conformation to its vision to deliver independent graduate. Since 2004, as a results of learning process, reference and comparison to another university, UNITRI has constructing several model of entrepreneurial program. Beside in order to suit a different mode of entrepreneurial field, every models are aimed to deliver the better rates of business start up which means more effective programs.

There is three model of entrepreneurial progam in UNITRI, i.e.:

- Regular Program
- Agropreneurship Program
- Technopreneurship Program

Regular Program

Regular program also known as conventional program is the main entrepreneurial education program in UNITRI. This program has implemented since 2004 and developed by several reference. In early periods (2004-2008), this program are consists a certain activity ie; (1) Entrepreneurs Lecturing, (2) Entrepreneur Seminars, and (3) Writing a business plan.
At the second periods (2008-2014), as some lecturer has obtained the opportunity to entrepreneurship training of trainer, which held by Ministry of Education and conducted by Ciputra University. Comparison and also adoption some method from Wiramuda program, which held by Bank Mandiri. UNITRI has improve its entrepreneurial programs which contains an activity ie; (1) Entrepreneurs Lecturing, (2) Market Review I "seeing and extracting idea", (3) Market Review II "Making Money Without Money", (4) Entrepreneur Seminars "Meet the business", (5) Motivational Seminars "InisiasiWirausahaMuda", (6) Open House and (7) Writing a business planThe framework of all those activity can described below;

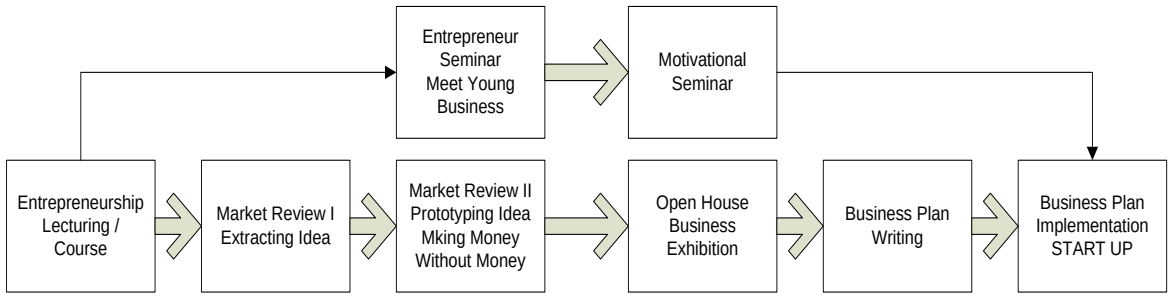

Figure 1. Framework of Activities on UNITRI Entrepreneurship Programs

UNITRI AgropreneurshipProgram

In order to build the interest of young people in commercial farming system and specially agricultural entrepreneurship, UNITRI has realized that it has required a specific effort. Entrepreneurship development program for young people on agriculture must contain some elements; (1) showed agriculture vast opportunities, (2) payload great technology, (3) ease to access resource and information, and (4). ability to manage and reduce risk. In order to enable those elements, the agriculture entrepreneurship learning system must be involved three parties stake holder which are; (1) Education Institution, (2) Research and development Institution and (3) business Institution.

Modifying the regular programs and realizing thought to contain four elements and involves three parties above, UNITRI has developed a learning entrepreneurship development scheme. This model modifies the conventional model which implemented in UNITRI. The modification was aimed to specifically suit the entrepreneurial program to certain agricultural field and opportunities. The objective of this programs is improving implemented agropreneurship programs to effectively produce new business based in agriculture field (Agrobusiness).The framework of Agropreneurship activity can described below;

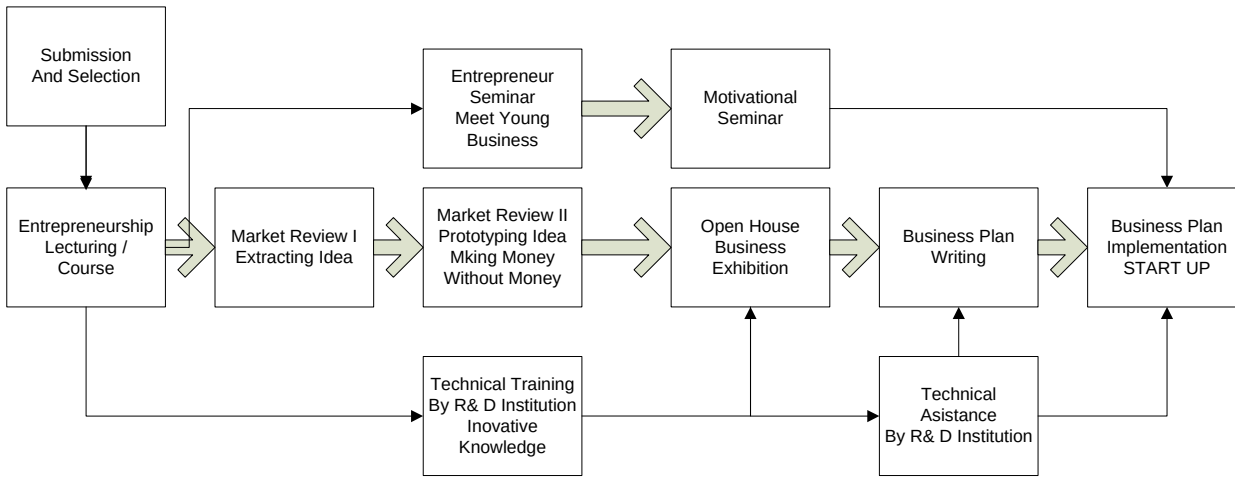

Figure 2. Framework of Activities on UNITRI Agropreneurship

UNITRI TechnopreneurshipProgram

Aligning the demand of the field of engineering to build interest of young people in developing creative idea in technical solution and specially technopreneurship, UNITRI also has constructed Technopreneurship and realized that it has required a specific effort.

Entrepreneurship development program for young people on engineering must contain some elements; (1) showed technical problems wich could be as vast opportunities, (2) payload great technology, (3) ease to access resource and information, and (4). ability to manage and reduce risk. In order to enable those elements, the technopreneurship learning system must involved three parties stake holder as there listed in agropreneurship programs.The framework of Technopreneurship activity can described below;

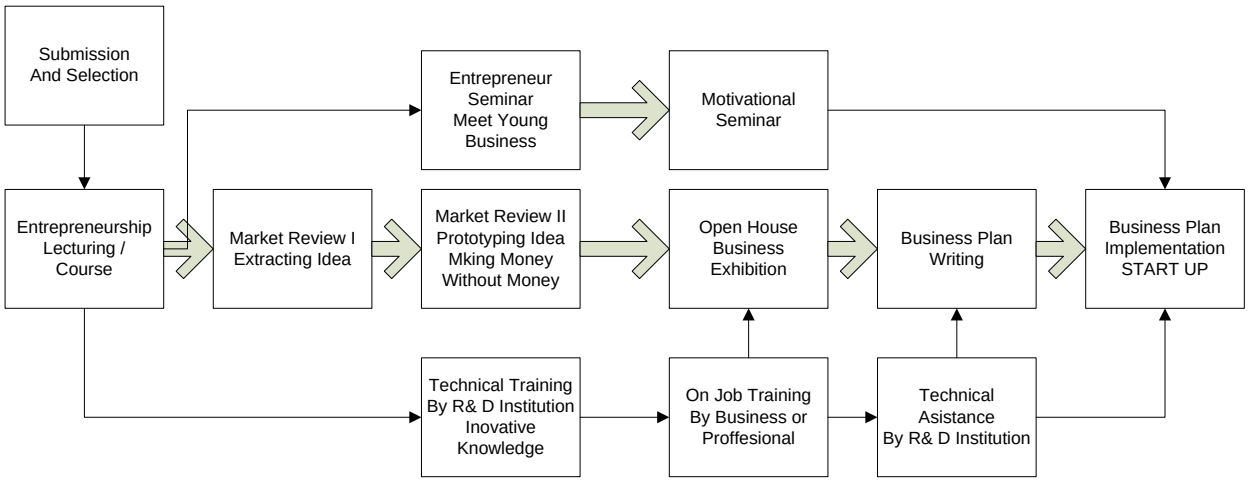

Figure 3. Framework of Activities on UNITRI Technopreneurship

The success rate of the UNITRI entrepreneurial program is measured by Gross Enrollment Rate (GER) of participants in all phases / Stages of entrepreneurship programs. Phases or stages defined as the measurement point is; (1) Entrepreneurs Lecturing or Basic Training, (2) Product Extraction, (3) Product Development, (4) Business Plan preparation, (5) Business start up / Business Plan Implementation, (6) Marketing (7) Strengthening / Continuity

The study is intended to measure the performance of an entrepreneurship programs already held in UNITRI. The objectives of this study are; (1) determine the gross enrollment rate (GER) of students in each phase of entrepreneurship programs and Comparing the GER of each program, (2) determine the critical point along the phase of agropreneurship in generating new business, and finally (3) determine the performance of each entrepreneurship program.

Material and Methods

The data for this study was collected during each certain programs i.e.;

a. Regular Entrepreneurial programs, the data was collected during two periodsof academic years 2012/2013 and 2013/2014 which started atSeptemberand ended at July for every year. The regular program involvedrespectively 411 and 607 participants whose are students from various fields of study and various levels of study.
b. Agropreneurship programs, the data was collected during two period of study which conducted on July 2013 to February 2014 and March to July 2015. involving 117 selected participants whose are students from various fields of study, various levels of study and various educational institutions.
c. Technopreneurship programs, the data was collected during the period of study which conducted on July 2014 to February 2015. involving 43 selected participants whose are

young people and students from various fields of study, various levels of education and various educational institutions.

Data has taken from the participants of the program. Structured Closed Questionaire sheet has used to collect data of participant. Number of participants and Percentage of participants whose enrolling each phase / stage of the program are used to represent the Gross Enrollment Rate (GER) and to determine the critical point along the phase of agropreneurship in generating new business. Refer to study on Small Business Failure Rates and the New Zealand Retail Sector (Cox and Vos, 2002),

$$P = x/n \quad \text{.....} \quad (1)$$

Where P = Sample proportion of failed businesses;
x = Number of businesses fail in a given period;
n = Number of businesses in the sample

modifying the equation (1) as :

$$GER = x/n \quad \text{.....} \quad (2)$$

Where GER = Gross Enrollment Ratio (in percent);
x = Number of participant enrolling in a given phases / stage;
n = Number of all participant at the first phase / stage

Response sheet are used to collect data from the student to measure the performance of Agropreneurship and Technopreneurshipprogram. Class Response and Evaluation sheet in the end of semester are used to collect data from the participant of Regular Entrepreneurship programs.
Finally, a simple comparison are used to comparing the GER of each program. **StatPac Ver 4.0 Two sample t-test between percents** has been used to compare percentages drawn from GER of each stages and independent group. **One sample t-test between percent** has been used to determine the critical points along each programs.

Results and Discussion
Conventional entrepreneurial programs has started with UNITRI students enrollment to class of entrepreneurship. After the submission the students took a course which mentored by 8 entrepreneurship lectures. During the course group of 3-5 students were assigned to go to public market and do Market Review I and II. The first market review was aimed in order to make students experience process of collecting idea, synthetizing idea and extracting idea into certain entrepreneurial product or service. Market Review II was continuation of the first one, aimed to make students experiencing process of employing their idea, and selling their idea to public.
After students pass their Market Review II, they were invited to attend the seminars to meet several young success entrepreneur, and also invited to attend motivational programs, conducted by selected young entrepreneur and motivators. After surpassing those stage, the remaining participants were assigned to polish up their idea, exhibit their idea in openhouse programs, writeand presenting their Business Plan.
The best business plan has awarded by small amount of fund to initiate startup the business. Although not all the business plan have an opportunity to be funded, some of them has self-supporting to initiate the business.

Table 2. number of Participant of UNITRI Entrepreneurial Program

Academic Years	Programs	No. of Participant
2012/2013	UNITRI Entreprenurial Programs	411
2013/2014	UNITRI Entreprenurial Programs	607
2013/2014 and 2015	UNITRI Agropreneurship	117
2014/2015	UNITRI Technopreneurship	43

The first different from conventional programs, Agropreneurship program are started with socialization and selection of participants. The socialization conducted through correspondence to partner institution consisting of four university and two senior vocational high school. Socialization phase has interact 168 registrants in 2014 programs and 52 registrant in 2015 program (under DP2M - Iptek Bagi Kewirausahaan). After the submission, selection process has came up with shortlist of selected participants.

The second difference, Besides the regular course, all Agropreneurship participants who have passed the selection invited to attend an in-house training programs nurtured by Biotech Agro Indonesia (BAI) as a partner institute of agricultural research and technology development and Sentra Agrobisnis Banyulegi (SAB) as a partner training centers and horticultural agribusiness.

As the conventional programs, regular course was consist several basic topics of entrepreneurship. Beside the course as an addition there was a trainingwhich included with several selectable technical skills related to agricultural practices such as : cultivated horticultureproducts,raising probiotic broiler, producing probiotics, producing liquid organic fertilizers, hydroponics and producing organic pesticides.

The contents of the training program is compiled based on technology that has been developed and invented by BAI. Most of the technology and practices also has been trained and operated as productive business by SAB. Each additional package contained the technical aspects of production, management, marketing and economic calculation. This additional training were carried out for 4 days with total of 24 hours of practical course.

Similar to the conventional programs, every praticipants then assigned to extracting and developing their own product. They were invited to attend the seminars and motivational meeting. They were also assigned to exhibit their prototypes and as a final task, participants were asked to write up a business plan in a group. Business plan is then presented in front of some UNITRI lecturers, Instructor of SAB and BAI and all otherparticipants. Panel of lecturers and training Instructor selecting a business plan presented above. Viable business plan has been initiated and subsequently funded. Implementation of production activities performed in several separate locations.

During the initiation of production, the participants have acquired mentoring from both entrepreneur lecturers and instructors. Mentoring is conducted directly through scheduled visits, and consultations through electronic media. On this occasion, participants were also introduced to indoagroinvent as a information technology media and agricultural innovation electronic portals.

At the end of first production process soon as the participant get their first production they were asggned to execute a marketing plan as written in business plan. At this stage, Lecturers and Instructors helped to provide the facilitation and information over mechanism and aspect of marketing.

UNITRI Technopreneurship program was similar to Agropreneurship programs. The difference between both were lied in its additional training. As technorepreneurship was aimed to develop engineering based entrepreneurship, the selectable technical skills related to engineering practices were contains; producing civil material, designing service, construction service, construction consultant, chemical product, etc.
Different with Agropreneurship. In developing Technopreneuship, UNITRI was exploiting most of resource from Enggineering Faculty. Its includes lecturer, instructor, laboratory and related equipment.

Participant Gross Enrollment Rate (GER)
Participant Gross Enrollment Rate (GER) was measured based on participant number over several stages of the programs. To be easily compares, we put generalization of the stages conducted on each programs. GER measurement results over each programs are presented in the following table:

Table 3. Participant Gross Enrollment Rate of Entrepreneurial Program

No	Programs	Gross Enrollment Ratio of Participation				
		Course and Training	Product Extracting	Business Plan	Business Start Up	Sustain ability
1	UNITRI Entreprenurial Programs 2012	100%	48% a	18% b	6% a	4% a
2	UNITRI Entreprenurial Programs 2013	100%	44% a	11% a	5% a	3% a
3	UNITRI Agropreneurship	100%	81% b	64% c	24% b	15% b
4	UNITRI Technopreneurship	100%	72% b	47% c	19% b	9% ab

Alphabetic notation has shown comparison results based on **two sample t-test between percents**,
the same notation represent the similar group at significance of 5%

Table 3., has shown that participation on product extraction phase has been tends to decline slightly for Agropreneur and Technopreneur programs. But it become to decline sharply fot the first two contentional programs.
Agropreneurship has shown significantly higher GER rates compares to other programs specially at the business plan writing stages. And continue to perform best results similar to technopreneurship for last two stages. In over all, it can be says that Agropreneurship programs has given promising results to deliver high performance on creating new business.
The fact of outstanding GER on the business plan writing stages as shown above, was came from small difference of business plan writing process. Conventional UNITRI entrepreneurship programs has assigned the participants to wrote business plan as a take home assignment. Otherwise, Agropreneurship and Technopreneurship has put writing business plan as on the spot assignment, where the participant was given a whole day to working on their business plan, and write the business plan by hand.
This modified methods has implemented to ensure that all participants will be obliged to finished their business plan. This method has proven to be more effective to increase the number of business plan written.

Table 4. Business Group Gross Enrollment Rate of Entrepreneurial Program

No	Programs	Gross Enrollment Ratio of Business Group				
		Course and Training	Product Extracting	Business Plan	Business Start Up	Sustain ability
1	UNITRI Entreprenurial Programs 2012	100%	60% bc	25% b	14% b	5%ab
2	UNITRI Entreprenurial Programs 2013	100%	36% a	11% a	5% a	3% a
3	UNITRI Agropreneurship	100%	53% b	47% c	20%bc	13% c
4	UNITRI Technopreneurship	100%	73% c	55% c	27% c	9% bc

Alphabetic notation has shown comparison results based on **two sample t-test between percents**,
the same notation represent the similar group at significance of 5%

Business Group Gross Enrollment Rate (GER)

As every participant were assigned to sreate their own business group, we also measure Business Group GER which measured based on the business group of participants. Member of each groups were extend from 2 to 7 person per group. By this angle, as shown from Table 4.,Agropreneurship and Technopreneurship programs has significantly more effective than the conventional programs along 4 stages of entrepreneurial programs.

Critical Point of Entrepreneurship Programs

As declining of GER along the entrepreneur programs were assumed to be distributes at the normal rates, Critical points along programs statistically can be shown as significant decline or can be easily views as lowest GER along the process.The critical point of each programs has shown on the Table 5. and Table 6. Shaded cells has shown the critical points along the programs process, of each entrepreneurial programs.

Table 5. Participants Enrollment Rate Critical Points

No	Programs	Participation Critical Points			
		Product Extracting	Business Plan	Business Start Up	Sustain Ability
1	UNITRI Entreprenurial Programs 2012	48% b	37% a	32% a	65% c
2	UNITRI Entreprenurial Programs 2013	44% b	26% a	42% b	55% c
3	UNITRI Agropreneurship	81% c	79% c	37% a	61% b
4	UNITRI Technopreneurship	72% c	65%bc	40% a	50%ab

Alphabetic notation has shown comparison results based on **one sample t-test between percents**,
the same notation represent the similar group at significance of 5%

Refer to participants critical points along the process, data has shown that business plan writing and business plan start ups were a critical points along the programs. To increase efectivity of conventional programs, we must noticed the business plan writing process. Only 26-37% of Market Review participants were wrote their business plan. Start-up has known the most

critical points along Agropreneurship and Technopreneurship. This fact has reveal the term that even though many business plan has been made, only 43-50% of participants were believe that their plans will worked as its planned.

In average, more than half ofparticipant which participating in the start upwillsteadfastly attending the programs during the first year. As mentioned above, one of the difference between conventional programs to Agropreneurship and Technopreneurship lied on the method of assignment of business plan writing. Limited time to writing the plan has results on the lack of information which caused the plan has become premature. At this point, participant has not sure yet , whether the plan can be succeeded or fail. There is why Agroperneurship and Tehnopreneurship has shown high business plan writing participation but lower business plan execution.

From the side of business groups, as shown on Table 6. We found that product extracting, business plan writing and sustainability were the critical points conducting the conventional programs. Otherwise business starts up and sustainability has to be the main critical points along Agropreneurship and Technopreneurshiprespectly.

Table 6. Business Group Enrollment Rate Critical Points

No	Programs	Business Group Critical Points			
		Product Extracting	Business Plan	Business Start Up	Sustain ability
1	UNITRI Entreprenurial Programs 2012	60% c	42% b	57% c	33% a
2	UNITRI Entreprenurial Programs 2013	36% a	30% a	50% b	50% b
3	UNITRI Agropreneurship	53%ab	88% c	43% a	67%bc
4	UNITRI Technopreneurship	73% b	75% b	50%ab	33% a

Alphabetic notation has shown comparison results based on **one sample t-test between percents**,
the same notation represent the similar group at significance of 5%

To maintain its sustainability, every business must develop their ability to markets their products or service widely. Some how many problem persist as the business could not establish their market, the business will fail at the first year. Lack of knowledge, lack of experience and courage were an important key that causes failure at the marketing execution. Supporting facts above Clancy and Shulman (1994) has noted that even among educated marketers, marketing failure is very high. The failure is due to lack of real practice marketing activities. This myth is a cause marketing is a field of work that avoided many graduates. The assumption that the marketing has come to be difficult can be avoided by providing more direct training in the real world.

The major aspect which obstruct the business to gain their marketing effort are ability in participating in marketing activities, understanding the product knowledge, courage and ability held persuasion and negotiation. Most of participants has stated that they are experienceda lot of obstacle to find appropriate methods in marketing. Participants on Technopreneurship programs, mostly did not have a adequate backgrounds related to the product. This condition has made through limited option of the programs which prompt most of participants barely recognize and understand whole aspect of the products.

Courage is an important factor to ensure business sustainability.Some of participants were not quite sure of the capabilities and power of the group in managing long-term effort. Intra-

curricular activities andother academic activities are common reasons or excuses for some participants to choose quit the business.

Performance Of Entrpreneurship Program

Agropreneurship and Technopreneurshipprogram performance was measure with participant response sheet. The response sheet built to collect participant satisfaction over material, recency of matter, their expectation about the programs dan their confidence to run business. Using Likert scale 1 to 5, paticipant has expressed their satisfaction shows at table below.

Table 7. Performance of Agropreneurship and TechnopreneurshipProgram

Description / Aspects	Agropreneurship	Technopreneurship
Material	4,5	4,1
Recency of Matter	4,3	4,8
Participant Expectation	4,3	4,5
Participant Confidence	4,1	3,8

The highest performance of agropreneurship program for participants lies on the recency of matter. More than 90% of participant admitted that they were never heard about matter given before. This fact has shown that some how many teoritical matter given by their lecturer or teacher were very different from what they heard and experienced from the technical training.

The lowest performance lied in participant confidence in making a new business after the program. This fact explain that the program still have weakness. When the material has proven to be good, while participant still not sure wheter they want to adopt the opportunity or not (due to lack of understanding), it become clear that some aspect still unmet. One of the factor is the market and marketing concept. In order to improve the program, no doubt marketing aspect should recieve more attention.

Lower rates of confidence among the participant has known as “fear of failure” problem. This problem also noted by Cacciotti and Hayton (2014), they has shown tha most problem of startup has come from this fear of failure problems. Many research has suggested some traits against this problem. Caccioti and Hayton also suggest a Personological and Motivational Approach to deal with fear of failure.

As an improvement of previous conventional entrepreneurial program of UNITRI, Agropreneurship and Technopreneurshipshould deliver better results on learning outcome performance. As described above its clearly shown that both Agropreneurshipand Technopreneurshipprogram has deliver better GER in almost every stage.

In the over all average, Agropreneurship program has resulted higher Participants GER (15%) and Business Group GER (13%), Technopreneurship has also deliver similar rates of participation and Business Groups GER (9%), both were significantly higher than conventional programs. In this point of view, it can be noted that Agropreneurship and Technopreneurship programs can deliver better learning outcome for entrepreneur course, and also have a promising future if some improvement has made on the program. Even though the results were promising, some improvement shall be done to increase performance of both program.

Conclusion

This study has reveal that in order to increase performance of entrepreneurship programs to deliver a significant number of new entrepreneur and new business, there still many improvement needed.

Measuring its participant and business groups Gross Enrollment Ratio (GER), based ont the significant results of GER over each phase of programs and each kind of entrepreneurial program, this study has proven that, the latest entrepreneurial program (technopreneurship and

agropreneurship) has perform better than the previous one (conventional). That indicates that the improvement upon conventional entrepreneurial programs which implemented through Agropreneurship and Technopreneurship, has proven to be significantly increase the entrepreneurship program to be effectively deliver higher number of new business.

Even though there are some increased performance given by Agropreneurship and Technopreneurship programs. While the critical points of the conventional programs has lied on sustainability (2012), product extracting and business plan (2013), a critical points of the latest program has laid at a business start up phase (agropreneurship) and sustainability phase (technopreneurship). Learning from its critical points along each programs, the study has reveal several weaknesses which need to be dealt in the future. Improving mechanism to support participant with some information in business plan writing process, may help increase the courage of participant to implement their plan. Putting some effort to increase participant knowledge and experience about markets and marketing concept, may help them to survive and maintain their business sustainability.

Due to participant response upon implementation of entrepreneurship programs, its had shown that most of participant were satisfy for the material, the recency of programs, expectations. Besides of those, some participant still leave a doubt to the business, this condition also answer the fact that many business plan has been failed to initiate as a new business. In response, some mechanism to depress fear of failure were very important to be added along the programs, and some study on fear of failure must be conducted to determine the problems.

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IN SEARCH OF INDONESIAN ENTREPRENEURS' VALUES: A PROPOSED STUDY

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ABSTRACT

Entrepreneurship is one main significant factor that contribute in enhancing economic development for many countries. Specifically, entrepreneurs contribute substantially to job creation, new venture creation, product and service innovation, and many more. Thus, there is a great deal of research interest in entrepreneurship. While extensive research on entrepreneurship have been conducted to explore and examine various factors that influence intention and decision to become an entrepreneur, less attention has been given to understand entrepreneur personal values. On the other hand, the concept of value is one important variable to human life because values influence all aspects of human life. Moreover, values are known as the most defining elements of culture. Therefore, this current study will explore enterpreneurs' values. Specifically, this research aims to explore and identify instrumental and terminal values of Indonesian entrepreneurs. Research method will be designed to address stages in identifying current instrumental and terminal values of Indonesian entrepreneurs. Data analysis will be consistent with procedures for developing scales.

Keywords: values, instrumental, terminal, entrepreneur, Indonesia

INTRODUCTION

Entrepreneurship is one main significant factor that contribute in enhancing economic development for many countries. Specifically, they contribute substantially to job creation, new venture creation, product and service innovation, and many more (Van Praag & Versloot, 2007). Thus, there is a great deal of research interest in entrepreneurship. While extensive research on entrepreneurship have been conducted to explore and examine various factors that influence intention and decision to become an entrepreneur, less attention has been given to understand entrepreneur personal values. Value is defined as a type of belief that guides selection or evaluation of behavior (Schwartz, 1999). The concept of value is one important variable to human life because values influence all aspects of human life. In other words, personal values play a critical role in determining entrepreneurial behavior (Lan et al., 2009; Fritzsche & Oz, 2007; Schwartz, 2006; Rohan, 2000).

The Rokeach Value Survey (RVS) is known as one of value measurement. The RVS was developed by Rokeach (1973) in order to measure two kinds of values: *instrumental* and *terminal*. Terminal values refer to desired end states of existence or ultimate modes of living which have been idealized. This typeof values may be self-centered or society-centered.

Another type of values, i.e., instrumental refers to modes of behavior and consist of moral values and competence values (Rokeach, 1973). Though the RVS has been evaluated in many empirical investigations (e.g., Giacomino et al., 2013; Musil et al., 2009; Allen, 1994; Wang et al. 1994), it is recognized that the RVS was developed by Rokeach in western context. On the other hand, different cultures reflect values differently (Evans et al., 2009). Moreover, Rokeach's work is claimed as out-of-date because it was developed in 1968-1973. Yet, society and people values are changing gradually (Blackwell et al., 2007; Arnett, 2002) as impacted by several factors such as globalization (Swadzba, 2011; Hawkins & Mothersbaugh, 2010), political change (Lee, 2003), economic development (Tibbs, 2011), and technology (Swadzba, 2011). Therefore, this research aims to explore and identify current instrumental and terminal values of Indonesian entrepreneurs.

LITERATURE REVIEW

Values

There are many definitions of values (Lan et al., 2008; Lombaert, 2003). Some people relate values with marketing such as the term "values of money" and "consumer value" (Zetterberg, 1998). According to Rokeach (1973,p.5),a value is defined as an enduring belief that a specific mode of conduct or endstate of existence. Furthermore, Rokeach pointed out that values are prescriptive beliefs that they are "abstract ideals" which represent a person's conception of the the desirable. In harmony with Rokeach's definition of value, McGregor (2000, p. 94) defines values as mental pictures of important needs and goals and affect how one thinks about and sees oneself, what one wants out of life and what one is willing to trade off to get something in return. Researchers shows that personal values are people beliefs that are intrinsic and lasting in an individual's life (e.g., Fries et al., 2007; Lages & Fernandes, 2005). There are five features of values are as follows. First, values are beliefs. Second, those beliefs lead to desirable behavior and/or end states. Third, values go beyond specific situations. Fourth, values explain why people select or evaluate events and behavior. Fifth, values are ordered by a certain hierarchical importance (Grunert & Scherhorn, 1990 cited by Wang et al., 1994).

Instrumental and Terminal Values

The Rokeach Value Survey (RVS) is known as one value measurement in social science. It was developed by Rokeach (1968, 1973) in order to measure two kinds of values: instrumental and terminal (Table 1). Terminal values refer to desired end states of existence or ultimate modes of living which have been idealized. This typeof values may be self-centered or society-centered. Another type of values, i.e., instrumental refers to modes of behavior and consist of moral values and competence values (Rokeach, 1973). To be able to understand respondents' instrumental and terminal values, they are asked to rank order each value as to its importance in their daily life.

Table 1. Instrumental and Terminal Values

Instrumental values:	Terminal values:
A Comfortable Life (Prosperous Life)	Ambitious (Hardworking, Aspiring)
Equality (Brotherhood & Equal Opportunity)	Broad-minded (Open-minded)
An Exciting Life (Stimulating, Active Life)	Capable (Competent; effective)
Family Security (Taking care of loved ones)	Clean (Neat and tidy)
Freedom (Independence and free choice)	Courageous (Standing up for your beliefs)
Health (Physical and mental well-being)	Forgiving (Willing to pardon others)
Inner Harmony (Freedom from inner conflict)	Helpful (Working for the welfare of others)
Mature Love (Sexual and spiritual intimacy)	Honest (Sincere and truthful)
National Security (Protection from attack)	Imaginative (Daring and creative)

Pleasure (An enjoyable, leisure life) Salvation (Saved; eternal life) Self-respect A Sense of Accomplishment (lasting contribution) Social Recognition (Respect and admiration) True Friendship (Close companionship) Wisdom (A mature understanding of Life) A World at Peace (World free of war and conflict) A World of Beauty (Beauty of nature and the arts)	Independent (Self-reliant; self-sufficient) Intellectual (Intelligent and reflective) Logical (Consistent; rational) Loving (Affectionate and tender) Loyal (Faithful to friends or the group) Obedient (Dutiful; respectful) Polite (Courteous and well-mannered) Responsible (Dependable and reliable) Self-controlled (Restrained; self-disciplined)

Source: Rokeach (1973)

The RVS has been evaluated in many empirical investigations (e.g., Iskra & Moskvicheva, 2014; Quyen et al., 2014; Giacomino et al., 2013; Wang et al. 1994). In its original format, the RVS requires subjects to rank each value in the list terminal and instrumental values. However, this procedure results in one main limitation of the RVS., that is, respondents are forced to rank all values to its importance as their guiding principle of their life (Wang et al., 1994). To overcome that limitation, a modified interval Likert-type scale is frequently employed (e.g., Giacomino et al., 2013; Raboteg- Šarić et al., 1997; Wang et al.1994). With this modification, the survey is becoming easy to employ and requires less time to complete.

Values and entrepreneurship

Why some countries produce more entrepreneurs? Researchers have focused on cultural values in order to answer that question. Since values guide people to behave, thus personal values guide people in their decision to become entrepreneur or their entrpreneurship activities. Moreover, values that held by entrepreneurs have implications for the entrepreneur such as how to start new ventues, how to create and manage the ventures. Researches have acknowledged the influences of personal values toward entrepreneurship (Jakubczak & Rakowska, 2014; Anchorena & Ronconi, 2012; Halis et al., 2007; Morris et al., 2002).

Value is known as one core element of culture (Yuan & Dong, 2006). Therefore, different cultures will provide different values (Evans *et al*., 2009; Yuan & Dong, 2006). For instance, Western values tend to hold an independent view of the self whereas non-western values are more interdependent which stresses on connectedness and relationship (Evans *et al*., 2009). Table 2 provides values differences for several countries.

Table 2. Values differences in several countries

Country	Values
America*	Achievement and success, Activity, Efficiency and practicality, Progress, Material comfort, Individualism, Freedom, External conformity, Humanitarianism, Youthfulness, Fitness and health.
Australia**	Respect for democracy, A strong sense of justice, A sense of fairness, Tolerance, Care for others, A powerful sense of egalitarianism, A less selfish society, Freedom of self-determination

China***	Guanxi, Importance of face, Thrift, Family and group orientation, Aversion to law, Respect for etiquette, age and hierarchy, Long-term orientation, Traditional creeds.
Thailand****	Ego orientation, Grateful relationship orientation, Smooth interpersonal relation orientation, Flexibility adjustment orientation, Religiosity orientation, Education competence orientation, Interdependence orientation, Fun-leisure orientation, Achievement-task orientation.
Malaysia****	Valuing time, Perseverance, Pleasure of working, Dignity of simplicity, Character, Kindness, Influence of examples, Obligation of duty, Wisdom of economy, Patience, Improvement of talent, Joy of originating.
Indonesia*****	mutual assistance, democracy, religion, harmony, hospitality, religious fanaticism, and individualism.

*Sources: *Schiffman and Kanuk (2010), ** Blackwell et al. (2006), *** Faure & Fang (2008), ****Sian et al. (2007),**** Komin (1995, in Rachman, 2007),*****Sihombing (2013)*

RESEARCH METHODS

There will be five stages in identifying current instrumental and terminal values of Indonesian entrepreneurs. Data analysis will be consistent with procedures for developing scales (e.g., Sihombing & Pongtuluran, 2011; Verbeke, 2007; Parasuraman et al., 2005: Adcock & Collier, 2001; Churchill, 1979).

Stage 1 - Exploratory Research and Item Generation

Based on literature review, an open-ended questionnaire will be developed to explore instrumental and terminal of entrepreneurs'values. Furthermore, frequently-mentioned values will be converted into items in order to obtain the baseline pool of value items. Another source for item generation was instrumnetal and terminal values developed by Rokeach (1973). Item generations in this stage can be stated as the most important part in developing measurement (Hinkin, 1995). A combination of deductive and inductive approach will be applied to generate items. Furthermore, expert judges will be used in this research in order to enhance the items pool of value statement (Diamantopoulos, 2005). Expert judges that will be chosen should have expertise in the research area (i.e. expert knowledge of the topic). Expert judges will be asked whether items in the list of value items are representing frequently mentioned value statements. When frequently-mentioned values are converted into items, several bias types such as double-barelled, ambiguous, leading, and other bias items will be eliminated in initial screening. Expert judges will also assess content validity of all value items.

Stage 2 – Questionnaire design

Likert-type scale will be used in this research. Respondetns will be asked the degree to which s(he) agrees with a statement: strongly agree, agree, neutral, disagree, or strongly disagree. General instructions will be located at the top of the page. This research will also apply a pilot study prior to administering the questionnaire to a sample of respondents in order to establish content validity. In order words, a pilot study will ensure questionnaire clarity and question wording. A pilot study will involve 10 respondents and invite them to comment on the questions

and wordings. The comments of these 10 individuals then will provide for revisions to the questionnaire.

Stage 3 - Data collection and sample

Data will be collected through closed-ended questionnaires. A sample size of 500 will be established in this research. A purposive design sampling will be employed. Two main criterias are: (1) respondents should have been at least one year in become an small or medium venture entrepreneurs, and (2) respondents live in cities of Tangerang and Jakarta. Personal interviews will be applied to ensure the respondents can fill-in the questionnaires. This method is also chosen since data collection through personal interviews will yield higher response rates than personally-administered questionnaire.

Stage 4 – Item reduction

Item reduction will be performed by item-to-total correlations and principal components exploratory factor analysis. Items will be dropped when item-to-total correlations are less than 0.50. Then, the remaining items will be factor analyzed. Exploratory factor analysis with varimax rotation using the criterion of eigenvalues greater than one will be applied in order to perform value items.

Stage 5 – Scale validation

A total of 500 respondenst will be included to validate the scale. The fundamental criteria of good measures (i.e., reliability, dimensionality, and validity) will be applied in this research. Reliability analysis will be first conducted. Specifically,examination of coefficient alpha and item-to-total correlation will be conducted to delete items whose elimination improved reliability coefficient alpha. Then, exploratory factor analysis (EFA) will be performed to determine the number of underlying dimensions from a data (Hair et al., 2006). Moreover, all items revealed by the analysis will be preceded through confirmatory factor analysis (CFA) as a confirmatory perspective.

CONCLUSION

This research aims to identify current instrumental and terminal values of Indonesian entrepreneurs. From a theoretical point of view, the results of this study give contributions to the understanding of entrepreneur's values, specifically instrumental and terminal values. Terminal values shows the objectives of the life of a person, that is, the ultimate things the person wants to achieve in life whereas instrumental values indicate the methods an individual would like to adopt to obtain his life's aim. Since not many studies focus on instrumental and terminal values of entrepreneurs, this research will give contribution in identifying those values, especially in Indonesian context. From a practical point of view, the understanding of Indonesian entrepreneurs' personal values will contribute social science researchers and practitioners to understand Indonesian entreprenurs beliefs that guide them to desired end states of and their beliefs as modes of behavior that consist of moral values and competence values. This understanding will support Indonesian government in encouraging and developing entrepreneurs.

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ANALYSIS OF INTERNAL AND EXTERNAL ENVIRONMENT TO BUILD COMPETITIVE ADVANTAGE RENOVATIO COMPANIES

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ABSTRACT

Analysis of internal and external environment renovatio companies aism to determine the competitive strategy and analyze,the situation of the company in business development and provide benefits in the enterprise.
Analysis data from this study done by the analysis of every aspect studies were aspects of the internal environment,external marketing aspect,operational aspect,financial and human resources.
While the internal environment factor is done by analyzing the five factor model,that include the threat of force new entrants,bargaining power of suppliers,bargaining power of purchasing,the threat of subtitute products,and intensity of industry competition.
Through the analysis above,will determine the Renovatio company's competitive strategy.

Keywords : Competitive advantage, Business Development, Analysis

INTRODUCTION

Where in these days many companies are emerging from companies small, medium and large that began to grow rapidly and start the competition with a rigorous , both in the sectors of clothing, food and shelter. In development in Indonesia, a company engaged in the field of interior or furniture is very promising because it is motivated by the development in various cities and regions that are so rapidly in the eastern Kalimantan , especially in Samarinda .

Lapangan Usaha	Atas Dasar Harga Berlaku (triliun Rupiah)			Atas Dasar Harga Konstan 2000 (triliun Rupiah)			Laju Pertumbuhan 2013 (persen)	Sumber Pertumbuhan 2013 (persen)
	2011	2012	2013	2011	2012	2013		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1. Pertanian, Peternakan, Kehutanan, dan Perikanan	1 091,4	1 193,5	1 311,0	315,0	328,3	339,9	3,54	0,45
2. Pertambangan dan Penggalian	877,0	970,8	1 020,8	190,1	193,1	195,7	1,34	0,10
3. Industri Pengolahan	1 806,1	1 972,5	2 152,6	633,8	670,2	707,5	5,56	1,42
4. Listrik, Gas dan Air Bersih	55,9	62,2	70,1	18,9	20,1	21,2	5,58	0,04
5. Konstruksi	753,6	844,1	907,3	159,1	170,9	182,1	6,57	0,43
6. Perdagangan, Hotel, dan Restoran	1 023,7	1 148,7	1 301,5	437,5	473,1	501,2	5,93	1,07
7. Pengangkutan dan Komunikasi	491,3	549,1	636,9	241,3	265,4	292,4	10,19	1,03
8. Keuangan, Real Estat, dan Jasa Perusahaan	535,2	598,5	683,0	236,2	253,0	272,1	7,56	0,73
9. Jasa-jasa	785,0	890,0	1 000,8	232,7	244,8	258,2	5,46	0,51
Produk Domestik Bruto (PDB)	**7 419,2**	**8 229,4**	**9 084,0**	**2 464,6**	**2 618,9**	**2 770,3**	**5,78**	**5,78**
PDB Tanpa Migas	**6 795,9**	**7 588,3**	**8 416,0**	**2 322,7**	**2 481,8**	**2 637,0**	**6,25**	**-**

Indonesia 's economy in 2013 grew by 5.78 percent from the year 2012, in which all economic sectors experienced growth. The highest growth occurred in the transport and communications sector , which reached 10.19 percent , followed by the financial sector , real estate , and business services 7.56 percent , 6.57 percent in the Construction Sector , Sector trade, Hotels and Restaurants 5.93 percent , Electricity Sector , Gas and Water Supply 5.58 percent , 5.56 percent management Industry sector , services sector 5.46 percent , 3.54 percent and the agricultural sector Mining and Quarrying sector 1.34 percent . Growth of non-oil GDP in 2013 reached 6.25 percent berate higher than GDP growth .

Tahun	**Nilai Ekspor Furniture**
2008	90 milyar
2009	96 milyar
2010	107 milyar
2011	113,42 milyar
2012	115,68 milyar

shows that Demand furniture goods continue to increase from year to year, which shows that the industry in this field is quite Promises . The largest importer country today is the United States , Germany , China , France and UK.

The first study conducted by Rachmawati (2011) with the title of " the role of the marketing mix and strategy to increase sales (a review of the restaurant business) " ,. This research uses descriptive research design . This study aimed to obtain descriptive purposes regarding marketing mix patterns and strategies that will be applied to increasing sales in the restaurant business . Results of this study concluded that if the employer has a workable marketing strategy in marketing their products . One of them form a strategy that is able to support the marketing of a product in order to create customer loyalty is to use the right strategy for the company's progress .

Research Titled "The internationalization of small game development companies: evidence from Poland and Hungary" Written by Cunningham, loaned and Ibbotson (2012). The objective

of the study was to investigate the husband of international strategy development Small game development company in Hungary. The sample used is some game company in Poland and Hungary The status of SMEs, the Performance Management The independent game developers and Active hearts international World. USING husband qualitative research method, where the Company identified from online search, then the secondary information is researched ON EACH Operating Company through depth interview, hearts Frame ISSUES FOR highlight relates WITH internationalization / growth. Results Of Research shows that the initials Small game developer in Poland and Hungary did internationalization WITH FAST, despite the limited resources are the key to their success is the importance of the value chain, Relationships and the Company's ability to utilize the resources / Knowledge Yang has.

The study, written by McGuinness and Hutchnison (2013) with the title "Utilizing Product Knowledge" aims to show how the product knowledge is used and how it can enhance the competitive advantage for retail companies. The samples used were 30 in-depth interviews were conducted over a period of six buan supported by the observation data collection and documentation. This study was using pursposive sampling, and in-depth interviews to the managers of retail companies were selected as key information for the study. Results from this study is the importance of product strategy and effective resources untukk help achieve competitive advantage. Contributions in the can that is by collecting the interviews are then the company is able to implement strategies to satisfy their customers.

Analysis of the internal environment is the process of analyzing the strengths and weaknesses of the company (Marcus , 2009) . This is important so that the company can highlight the strengths and reduce weaknesses , so that the company can develop appropriate strategies to achieve corporate objectives .

The financial aspect is an aspect that can determine the readiness of the company in terms of capital which will be used to run a business and aims to determine whether the business is run can provide a rate of return that is favorable or not (Suliyanto 2010, P184) .

The financial aspect is an aspect that is used in assessing the company's overall financial situation , the assessment includes sources of funding will be obtained , the need for investment costs , income and investment assessment criteria that will be used in the assessment of the ability of the company (Ross , et . Al . , 2010, P8)

Functions of production and operations consists of activities that transform inputs into duty goods or services . Manufacturing operations to change or transform inputs such as raw materials , labor , capital , machinery and facilities into final goods and services. Production and operations represent the majority of assets and human resources and capital in a company . In many industries , the highest costs are allocated in operation , which means production and operations play a big role , a competitive weapon in the company's strategy could otherwise be a success or failure of a company , strengths and weaknesses in the five production function determines the success or failure of a company (David , 2011. P . 140

According Tjiptono and Chandra (2013 , P. 5) , marketing is the activity , set of institutions , and the process of creating , communicating , delivering and exchanging bid (offerings) of value for customers , clients , partners and the general public

Analysis of the external environment by Marcus (2009) states a strategist (owner of the company) must observe the external environment the company to obtain as much information as possible , analyze and use it in making decisions. Where thus , the external environment analysis is the process of analyzing the factors beyond the company's control that can affect the choice of direction and action , organizational structure and internal processes of the company.

To analyze the external environment has several strategies or tools that can be used one of them is Porter's five forces or the five forces , where the tools for analyzing the environment is often used . According to David (2011) , Porter 's 5 forces or 5 strength Porter , is an analysis that is often used for the development of strategies in the industry

According Mcihael Porter (2012 , P. 39) , there are two fundamental issues that will determine stratefgi competing companies . The first is the attractiveness of the industry shown by the long-term industry profitability . Second , the analysis of the various factors that will enentukan the company 's competitive position in the industry .

RESEARCH METHODS

In accordance Maholtra in Umar (2010, P. 7), is included in applied research action research, the primary objective is to assist management in decision making, namely 1) identify the problem, 2) troubleshooting. The paradigm used is Post-positivistic or known by the term qualitative

According to the Son (2013, P. 57), the paradigm of qualitative research with researchers may have involvement, togetherness and communication with the object of research that is not objectivity is sought but intersubjectivity, that subjectivity is validated olej similarities were found on more than one outcome.

In qualitative research, the researcher is the main instrument to collect data. According to Lofland in Wirawan (2011: 154-155), there are four elements that must be met in the crawl of data: (1) the researcher should be as close as possible to the people and situations that are being studied; (2) the researcher must capture the facts; (3) qualitative data contains mostly pure descriptions of people, activities and interactions; (4) The qualitative data consisted of direct quotes from people, including what they say and what they write. Researchers concluded and attach duty.

The sampling will be a resource in this research requires a sample that has information that can only be obtained from certain sources are selected according to considerations of researchers, thus yepat sampling method used is nonprobability sampling, that judgment sampling (Umar, Umar 2010: 75). Supporting data were obtained from previous studies (journal article), theory and statistics, and official government sites.

DISCUSSION

Renovatio is a start -up company that has been established since 2013 and is engaged in the service of interior and furniture . The products we offer are the workmanship of furniture with a customized system or pengerjaam conducted if there are reservations , the furniture is done is not only made of wood but has some elements such as glass , mirror , iron and others .

The company is precisely formed on October 10, 2013 and until today the company Renovatio masi survive and continue to develop its wings . Which is where the company was founded by Trisno Raharjo and colleagues named Alvin Gunawan . The vision of this company that is becoming a company capable of providing satisfaction and pride to customers is a top priority of the company, which would give priority to skilled workers and quality materials.

Faktor Eksternal	Keterangan	Kode	Modus
Potensi Pembeli	Peluang Usaha di bidang interior baik dan diperlukan Client Kurang suka berganti-ganti meubel	K1O1, K1O2, K2O2, K3O1, A1O1, A1O2, A1O1 K2T1	7 1
Persaingan tidak langsung	Belum banyak jasa interior Memiliki kesamaan pengerjaan dengan interior lain dan sudah memiliki client tetap	K2O3, A2O2 P1T1, P2T1, P2T2, A1T3, A2T1	2 5
Alternatif Pemasok	Ada beberapa altarnatif	Q1O2, Q2O2	2

	pemasok		
Kelangkaan Bahan	Banyaknya bahan yang sering kosong	P2T3, Q1T1, Q2T1, Q3T1	3 1
Permodalan	Permodalan untuk swasta masih mudah Permodalan untuk pemerintahan harus membutuhkan modal yang besar dan biaya pembuatan showroom yang cukup besar	A1O4 A1T2, A2T3	1 2
Pengembangan Produk	Untuk model desain yang bervarian dan melebarkan sayap ke luar kota samarinda	K2O1, A1O5, A2O3	3
Pola Konsumsi masyarakat	Peluang masih cukup terbuka Kepribadian masyarakat yang berbeda-beda	P1O1 A2T2	1 1
Efektivitas Promosi	Promosi di kota kecil dari mulut ke mulut	A1O3, A2O4	2

Interior is an industry that is now becoming one of the needs of most people or communities to beautify the room , both home and other commercial places . Interior or furniture industry continues to grow from year to year (Table 1.4) . This business venture was also no large capital membutukan if you want to run it in private companies or individuals .

Because of the difficulty of knowing data about competitors directly, the following statement can support data about competitors small town. The basic material of its own manufacture of furniture Renovatio ie plywood or multiplex and finishing -based paint and HPL . So from the basic materials have a variety of alternative suppliers for the company to find and select suppliers that sell plywood / multiplex and also basic materials such as paint and finishing HPL . Because the increasing number of business opportunities in the field of services of interior and furniture , then the number of new competitors emerge , so that consumers can easily switch from one product to another . If the price or the quality provided is not in accordance with the wishes of the consumer or the client then easily consumers searching for a replacement or comparisons , and most consumers already have regular customers and usually will be sustained. Interior or furniture industry is the industry that is pretty much the culprit . Neither of furniture are made of particleboard , MDF and plywood . From these basic ingredients can be seen eating the quality of furniture , which most people know counters renowned big and already has branches in average throughout Indonesia cities actually coined kualiatas far below the Renovatio . Renovatio is a new company that is not known to most people and certainly personalities of different people. Renovatio is a company engaged in the field of furniture that is not yet widely known by the public that this company dikarnakan newly established one year ago , the reason the company was founded because looking at opportunities in a pretty good Samarinda in Samarinda dikarnakan competitor itself is still relatively low or little because still many who are engaged in similar business .

Faktor Internal	Keterangan	Kode	Modus
Harga Produk	Harga dan pengerjaan sesuai	K1S4, P1S2, P2S2	3

	Harga menengah Keatas	K3W4, A1W1	2
Jenis Design	Model dan Inovasi yang bagus	K2S4, K3S1, K3S4, P1S1, P2S1, A1S1	6
Kualitas Pengerjaan meubel	Client puas dengan hasil kerja	K2S3, A1S3	2
Promosi	Promosi masih kurang kreatif	A2,W3	1
Service/pelayanan	Pelayanan yang baik sehingga menimbulkan kepercayaan,cepat tanggap. Kurangnya Alat peraga	K1S2, K2S2 K3W1	2 1
Pemasok	Memiliki pemasok tetap dan bisa bekerjasama	Q1S1, Q1S2, Q2S1, Q3S1	4
Jenis Finishing	Memiliki jenis finishing yang masih diminati client dan bervariasi. Masih kurang memahami jenis lain,	K1S1, K2S1, P2S3 P1W1	3 1
Waktu pengerjaan	Waktu pengerjaan yang cukup lama	K1W3	1
Manajemen SDM	Kurang mengontrol tukang Memiliki tukang yang Profesional	K1W1,K1W2, K3W2, A2S1, A2S2	3 2

Renovatio is a company engaged in the field of interior and furniture that has stood for more than 1 year , but the internal condition peeusahaan masi relatively weak because everything can not be in percayaka to other workers and do not have a showroom to exhibit the work .
Core competencies obtained from the capabilities that meet the criteria Vrin can be summarized in the following table :
Renovatio product is a product that is not widely known by most people in samarinda still relatively new because although many people know about the function of the needs of the interior , but because the same reason , the Renovatio is very vulnerable to competitors that already exists and has been have a fixed client
The next step according Nilasari (2014) is to determine the company's strategic position by combining the results of the Internal Factors Evaluation (Table 5.4) and external factors (Table 5.5) . Results of analysis with EFI table gives the figure of 2.07 , while the analysis of Table EFE produce figures of 3.09 . Here the picture in the matrix IE
According to the results of matrix calculations IE as in figure 5.2 , the Company is in a position Renovatio Grow and Build , which is still a potential market conditions and the company still has plenty of room to grow . Conditions today are very similar companies with less quadrant "question mark " on the BCG matrix (Umar , 2010; 82) , which dominated the market share is still relatively low , while the high industrial growth . Cash flow needs are still high, while cash generated is still low.

CONCLUSION

Strategic analysis is a very important thing to do every small or big business (Tuhardjo, 2011). Previous studies showed that through the analysis of external and internal environment, companies can acquire strategies that can later be applied to help provide direction and prepare the company to face increasingly fierce competition. A company established for more than a year and a half is aware that a similar competition in the industry is getting tougher and the number of new competitors. This study is designed to help companies identify strategies that can be implemented through internal and external analysis.

Of extracting data compiled from the interviews of 10 informants. The position of the company when viewed from the external side is in a position strong enough, where scores for the external evaluation shows the number of 3.09. This illustrates the interior furniture industry is still attractive because growth of rapid development and become a necessity for everyone. Meanwhile, in terms of internal, companies are in a fairly weak position, but is still included in the average, seen from the scores of Internal Evaluation factor that shows the score of 2.07. In IE matrix calculation which is in the stage of further analysis in the analysis calculation strategy, the company is in quadrant II which shows that the company is at a stage Grow and Build.

Porter's Five Forces analysis revealed that the company that is the biggest threat comes from the bargaining power of buyers and suppliers bargaining power. Interior and furniture industry is constrained by the scarcity of wood base plywood and consumers who holds a regular customer. Opportunities terhadapa development company located on finishing and also competition in samarinda which has not been so great. Analysis of Resource-based View illustrates that the internal position of the company are quite weak but there sauatu core competition which can be exploited by perusaah namely price and quality of the products produced.

Strategies that can be applied by the company that is based on an analysis of Internal and External Intensive strategy that the company is market penetration, market development, or product development.

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THE INFLUENCE OF SERVICE QUALITY ON CUSTOMER SATISFACTION IN ACUPUNCTURE THERAPY BUSINESS

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ABSTRACT

Acupuncture Therapy engages in healthcare service with a specialty in acupuncture treatment. The business has grown over time through word-of-mouth customer promotion. Many customers recommended traditional acupuncture as a healthcare alternative to their friends and relatives. Customer satisfaction is considered as the most important factor to keep and maintain a business, especially service-based business. Customer satisfaction is highly dependent on service quality. Additionally, it is also important to understand customer's desires and expectations. This research uses the five dimensions of service quality in SERVQUAL, namely Tangibles, Reliability, Responsiveness, Assurance, and Empathy with the aim to determine and analyze the influence of service quality and its dimensions. The purpose of this research is to determine and analyze the significance of the five dimensions of SERVQUAL on the customer satisfaction of acupuncture therapy business.

Research results empirically proved that the SERVQUAL dimensions of Reliability, Responsiveness, Assurance, and Empathy have significant impacts on customer satisfaction. Meanwhile, the Tangibles dimension had a less significant effect on customer satisfaction. This research is beneficial for the development of healthcare service business anywhere, both for acupuncture therapy in general and healthcare service in particular.

Keywords: Healthcare, Acupuncture, Service quality, Customer satisfaction, Servqual, Tangibles, Reliability, Responsiveness, Assurance, Empathy

INTRODUCTION

Background Research

Acupuncture Therapy engages in healthcare service with a specialty in acupuncture treatment. The business started around December 2012 and The business has grown over time. The growth of the business can be seen from the increase in the number of patient visits since December 2012 - May 2014.

Quoted from the article in Kaltim Post (2013), the potential of the healthcare industry in Indonesia is still far from saturation point. The condition was supported by more rapid

economic growth than the growth of the hospital. With this situation, Indonesia shopping in the health sector is predicted to reach USD 60.6 billion (Rp 589 trillion) next five years. It was submitted by Hannah Nawi as the *Associate Director of Healthcare Practice Asia Pacific Frost & Sullivan*. According to him, Indonesia is a country with the highest growth potential in Southeast Asia about spending and health care products. Therefore, the growth of the Indonesian economy continues to grow as the rapid population growth. Seeing these data, business in the field of health, namely health care services such as acupuncture have an excellent opportunity to develop.

Acupuncture is a business engaged in the field of health care services. At businesses engaged in services that do not involve the exchange of goods and transfer of ownership, the company sells products and services as its main commodity. In any business, customer satisfaction is the most important thing to consider. Satisfied customers will have a positive impact on the growth of the company.

Seeing the importance of the influence of service quality to customer satisfaction, it is very important to know what the customer desires, how the customer views on the current business environment. After knowing how the customer views on current business conditions, it would be possible to create strategy to improve the service quality of acupuncture therapy.

Formulation Of The Problem

The problems of this study:

1. Is service quality have significant influence on customer satisfaction in business services acupuncture therapy in Surabaya?
2. Are there any significant effect between the tangible dimension in service quality by using the method according to Parasuraman servqual to customer satisfaction.
3. Are there any significant effect between the dimensions of empathy in the quality of service by using the method according to Parasuraman servqual to customer satisfaction.
4. Are there any significant effect between the dimensions of responsiveness in service quality by using the method according to Parasuraman servqual to customer satisfaction.
5. Are there any significant effect between the dimensions of reliability in service quality by using the method according to Parasuraman servqual to customer satisfaction.
6. Are there any significant effect between the dimension of assurance in the quality of service by using the method according to Parasuraman servqual to customer satisfaction.

Research Purposes

The aim of this study:

1. To identify and analyze the effect of service quality with customer satisfaction in business services acupuncture therapy in the city of Surabaya.

2. To identify and analyze whether tangible dimension of service quality according to Parasuraman had a significant impact on customer satisfaction in business services acupuncture therapy.

3. To identify and analyze whether empathy dimensions of service quality by Parasuraman had a significant impact on customer satisfaction in business services acupuncture therapy.

4. To identify and analyze whether the dimensions of responsiveness of service quality according to Parasuraman had a significant impact on customer satisfaction in business services acupuncture therapy.

5. To identify and analyze whether the reliability dimension of service quality according to Parasuraman had a significant impact on customer satisfaction in business services acupuncture therapy.

6. To identify and analyze whether the dimensions of service quality assurance according to Parasuraman (service quality) that had a significant impact on customer satisfaction in business services acupuncture therapy.

Limitations Research

Limitations of the study:

1. Respondent is the entire customer service business acupuncture therapy which has different backgrounds, ranging from age, gender, social status background, and economics that could affect the answers of respondents to the research instruments.
2. Because it uses quantitative methods using questionnaires research couldn't dig deeper about the hopes and desires of customers regarding of service quality.
3. Customers are used in this study there who have used the services of up to dozens of times, and there were only a few times only use the services of therapy, it is certainly affect the customer's ratings in services.
4. This study is limited by the use of the method developed by Parasuraman servqual to examine and analyze the influence and significance of the dimensions that exist in servqual developed by Parasuraman.

THEORETICAL BASIS

Services business according to Kotler (2000) in Heruwasto and Aprilia (2012), is any act or deed offered by one party to another party, which is essentially intangibles (intangible physical) and produces no ownership of anything. Production services may be associated with physical products and non-physical. Service transactions will not result in a transfer of ownership, and a product or service can involve or not involve any physical product.

Research conducted by Heruswanto and Aprilia, (2012) entitled "Determinants of customer satisfaction and loyalty in the cost of services: studies on lion water users", which has the purpose of research to determine the effect of the five dimensions of service quality to customer satisfaction. This study uses a quantitative approach with a descriptive research with the method of data collection by cross sectional. The method used in this research is multiple linear regression analysis. Population of this study is that all customers who use the services of Lion Air flight. Samples taken in this study amounted to 100 respondents with the percentage of male and 50% female. Results from this study is proven empirically if assurance and empathy factor driving customer satisfaction.

Research conducted by Siddiqi, (2011) with the title of "interrelations between Service Quality Attributes, Customer Satisfaction and Customer Loyalty in the Retail Banking Sector in Bangladesh", with the aim of research to identify important factors of service quality to customer satisfaction and the relationship of quality of service with customer satisfaction of retail banking business in Bangladesh. The number of samples taken in this study of 100 people. Results from this study explains that the whole dimension in service quality has a positive effect on customer satisfaction.

Quality of Service

According to Grönroos (2000) in Siddiqi (2011), the service is defined as, a process which consists of a series of activities that intangible that happens (not necessarily always) in the interaction between the customer and the service provider. Mudie and Pirrie (2006) in Siddiqi (2011) states there are certain aspects of the service, that is: Intangibility, Inseparability, variability, and perishability.

According Virgiyanti et al. (2010), today the quality of service becomes an important subject area considered in the policy of the company so the company can have advantages over competitors and more competitive in competition with competitors. In business engaged in the

field of services, service / hospitality, quality of service is one important factor, this is because the company does not provide a product service or goods that can be seen, and there is no transfer of ownership, but the company gave a certain experience to the customer , Customer experience / customer experience that customers felt that is the main commodity that given the company to customers, so as to maintain a company engaged in the field of services, companies need to maintain and even improve the quality of service. According to Parasuraman, et al in Virgiyanti et al. (2010), the company which is engaged in the service, the quality of a company is determined by the quality of service. If the quality of service companies ordinary - ordinary, the service providers included in the group companies are mediocre.

According to Lewis and Booms in Heruswanto and Aprilia (2012), quality of service as a measure of how well the level of services provided in accordance with customer expectations. Meanwhile, according Tjiptono in Heruswanto and Aprilia (2012), quality of service is the expected level of excellence and control over the level of excellence to meet customer desires.

Fogli (2006) in Siddiqi (2011), defines the quality of service as "An attitude relating to certain services; customer views and impressions that arise against the company if the company is inferior or superior. The quality of service is a result of cognitive assessment of the customer.

Parasuraman et al. (1988) Siddiqi (2011), states that Servqual can help service and retail companies obtain information about the expectations of the company. This method can be focused to obtain important data about any core areas that need attention and enhanced to improve the quality of service. There are several dimensions in SERVQUAL by Parasuraman is tangible, reliability, responsiveness, assurance, and empathy. This study will use five dimensions proposed by Parasuraman servqual.

Tangibles

According to Parasuraman, and Zenithamal in Heruswanto and Aprilia (2012), the tangibles constitute physical evidence of the company, namely the ability of a company to demonstrate its existence on the external side.

Reliability

According Zenithaml et al. in Naik et al. (2010), reliability is the company's ability to deliver as promised services accurately and reliably. The service provided must be in accordance with customer expectations and answer the customer's wishes.

Responsiveness

According to Mohammad Parasuraman (2011), responsiveness is a willingness to help and provide fast service (responsive) and the right to the customers. This service is also accompanied with a clear delivery of information to customers. Let customers wait for no apparent reason can lead to a negative perception of the quality of service.

Assurance

According to Parasuraman in Sutanto (2012), assurance is an amalgamation of dimensional communication, competence, courtesy, credibility, reliability, and security for the dimension - the dimension has a very strong relationship. According to Parasuraman, and Zenithamal in Heruswanto and Aprilia (2012), assurance is an assurance and certainty provided to customers who can include knowledge, kesopan compensation, and the ability of the workforce in a company to gain confidence of customers to the company.

Empathy

According to Parasuraman in Mohammad (2011), empathy can be interpreted as an effort to know and understand the needs of individual customers. The company's attention to the

customer can be realized by providing easy access to enterprise customers, the fabric of good communication between the customer and the company, and services to individual customers well.

Customer Satisfaction

Quoted from Mitall and Kamakura in Mosahab et al. (2010), satisfied customers will probably tell others about the experience - the experience that they have felt. Campaign carried out by the customer can be either positive testimonials about the company (positive word of mouth), recommend the company to prospective customers who have similar needs, and provide referrals to the company to prospective customers.

According to Oliver in Heruswanto and Aprilia (2012), was linguistically satisfaction comes from the Latin meaning that satis enough and facere do or make more than adequate. Based on this linguistic approach can be interpreted that the satisfaction of goods and or services that can provide an additional better value when compared with customer expectations. According to Oliver in Kursunluoglu (2014), satisfaction is a level at which a transaction is able to answer the needs of customers.

Relationship between Variables

Variables - the variables used by the authors in this study is the variable quality of service and customer satisfaction in conjunction with acupuncture therapy services.

According to Parasuraman in Kursunluoglu (2014), Heruswanto and Aprilia (2012), Naik et al. (2010), Mohammad et al. (2011), Mosahab et al. (2010), SERVQUAL scale which includes five dimensions as tangibles, reliability, responsiveness, assurance, and empathy developed to measure the quality of service in a setting of pure services such as banking and health care, while the Retail Service Quality Scale method was developed to measure the quality of services in conjunction with businesses that involve the exchange of goods.

Acupuncture is engaged in health care services and includes businesses that do not include the exchange of goods, therefore, refers to the theory mentioned above, this study will use SERVQUAL method of Parasuraman to analyze the data. This study will use the dimensions of tangibles, reliability, responsiveness, assurance, and empathy as a variable.

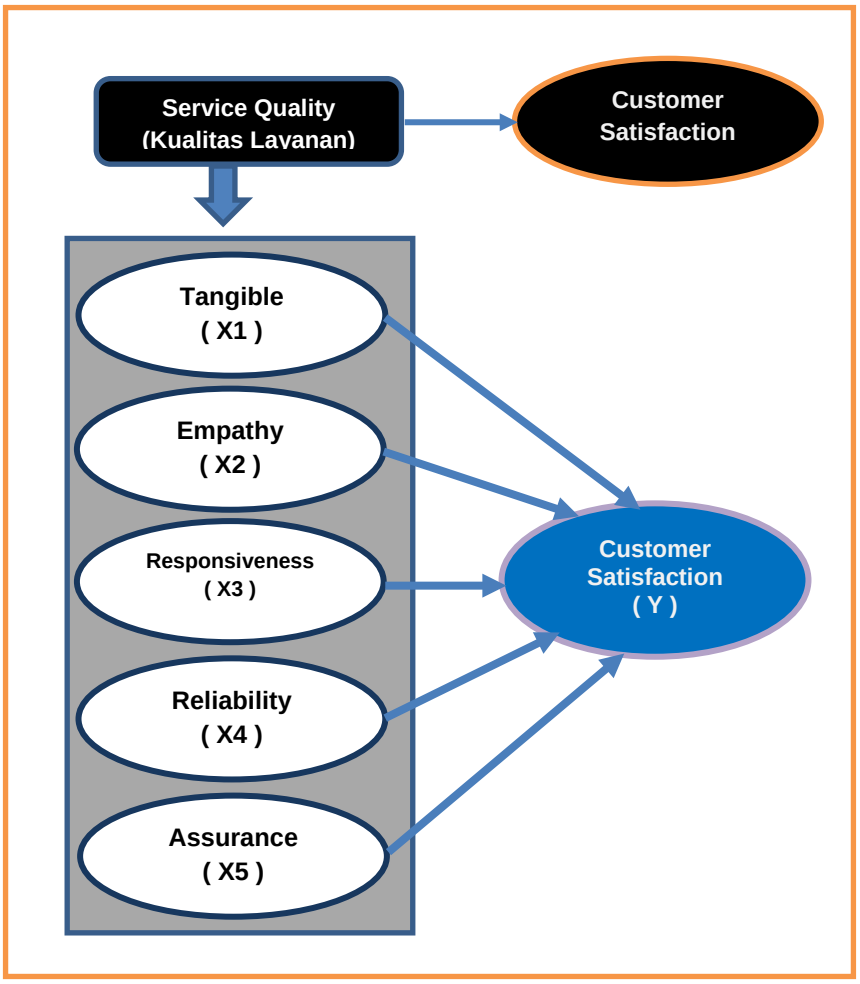

Figure 1. Analysis Model

Hypothesis

Based on the theory that has been studied, then obtained the following hypothesis:

H1: There is a positive influence in the quality of service to customer satisfaction.

H2: There is a significant relationship between tangible dimensions in service quality to customer satisfaction.

H3: There is a significant relationship between the dimensions of empathy in the quality of service to customer satisfaction.

H4: There is a significant relationship between the dimensions of responsiveness in service quality to customer satisfaction.

H5: There is a significant relationship between the dimensions of reliability in service quality to customer satisfaction.

H6: There is a significant relationship between the dimensions of assurance in the quality of service to customer satisfaction.

RESEARCH METHODS

This research was conducted using a quantitative approach using data analyzed using software media (software) SPSS statistics.

Place and Time Research
This study took place in the city of Surabaya by taking time study in April 2015. Respondents were selected in this study are those customers who have been using acupuncture therapy services some 47 people.

Sampling method
Selection of the sample in this study will use a sampling technique using probability sampling method with saturated sample method. Saturated sample selected in this study because the overall number of subscribers to the service H acupuncture therapy in the period December 2012 - May 2014 amounted to less than 100 people, so the sampling saturated still very possible.

Method Of Collecting Data
According Kuncoro (2013: 145), the data is a set of information that is in the business sense, the data is a set of information needed for decision making. Viewed from the side of data collection, the data is separated based on the data source from which the data was obtained. Primary data is data collected from primary sources of information providers first, the research of satisfaction, the primary data source is the users of the goods or services. Data was obtained by surveying the field by providing research instruments such as questionnaires to customers directly acupuncture therapy.

RESEARCH RESULT
From the results of this study found the following results:
1. The dimensions of tangibles in the quality of service does not have a significant impact on customer satisfaction. Although this dimension does not have a significant effect, but if the dimensions are not addressed, repaired and developed, H acupuncture therapy services business is also difficult to develop a better direction.
2. Dimensions reliability in service quality has a significant impact on customer satisfaction. Therefore for H acupuncture therapy services businesses must continue to maintain and improve the reliability dimension to satisfy the users of services of acupuncture therapy H.
3. Dimensions responsiveness in service quality has a significant impact on customer satisfaction. Therefore for H acupuncture therapy services businesses must continue to maintain and improve the responsiveness dimension to satisfy the users of services of acupuncture therapy H.
4. Dimensions of assurance in the quality of service has a significant impact on customer satisfaction. Therefore for H acupuncture therapy services businesses must continue to maintain and enhance the assurance dimension to satisfy the users of services of acupuncture therapy H.

5. The dimensions of empathy in service quality has a significant impact on customer satisfaction. Therefore for H acupuncture therapy services businesses must continue to maintain and increase the dimensions of empathy to satisfy the users of services of acupuncture therapy H.

CONCLUSION
Customer satisfaction is strongly influenced by the quality of the service, therefore to attempt acupuncture therapy services H must continue to maintain the quality of service so that customers can feel satisfied and then these businesses can grow.
To develop acupuncture therapy services business, management should begin to improve tangibles dimension. Tangibles dimension can be improved gradually, ranging from the

provision of therapeutic tools that have the appropriate quality and usability at an affordable price to support therapies such as infra-red lamp, electro stimulator, moksha, and so forth. For the tangibles dimension that also affects the responsiveness necessary to provide a hand bell to call the therapist when customers feel discomfort when therapy is done, so that the therapist can immediately help treat patients / customers who feel less comfortable when therapy is done. For further development in tangibles dimension can be done by providing therapeutic bed shaped seat that can be set and adjusted for patient comfort when therapy is done.
To improve the management assurance dimension should follow a variety of forums, workshops or seminars on health and medical equipment to improve the knowledge and skills of the therapist so that better service to customers and displaying hard copy therapist diploma, diploma seminars and workshops on health, followed therapist, licenses practice, and registration letter that has been authorized by the Ministry of Health of Indonesia so that the customer / patient first came can be more confident and sure of the credibility of the therapist.

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THE INFLUENCE OF MOTIVATION ON CUSTOMER PURCHASING DECISION IN *GIFT STUDIO* WITH PERCEPTION, SUBJECTIVE NORM, AND PURCHASING INTENTION AS INTERVENING VARIABLES

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ABSTRACT

Gift Studio engages in the creative industry. The company's main products are customized gifts and souvenirs made by customer request. Before making a purchase, customers usually have certain motivation. The motivation is then followed by purchasing intention, which ultimately leads to purchasing decision. Based on this observation, this research aims to analyze the influence of motivation on consumer purchasing decision with perception, subjective norm and purchasing intention as intervening variables.
The purpose of this research is to find evidence on the influence of motivation on consumer purchasing decision with perception, subjective norm and purchasing intention as intervening variables. The samples in this research consist of 186 respondents with sampling criteria of potential customers and Gift Studio customers in 2014 who have made purchases. Each respondent was asked to fill out the questionnaire once. The variables used in this research are motivation as exogenous variable, purchasing decision as endogenous variable, and perception, subjective norm, and purchasing intention as intervening variables. The data analysis method used in this study is Partial Least Square Structural Equation Modeling (PLS-SEM) analysis.
The result of the PLS-SEM analysis suggests that motivation affects perception and subjective norm, which then affect purchasing intention. Ultimately, purchasing intention influences the purchasing decision in Gift Studio.

Keywords: Motivation, Perception, Subjective Norm, Purchasing Intention, Purchasing Decision

INTRODUCTION

The average contribution of value-added gross domestic product (GDP) sub-sectors of the creative industry in Indonesia has a good percentage and increased from 2002 to 2014. This shows that businesses based on creative industry have opportunities and favorable market

conditions. In fact, the sub-sectors of creative industry that are ranked as the third largest percentage in contributing value-added of GDP are fashion, art and craft, and advertising.
Gift Studio is a company based on creative industry and was established since 2012. Main products sold by Gift Studio are gift and souvenir products, which are assembled or customized according to customer demand. Marketing media used by Gift Studio is an online media and personal selling. Online media used include website, blogspot, instagram, and blackberry messenger; while personal selling include word of mouth, exhibition, and offering proposals or letters of cooperation.

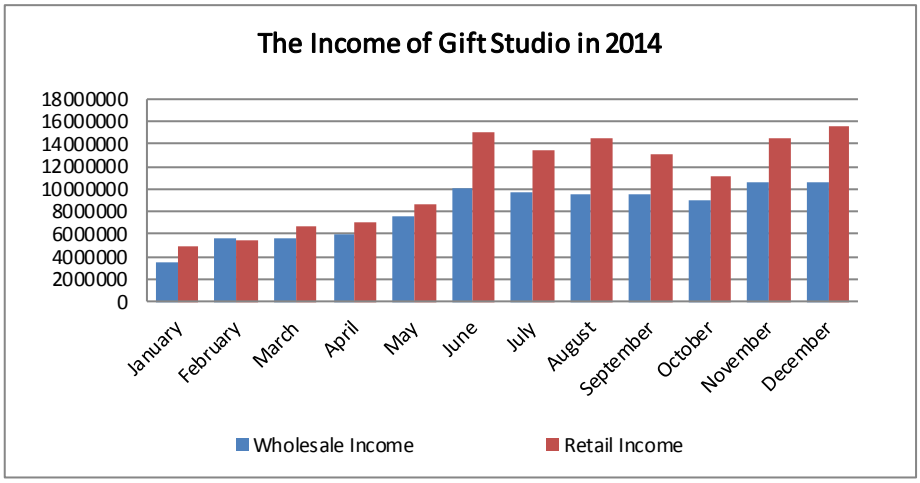

Figure 1. The Income of Gift Studio in 2014
Source: Data were processed in 2014

Figure 1 shows that the retail income of Gift Studio is more volatile than wholesale income. Therefore, the problem in this research is focused on retail sales, in which kind of customer retail sales in Gift Studio is the end user.

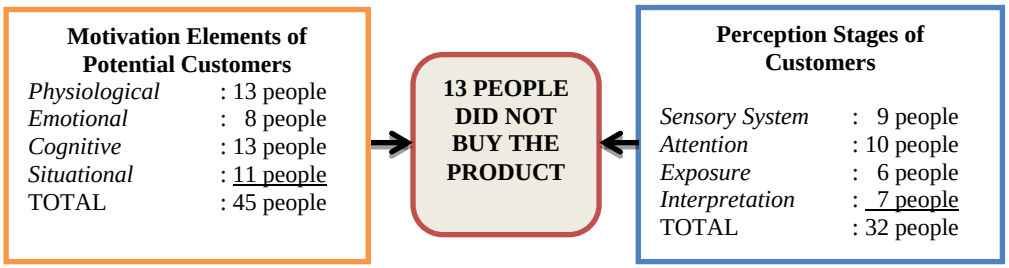

Figure 2. Pra-Research or Pilot Test of Gift Studio
Source: Data were processed in 2015

After holding a survey of pra-research with two stage questions that are categorized in the motivation elements of potential customers and customer perception stages, it can be concluded that a person who is planning or intending to buy at Gift Studio is not necessarily decided to buy at Gift Studio. From the results shown in Figure 2, 13 people cancelled purchasing products in Gift Studio whereas previously they planned to buy at Gift Studio.

LITERATURE REVIEW

Intention and Purchasing Decision

Consumer purchasing intention is a personal thing and is associated with individuals who are interested in an object, in which the individual would have the strength or the urge to perform a series of actions in order to approach and get the object (Simamora, 2011: 232). Meanwhile, consumer purchasing decision related to consumer behavior in determining the option and purchase. Consumer buying decision process is an integrated process which is a combination of knowledge that is used to evaluate the behavior of two or more alternatives, ended by choosing one of them (Peter and Olson, 2010: 160).

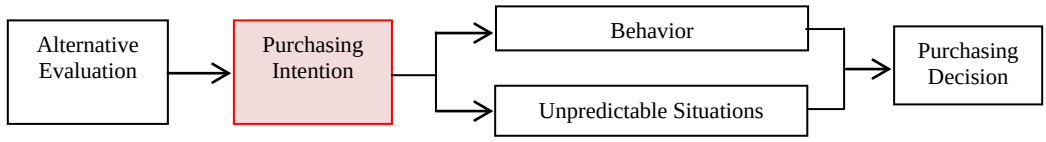

Figure 3. Stages of Consumer Purchasing Decision
Source: Kotler and Keller (2012)

F
igure 3 shows that there are some stages of purchasing intention between the alternative evaluation and purchasing decisions. Some basic concepts in the alternative evaluation phase that underlying the purchasing intention are (Kotler and Keller, 2012: 237):

1. Consumers try to fulfill need
2. Consumers look for specific benefits of the product solution.
3. Consumers look at each product as a set of attributes with different capabilities in delivering the benefits to satisfy their needs.

Alternatives evaluation reflects the beliefs and attitudes. Confidence is the foundation of thought or encouragement of a person to achieve goal, while an attitude is evaluation, emotion, favorable or unfavorable action tendencies, and last long in a person towards a particular object or idea (Kotler and Keller, 2012: 238).

Results from a study shows that there is an influence of consumer purchasing intentions on consumer purchasing decisions (Wiyana and Japarianto, 2014: 1). This suggests that if a person has the desire and confidence to buy, then it will constitute a decision to buy.

Theory of Planned Behavior (TPB)

Theory of Planned Behavior (TPB) is a behavior model that estimates the interest or intention of a customer to perform a behavior or action. Model Theory of Planned Behavior (TPB) is a development form of the model Theory of Reasoned Action (TRA) and the multi-attribute model of Fishbein (Sumarwan, 2011: 187).

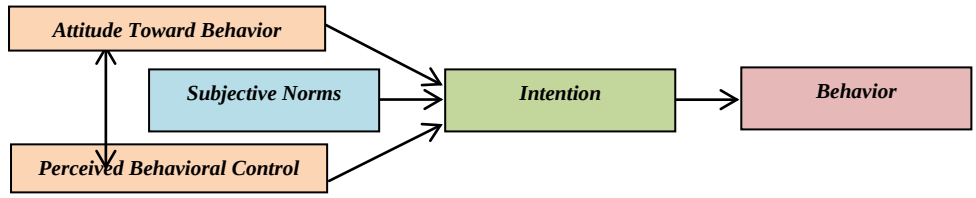

Figure 4. Theory of Planned Behavior
Source: Sumarwan (2011)

Figure 4 shows that the intention or interest is influenced by three main factors, which are the attitude towards behavior, subjective norms, and perceived behavioral control. The intention or interest of someone will affect a person's decision.
Perceived behavioral control is formed from the power of control factors which include experience with an object or attitude and information obtained from various sources, where someone will evaluate the advantages and disadvantages of the factors that have been experienced so that it will encourage the formation of motive or intention to meet the real needs (Sumarwan, 2011: 186).
Subjective norm is shaped by the belief that others expect so that it will affect someone's action. In forming subjective norms, beliefs about what behaviors are normative (expected others) in a person will be driven by the motivation of a person to act in accordance with the normative expectations (Anwar, 2015: 12).
A research shows that there is an influence of subjective norm on consumer purchasing intentions (Mandasari and Nurcaya, 2014: 1434). This indicates that the references from other people and willingness to follow the recommendations will affect consumer purchasing intentions.

Motivation
Someone's motivation is based on the needs and desire of the person. Needs are the basic forces that motivate someone to do something, in which case it will be related to physical well-being, perspectives, and relationship with others. Desire is a requirement learned during life, such as interest in products that can increase the person's pride such as a fashion item that has a specific brand (Cannon et al, 2013: 184).
Needs will appear at certain times, caused by internal and external factors (Schiffman and Wisenblit, 2014: 99). The existence of unsatisfied need will cause a person to have the drive or arousal to meet their needs. Some impulse or arousal based on a person's needs comes from the physical, emotional, cognitive, and situation or environment surrounds.

1. Physiological Arousal
   Physical arousal is an arousal in which one would seek the satisfaction of unfulfilled need, according with what is desired or required.
2. Emotional Arousal
   Emotional arousal is an arousal in which a person will have certain criteria or imagination in performing an action, to eventually achieve a goal that satisfy him.
3. Cognitive Arousal
   Cognitive arousal is an arousal in which someone will have a particular desire after seeing a condition or event, such as advertising or a particular campaign.
4. Situational Arousal
   Situational Arousal is an arousal in which someone will have a particular desire at the time when affected by environment surrounds in a given period.

Motivation is one of the responses that emerged as a result of stimulation within oneself, wherein the stimulation derived from the object seen or felt by the person. Motivation can be one of the factors that influence the perception because perception comes from the vision and accepted objectives, as well where perception of a situation occurs (Setiadi, 2014: 95).
Results from a study stated that there is an influence of motivation on consumer perceptions (Newman and Japarianto, 2014: 2). The desire or motivation to achieve the satisfaction or objectives will inevitably lead to an image or perception of a particular object in which the object is identical with the satisfaction or the expected goals.

Perception

A perception is more important than the reality because perception can determine a person's behavior or actions. Perception is a process initiated by the exposure of consumers by paying attention to certain stimuli and finished with an interpretation or a particular view (Hawkins and Mothersbaugh, 2010: 278).

The existence of a stimulus will lead to the stages of perception. A perception is divided into four stages which are sensory systems, attention, exposure, and interpretation (Hawkins and Mothersbaugh, 2010: 279). Furthermore, some explanations of the stages of perception are:

1. Sensory Systems
   Unique sensory qualities which will lead to a good response or sensation. Sensation is a direct response from a person's sensory organs to a stimuli.
2. Attention
   Attention occurs when a stimulus activates some receptors sensory nerve sensations and results will be processed in the brain. Attention can cause a person to get more information than their sensory abilities.
3. Exposure
   Exposure occurs when the stimulus comes in a variety of sensory receptors of someone. Consumers concentrate on some specific stimulus that sometimes are not aware of others, and even ignore some messages.
4. Interpretation
   Interpretation is a meaning or responses given by someone of what is acceptable. Interpretation from one person to another will be different, depending on what they need.

A study shows that there is a perception influencement of the consumer purchasing intentions (Newman and Japarianto, 2014: 2). A consumer will have the object or perception about a particular product or brand before the consumer has the desire to buy.

Hypothesis

1. H_1 = Motivation of customers (MK) has influence on customer perceptions (PK) in the online store of Gift Studio.
2. H_2 = Motivation of customers (MK) has influence on the subjective norm (NS) in the online store of Gift Studio.
3. H_3 = Perception of customers (SR) has influence on customer purchasing intentions (NPK) in the online store of Gift Studio.
4. H_4 = Subjective norm (NS) has influence on customer purchasing intentions (NPK) in the online store of Gift Studio.
5. H_5 = Intention customer purchases (NPK) has influence on customer purchasing decisions (KPK) in the online store of Gift Studio.

RESEARCH METHODS

Research to be conducted is a quantitative research. Quantitative research is a research approach that is objective, covering the collection and analysis of quantitative data, and using statistical testing methods (Silalahi, 2012: 76). The method used is the method of partial least square structural equation modeling (PLS-SEM).

The population used in this study are prospective customers and customers of retail products Gift Studio from January to December 2014. Total population used in this study are 395 people, consist of 25 people who buy in bulk and 370 people who buy in retail. The sampling technique used in this research is purposive sampling (non-probability sampling), which are the technique of determining the number of samples based on the intention and particular purpose (Sugiyono,

2013: 156). Furthermore, the sample used in this study amounted to 370 potential customers and consumers who choose Gift Studio as one of the reference places to buy gifts and will do purchasement of retail products through online media. The calculation of respondents' number based on the total sample using Isaac and Michael formula and the results of the number of respondents used in this study are 186 respondents.
This study consists of five research variables, namely consumer motivation variable (MK) as an exogenous variable; consumer perceptions (PK), subjective norms (NS), and consumer purchasing intention (NPK) as an endogenous variable intervening; and consumer purchasing decisions (KPK) as an endogenous variable dependent.

Data Analysis Techniques
Data analysis techniques used in this study consist of two types of analysis, which are:
1. Statistical Analysis
   Data analysis method used in this research is the method of Partial Least Square Structural Equation Modeling (PLS-SEM). PLS-SEM model usually consists of two sub-models: a structural model or inner model and measurement model or outer model.
2. Management Analysis
   Management analysis in this study uses the formula of 'The Just Noticeable Difference Threshold '(JND). Weber's Law states that the greater the intensity of the initial stimulus, the greater the amount of change in the stimulus needed so that the difference of the second stimulus with the initial stimulus can be felt. One of the examples of the application of Weber's Law is the determination of the price change between the two products or cash discount, where the changes can be perceived by a consumer (Solomon et al, 2014: 47).

RESULT
The result of research is divided into two parts, which are the results of statistical analysis and management.
Results of Statistical Analysis

Table 1. Path Coefficients (Mean, STDEV, T-Values)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (|O/STERR|)
MK -> PK	0.915717	0.915138	0.013110	0.013110	69.851330
MK -> NS	0.791244	0.795103	0.027805	0.027805	28.457352
PK -> NPK	0.586796	0.580255	0.091196	0.091196	6.434486
NS -> NPK	0.234747	0.244295	0.099353	0.099353	2.362748
NPK -> KPK	0.725261	0.729058	0.035276	0.035276	20.559562

Source: The study results were processed in 2015

Based on the results shown in Table 1, each value of the hypothesis on t-statistic has a greater value than 1.96. Therefore, it can be concluded that:
1. Motivation of customers (MK) influence customer perceptions (PK)
2. Motivation of customers (MK) influence the subjective norm (NS)
3. Perception of customers (SR) influence customer purchasing intentions (NPK)
4. Subjective norm (NS) influence customer purchasing intentions (NPK)
5. Customer purchasing intentions (NPK) influence customer purchasing decisions (KPK)

Management Analysis Results

Table 2. Just Noticeable Difference (JND)

Indicators	ΔI of Variables				
	MK	PK	NS	NPK	KPK
1	1,8817	1,8656	2,0430	1,8548	1,8710
2	2,1129	2,0806	2,0591	2,0376	2,0860
3	2,0968	2,0645	2,0806	2,1559	2,0538
4	1,9086	1,9194	-	-	1,9570
5	-	2,0968	-	-	-

Source: The study results were processed in 2015

ΔI value of variable MK, PK, NS, NPK, and KPK in Table 2 has a greater value than 0. Thus, respondents' answer for each existing indicator statement are qualified or indicators that are used in the research instrument are adequate to use.

CONCLUSION

Based on the results of data analysis and discussion in this study, hence can be concluded as:

1. Motivation of customers (MK) has influence on customer perceptions (PK) in the online store of Gift Studio.
2. Motivation of customers (MK) has influence on the subjective norm (NS) in the online store of Gift Studio.
3. Perception of customers (SR) has influence on customer purchasing intentions (NPK) in the online store of Gift Studio.
4. Subjective norm (NS) has influence on customer purchasing intentions (NPK) in the online store of Gift Studio.
5. Intention customer purchases (NPK) has influence on customer purchasing decisions (KPK) in the online store of Gift Studio.

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SUCCESSION PLANNING PT. TECH OIL INTERNATIONAL

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ABSTRACT

Family business plays a role and contributes greatly to the economic growth of the world in general and a country in particular. The focus of this research is directed at the succession planning process that will take place in PT. Tech Oil International. Succession planning process plays an important role in the sustainability of family business. To produce an effective successor candidate, the next generation needs to be involved in the planning process. Therefore, this study is aimed to describe the succession planning effectiveness at PT. Tech Oil International. This study uses qualitative approach. Interview is used as data retrieval method in this study. The validity of the study data was tested using triangulation technique of subject and time by interviewing the first generation of PT. Oil Tech International, the corporate secretary, and the general manager. Additionally, two triangulations were performed by asking the same questions in different language and time to the owner's wife and the prospective future generation. The findings of this research include education, gender, and professional mentoring. This research also suggests that the company has gradually performed succession planning. A good planning on future successors has also been done. The mentoring and professional coaching process has run smoothly and naturally. However, the company has yet to have an institutionalized training program.

Keywords: Succession planning, Family business

INTRODUCTION

Based on research Lorna (2011) obtained the fact that the company is a family business that will be deployed in the next generation in a family where the family will manage and control the business.

Most of the family company engaged in the ongoing conflict to compete for power within the company. Many of the problems surrounding the family business with respect to succession planning within the company. In general, the authorities realized that a family company with good planning will get the leader of the new company with good quality and acceptance of most of the
components supporting the family company.

FORMULATION OF THE PROBLEM

The focus of this research is directed at how the succession planning process that will occur in the PT. Tech Oil International.

How does the process of succession planning that existed at the PT. Oil Tech International?

EXPOSURE DATA

Succession Planning

In discussing succession planning, need to be discussed also support leadership and succession planning processes. Ward says that 40% of all companies in the world to anticipate or are facing the succession process at this time, the business delegation of senior generation that is being mastered business leadership and ownership to the next generation. Historically, approximately 50% of family firms fail to delegate it to the next generation.

Still according to Ward, about 25 years ago, only 5-10% of family firms in the United States owned and run by a team of siblings. The rest headed by single leaders, especially men. Today, 40-50% family firms in the United States will be owned & led by groups of brothers. The following illustration is an example of a fundamental trick in succession planning. In a family company, say there are 8 people sons and daughters (P1-P8), while the current generation there are 5 people. In connection with the election of the son or daughter of the crown, there are two fundamental errors that often occur. First, the criteria for the sons and daughters crown too quickly determined. In fact, all eight sons and daughters have had different conditions. Old Genereasi see there is one that stands out, say P3. Then P3 is said to be the crown prince. What happens, mutual envy. Commotion ensued, including between husband and wife.

Importance of Succession Planning

Speaking about the succession in family enterprise, the spirit and the baton was passed down to the next generation. Why is this important ?. First, because continuity is imperative prepared to prevent Prince Charles Syndrome. Prince Charles who are older than 50 years is still a crown prince, and we do not know when he would be king. While his mother, Queen Elizabeth, has been aged more than 70 years and there has been no sign down from the throne. If for example, his mother died at the age of 100 years, whether Prince Charles should wait another thirty years to become king? Second, if the first-generation pension or facing the Lord, the company is expected to remain good and running smoothly. The third reason is to maintain family harmony. If really it is time for the children to play a major role in the company, should the founder or owner started to write a book to share their experience and wisdom. It could also set up a foundation, teach and not struggling with the company again so that the children or the sons and daughters of the crown did not have Prince Charles Syndrome.

The syndrome is not to occur in the family company, if the next generation is ready and able to run the company, then the parents should leave the company. If this is not done then the business will become stagnant and could not soar because of the role of parents as the first generation still took part in the company and to think about is how to keep the second and third generation family company and can continue the baton smoothly transition, the Tech Oil International involvement of second generation is still accompanied by a professional as an alternative so that future generations do not experience the syndrome.

Indicators of Success Succession

Openness in the company also have an impact on employee performance, because with the openness of leaders able to hear and to know what is complained of by the employees. Employee complaints about anything that concerned the work will be bad for the company, with the openness, the leader will adjust to minimize or resolve employee complaints in order not to decrease the performance of employees who hedge loss in the company. With so employees will feel valued by the leader as welcome to express opinions and complaints about problems experienced.

Attention as well as freedom of speech given to employees like a treat employees or others like family also will have an impact on employee loyalty to the company. In addition to the attention of superiors and freedom of speech is given, a leader must provide rewards for employees who have contributed in advancing the company. While employees who have performed above average, both the company and the leader must give the employee the opportunity to take higher education and raise its position in the company. If a leader do that, then also increasing loyalty and greater contributions made by employees. In the presence of all these things, then there is no reason for employees not to take part in the process of advancing the company.

Research Findings

Education Being The Very Important

Initial stages can be done by the owner of the succession is the motivation, where motivation will be able to provide a great keingina for potential successors to replace the position of the owner of the company. The motivation that can be granted by the owner of the company exists in the form of a few percent of the shares of the company. But the way it still can not be said enough, pemilk should encourage and provide support for potential successors to study and pursue from the field of the company '. It required intensive assistance in order to be a worthy successor candidate to be the successor of the owner of the company

The next stage is the stage of education. In the process of preparing the company turnover throne holder, replacement candidate should prepare by improving pengatahuan knowledge and expertise so that later can be peganggan to lead the company. However, not only the education and skills necessary level but also ethics and personality is also very necessary. Because in all the work must meet other people and it certainly requires socializing.

Education is one of the things that are important today, especially education regarding business management. Education has also become a benchmark when a successor has been included in the company and become a leader. When the successor has a lower educational or not similar board of directors, it will be the talk by the subordinates who berdmapak on a reduced sense of respect among subordinates to superiors. Education also support the knowledge of the successor to the outline of the management company, the successor of education also mempu create strategies and make decisions for the company. Their knowledge of education that has been taken, the successor to at least know the management of the company broadly useful to know that fraud will be carried out by parties from within the company.

The graph below shows the preparations are being made to support succession planning. As many as 40% of respondents send a potential successor to the bachelor or master, 34% began to involve a potential successor in the activity of the company, 12% to involve in the job training in the company. Other preparation is to include them in Intership (internship) in another company and informal training (each 6%), and there were only based on the support of senior (1%) and the charisma or competence concerned (1%).

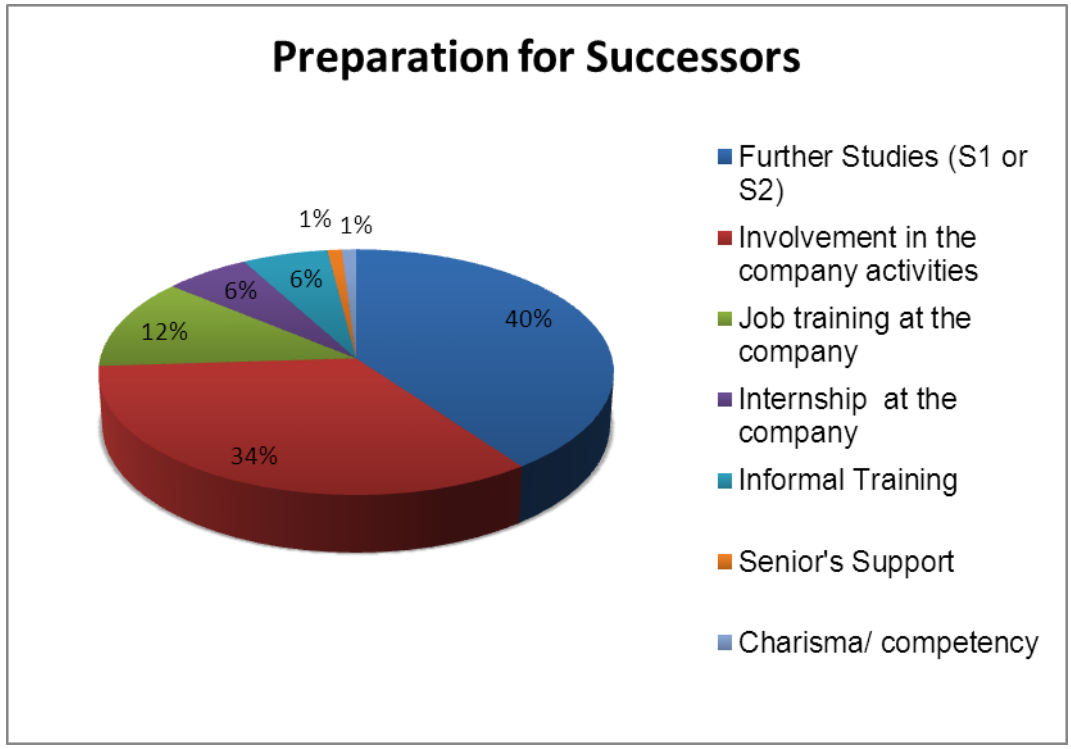

Figure 1. Preparation for the Successor

Second Generation involvement accompanied by Professional

The success of succession in family businesses should start before the successor in full control of the company through succession planning that has been designed by the previous generation. Stages succession planning requires a long process for the previous generation, therefore succession planning should be considered carefully. Indicators of success succession is very important to note because without it can not achieve success in a company succession. Some indicators that exist in the company Tech Oil International which could work together on the next generation and can regulate employees, managers and finance because employees are a major asset in the company, is expected to be the next generation of loyal, employees work cooperatively toward delegating such work carelessly , the next generation who have also had to be replaced legowo, and the approval of the family of the person who was appointed as successor.

For prospective successor of the second generation, the figure is often referred to as a "pioneer of independence", namely senior employees who co-founded the Vendor as a mentor will help speed up regeneration. They are friends or people who have a close relationship with and emotional closeness with the company's founder. The values instilled by founder is ingrained in them, although competence may be lower. "Pioneer independence" is generally ripe not just hammered age but also the experience that tends to wise and suitable acts as a liaison between the founder and the next generation. Mediation is very helpful to reduce the friction that may occur between the founder and the prospective successors.

"Pioneer independence" could play a role not only in the phase of preparing leaders next regeneration but also accompany, say as an advisor. This position is more secure than the conflict compared to eg structural positions within the company. If the "Pioneer independence" is still structural positions within the company, there are likely to impede the advance of the

company because of their age and competence as well as the absence of a willingness to change. If this advisory role has been deemed not fit as well, "pioneering independence" can be placed on public awareness activities through the values, ethics, and practices of a company that merges life in society.

Gender differences Highly Influential in PT. Tech Oil International

According to the United Nations Development Programme in 1997 as many as 500 large companies in the world known to only 12 of them are run by women CEOs. What numbers are staggering, as well as a very high disparity between women and men who occupy positions on a corporation (CNNMoney, 2011). These companies such as Yahoo, Xerox, Pepsi, KraftFoods, etc. Studies conducted Hansen and Ibarra (2009), published in the Harvard Business Review also shows that from 2000 the company's leadership, found as many as 1.5% of women CEOs. According to this study, the difference in the treatment of female employees in high positions become the main reason why the number of women in CEO positions is very low. First, women who occupied the post of CEO mostly placed when the company into bankruptcy so that women will replace men. Second, senior executive women are still concentrated in the areas of consumer goods and media. Yet many women occupy important positions Emitter company engaged in fields such as computer technology, biotechnology, heavy equipment industries. Third, the role of the media is very gender bias in the appointment of the CEO giving women than men.

Hartmann (1976) and Walby (1986) in Jackson (1998: 30) calls patriarchy is based on the control of men over women work. Hartmann further using historical analysis that development is characterized by the capitalist and patriarchal society has an impact on gender discrimination-both at home and at work. The social position of men are much more profitable so as to prevent women entering the types of work that requires skill and a decent wage that marginalize them in the labor market. A vicious cycle that traps women in disadvantage in penetrating the labor market is forcing women to rely on the marriage in order to survive. Through marriage, female household domestic service exchange with their living expenses. Because the burden is very heavy domestic work, women end up being unable to compete in the labor market on an equal footing with men. Thus these misfortunes continued bondage socially reproduced through marriage. Women as a set of cheap labor, flexible, easily removed and fired.

According to data from the year 2013 on training institutions and events based in London, Terrapinn, launched 15 most influential women in the world are engaged in the sectors of oil and gas industry. Content Executive Terrapinn, Cristina Lando, stated, despite the oil and gas industry is still dominated by men, the number of women working in this sector continues to grow over the last few years. This list shows the women managed to penetrate the boundary, reaches a management position, and make a major contribution in the oil and gas sector in Terrapinn page. These women lead the world oil and gas companies and prove that the energy sector can also be done by women. They can be a role model for many women in the world.

RESEARCH METHODS

The approach used by the authors is a qualitative approach. According Sugiyono (2009: 15) is a qualitative research study that is based on the philosophy pospositivisme, used to examine the condition of natural objects, (as his opponent is an experiment) where the researcher is a key instrument, sampling data sources is done by purposive and snowball, collection techniques triangulation (combined), data analysis is inductive or qualitative and qualitative research results further emphasize the significance rather than generalization. The collection of data is the most important step in the study, because the main goal of the

research is to get the data. Without knowing the techniques of data collection, the researchers will not get the data that meets the standards specified data. According Sugiyono (2009: 309) explains that in qualitative research, data collection is done in a natural setting (natural conditions), the primary data source, and data collection techniques more on participant observation (participant observation), in-depth interviews, and documentation. Various data collection techniques are observation, interviews and documentation. In this case study the researchers used in the study of them. three informant interviews to the first generation of PT. Tech Oil International, corporate secretary, general manager and two triangulation, the wife of the owner, prospective future generations by way of asking the same thing with different languages and time. Interviews were conducted on 11 May 2014 at Wisma Metropolitan I Lt. VII, Jl. Kav.29 Sudirman, Jakarta.

FINDING

Education

Education is a very important thing that has been applied by the company to potential successors, where the majority shareholder gives the provision of education to the successor, the view that the highly regarded Master graduates and better understood. Minimum Education master the most important thing for a potential successor. In addition to high academic education, a potential successor to be in the Arm with religious education provision which provides for the strengthening of religion in the family and taqwanya faith in God Almighty, the next generation will understand the devotion which is good and which are bad. In the process of succession, the next generation is obliged to increase the knowledge and expertise to be a capital that can be utilized for the success of the next generation carry out strategic tasks, work experience outside the company before joining the family company will also provide added value, therefore, before actually entering the enterprise, the next generation must maximize the opportunity to learn and are expected to gain employment outside the company.

The next generation (the first child of women) said he just graduated bachelor of accounting management from the Faculty of Business and Economics, acknowledged that the knowledge and experience of doing business is still very minimal, ie to be marketing the event held by the subjects during the course entrepreneuship for one semester 6 (six) months and Job Training in the division of raw materials for 3 (three) months in PT. Semen Gresik. As for the next generation (the second man) is a graduate bachelor of IBM (International Business Management) in which the second child has more experience in the business world, for this second time the next generation is being educated S2 equally majored corporate entrepreneur, who where at the lecture not only learn theoretically but also learn about how to find a solution to a problem that exists in the company as well as the plunge and begin direct discussions on small-scale enterprises, medium and large. The activity will directly make the next generation more or less know how the conditions that exist in the company outside and add a lot of insight.

It has been directed by first-generation as parents so that future generations will be able to work better and are expected to make the company better, notice of it researchers noticed that the education and experience that has been pursued by the next generation is very helpful in knowing the next generation little by little about the business and corporate world.

Second Generation involvement accompanied by Professional

Knowing the state of the field and direct review of how the state of the field is extremely important, especially before plunging in succession as early as possible should know how the state of the field, who are his clients and how to deal with it. At the PT. Tech Oil International boys became the main target to know in advance the state of the pitch, with their capital IBM

undergraduate education be a plus and be one step ahead because many have little understanding and know the basics of how to do business.

Gender

Gender differences become a very major consideration in choosing who deserves to be the successor of the company. The boy became the main focus became the leader. Men and women have the same rights and obligations in the leadership structure. Today many who invites her husband during his wife's career in their field and are not able to leave their nature as female. A succession of corporate leaders should seriously prepared, who really meet the criteria of a leader he will continue to control the company. The idea that men deserve to be a leader is too fast and it can be said that it has become a fundamental error, the selection of boys who deserve reliable and become leaders feared could bring up a fuss and mutual envy among families. This is done for reasons of biological children of men easily controlled and agile and resilient to work in the field or in the office, while in this company, the girls in the setting of a companion or partner in the decision-making discussions.

CONCLUSION

From the results of research and analysis conducted by researchers at the PT. Tech Oil International, the writer can give the conclusion that:

1. Succession planning is very important especially in the Family Business.
2. Each company has a family of his own story.
3. PT. Tech Oil International, the first generation has thought succession planning and the most important is the education level of the successor and understanding that men are more suitable in the field, while women are more fits in the office.
4. There that women follow her husband and the man responsibility to continue the family business.

Table 1. Differences between PT. Dharma Samudera Fishing, PT. Riski Propertindo Prima and PT. Pure Ivory is based on the findings of existing research at PT. Tech Oil International.

Temuan Penelitian	PT. Dharma Samudera Fishing Industries	PT. Riski Prima Propertindo	PT. Gading Murni	PT. Tech Oil International
1. Pendidikan	✗	✓		✓
2.Keterlibatan generasi penerus dengan pendampingan professional				✓
3. Gender		✓	✗	✓

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STRATEGIC PLANNING PERUSAHAAN DAERAH AIR MINUM (PDAM) SURYA SEMBADA KOTA SURABAYA WITH QSPM

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ABSTRACT

The development in external environment has led to a strict competition between private and state-owned water supply companies in Surabaya. As a water supply company in Surabaya, PDAM Surya Sembada needs to plan their work programs and activities strategically in order to maintain the sustainability of the company and fulfill the responsibilities expected from a water supply company.

This research observes and analyzes the internal and external factors that affect the company's performance in order to make a strategic planning for the company. The methods used to formulate the company's strategic planning include SWOT (Strength, Weakness, Opportunity and Threat), SPACE (Strategic Position and Action Evaluation), and QPSM (Quantitative Strategic Planning Matrix). The SWOT matrix can be classified into four categories; SO (Strength-Opportunity) Strategy, ST (Strength-Threat) Strategy, WO (Weakness-Opportunity) Strategy, and WT (Weakness-Threat) Strategy. The SWOT analysis can be used to run the IE (Internal-External) Matrix which classifies the company into three categories; Grow and Build, Hold and Maintain, and Harvest or Exit. The SWOT analysis can also be used to conduct SPACE Matrix which classifies the company into four categories; Aggressive, Conservative, Defensive, and Competitive. The QPSM will then determine the most effective strategy for the company based on the relative appeal of each strategy alternative.

SPACE Matrix result suggests that the company should consider the Conservative profile which has stable market opportunities and low growth. The company must focus on improving the production and distribution channels, reducing cost (efficiency), protecting competitive products, developing new products, and maximizing the benefits of an excellent market. The IE Matrix result indicates that the company is in the second territory, which is the Grow and Build stage. The most suitable strategy for this position is intensive strategies, such as market penetration, market development, and product development. The QPSM result of all respondents (including management and stakeholders) suggests that the management effectiveness and efficiency improvement strategy has the highest overall score of 6.6013. Other alternatives include service improvement strategy with 6.5896 and business development with 6.5329.

Keywords: Strategy Management, External Factors, Internal Factors, SWOT, QSPM

INTRODUCTION

Nowadays,by December 2013, the amount of PDAM Surya Sembada Kota Surabaya's installed production capacity are 10.830 liter/second with 507.557 home customers.The service coverage is about 90% with 29% of Non Revenue Water. The economic growing of Surabaya, globally can be classified good relatively, positive average growing is above 7% at 2010. In five years lately, Surabaya's economic structure developing can be seen mostly on tertier sector such as trading, hotel and restaurant, and processing industry. This is a big potential market for PDAM Surya Sembada specially on comersial sector (industry, trading and service).

PDAM's external environment condition is threatening by private party which is base on PP No.16 Year 2005 about water supply system developing, paragraph 1 number 9, is mentioned that the holding of water supply system developing are BUMN/BUMD, cooperative, and private business. Economically, piping water is considered as semi public goods. Private party or BUMN had already starting this piping water bussines, such as at Kabupaten Lamongan, Perum Jasa Tirta (PJT) I had already built IPA, made water channel and supply water for people. At Surabaya, the piping of water supply system (SPAM) made by several developer and private party. In a quantity, water production (total 405l/second) is far away if compare with water production capacity of PDAM Surya Sembada Surabaya wich reach out 10.830 l/second. What need to be noticed is that by small capacity, the coverage customer is the highest fare category specially PT. Pelindo III (commercial market segment)

Table 1. General Condition of PDAM Surya Sembada Surabaya

Description *(Information)*	**Total *(Quantity)***	**Unit**
Area	326. 36	2 Km
Population (2010 Census)	2765908	Soul
Production Capacity Installed	10. 830	3 m / sec
Total Connections	507 557	per December 31, 2013
Production Capacity (2013)	287	3 million m / year
Total use of water (201 3)	204	3 million m / year
Non Charging Water (2013)	29	%
Scope of Services	90	%
Length of distribution pipelines	5458	Km

Source: PDAM's Annual Management Report (2013)

Based on Table 1. above there are some points that could be notice which is market potential and community needs for clean water is still very high. The new service coverage of 90% means that at least there are 10% of people in Surabaya had not been served or the equivalent of 300 people. The big competitive threat condition and the internal conditions of the company has several strategic issues that is idle capacity and high levels of water loss. Customer satisfaction rate reached 82.3% is a great achievement. But what need to be notice is the result of customer

satisfaction survey also found that 57% of PDAM customers are still using gallon and well water.

In this study, SWOT identification process will be conducted and the effectiveness will be evaluated with QSPM. SWOT is a systematic identification of various factors to formulate the corporate strategy. This analysis is based on the logic that can maximizes strengths and opportunities, but simultaneously can minimize weaknesses and threats.

The general objective of this study is to determine and analyze how the long-term strategic planning of PDAM Surabaya Surya Sembada in order to encounter problems and potential. Specifically objectives are as follows:

1. Knowing and identifying the external and internal factors based on SWOT analysis to overcome the problems of high idle capacity, water leak and low quality, quantity and continuity of water flow, in order to deal with the increasing of open-regulation competition and the great market opportunities.
2. Provide alternatives and choose the most effective corporate strategies to be used based on QSPM.

LITERATURE REVIEW

Strategy Management

The strategy is a way to achieve long-term goals. Business strategy can include geographic expansion, diversification, acquisition, product development, market penetration, reduction, divestment, liquidation and joint ventures (David, 200 9). To achieve the company's goal that has been set, the company management needs to pay attention in two main factors, namely external factors that can not be controlled and internal factors wholly within the control of company management (Muhammad, 2013).

Strategy Formulation

The very important strategy formulation techniques can be integrated into three levels of decision-making framework, as shown in Figure 1 below;

STAGE 1 : THE INPUT STAGE		
Ekternal Factor Evaluation (EFE) Matrix	Competitive Profile Matrix (CPM)	Internal Factor Evaluation (IFE) Matrix
STAGE 2 : THE MACHING STAGE		
Strenghts-Weakness Opportunities-Threats (SWOT) Matrix	Strategic Position and Action Evaluation (SPACE) Matrix	Boston Consulting Group (BCG) Matrix
Internal-External Matrix	Grand Strategy Matrix	
STAGE 3 : THE DECISION STAGE		
Quantitative Strategic Planning Matrix (QSPM)		

Figure 1. Framework of Strategy Formulation Analysis

Source: David, *et al.* 2009

Analysis and strategy election is a step in the strategic planning process carried out by the manager of the company to consider strategy alternatives and to choose which one to be use by the company. This step is usually a selection of business (business) which will be held by the company at the corporate level and then the selection of competitive strategy that will be used by each business (Pearce and Robinson, 2007).

Internal and External environmental analysis (IE)

Analysis by using Internal Factor Evaluation (IFE) Matrix and External Factor Evaluation (EFE) Matrix is to determine how big the influence of internal and external factors that are analyzed in developing the company (David, 2009).

SWOT Analysis

SWOT Analysis stands for strengths and weaknesses of the company's internal and opportunities and threats in external environment facing by the company. SWOT analysis is based on an assumption that an effective strategy will maximize and minimize weaknesses and threats. (Pearce and Robinson, 2007).

Internal-External Matrix

IFE and EFE matrixs are techniques that used at the input stage of the framework strategy formulation. This phase summarizes the basic information that needed to formulate a strategy. IFE and EFE matrix along with the clearly vision and mission statement provide basic information that needed to formulate a successful strategy, by terms that this assessment accompanied with good intuitive judgment in determining the appropriate weighting and assessment (David, 2009).

SPACE (*Strategic Position and Action Evaluation*)

Strategic Position and Action Evaluation (SPACE) Matrix is one of the company's strategy planning tool which is very important where that Matrix have noticed some very important factor in a company's organization both from internal and external aspects of the company (David, 200 9).

QSPM (*Quantitative Strategic Planning Matrix*)

QSPM matrix is an analysis technique that designed to establish the relative attractiveness of feasible alternative action or objectively indicate which alternative strategy is the best one(David, 200 9). QSPM enables company to evaluate alternative strategies objectively, based on company’s internal and external success factor that have been previously identified.

RESEARCH METHODS

Descriptive quantitative methods which is explain how the strategic planning of PDAM Surabaya Surya Sembada by QSPM method (Quantitative Strategic Planning Matrix).

Subject and Object Research

Subject of the study is the overall upper middle level human resource in PDAM Surya Sembada Surabaya. The object is formulation of company's strategic planning.

Location and Time Research

This research was conducted in PDAM Surya Sembada Surabaya. The time of data collection during the month of May to November 2014.

Data Source

Data research can be classified into two types: primary data and secondary data.

a) Primary data is data obtained directly from the source data, by observation, interviews and focused discussion (focus group discussion -"FGD).
b) Secondary data were obtained or gathered from various existing sources (researcher as second hand).

Respondents Research

The study population was all management PDAM Surabaya Surya Sembada middle level-up (Middle and upper). Respondents in select from the management company and the stakeholders (stakeholhe) were 17 experts (expert) comprises;

a) Division of Economic and Regional Business minimal (one person).
b) Experts of Surabaya’s Mayor minimum (one person).
c) Commissioner (Supervisory Council) of PDAM Surya Sembada Surabaya consisting of the secretary and two members (two people).

d) Managing Director and Director Division (Director of Finance, Director of Services and Director of Operations) (3 People).
e) Senior manager of 11 people, include;

Data Analysis

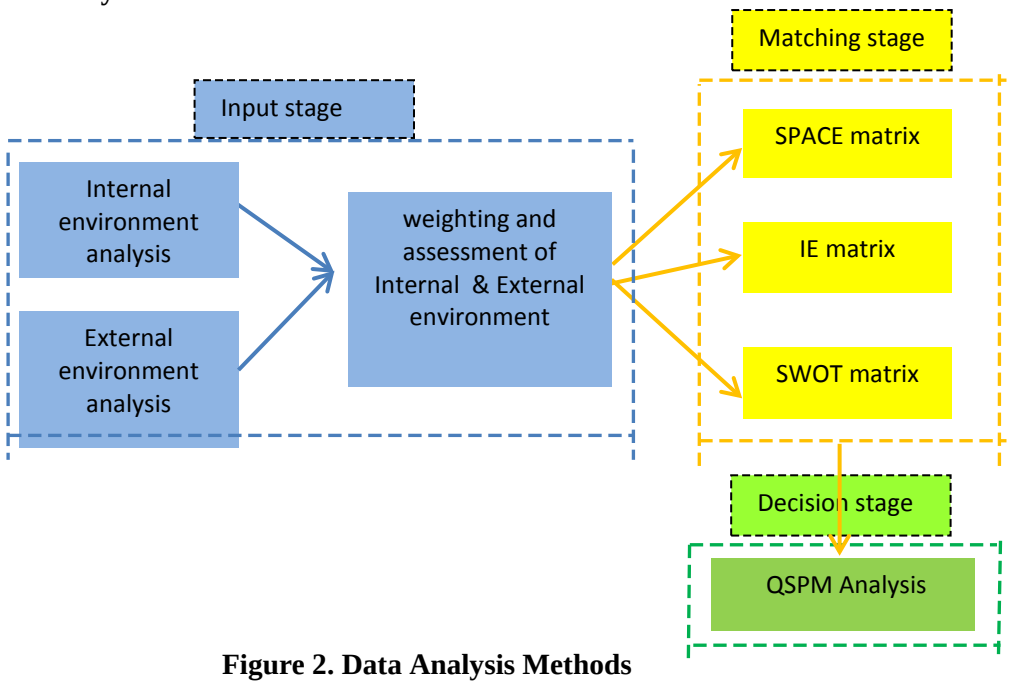

Figure 2. Data Analysis Methods

Input Stages

1. Analysis of internal and external environment

In order to determine the internal and external factors analysis of the performance improvement strategy of Regional Water Company (PDAM) Surya Sembada Surabaya, Focus Group Discussion (FGD) was conducted towards the management and stakeholders by basic material from Business Plan of PDAM Surya Sembada Surabaya for years 2011-2015.

2. IFE and EFE Matrix

Internal and external factors thats strategic influence grouped in several areas/aspects that exist in the company. The weighting of each internal strategic factor is derived from the weighting of each field/aspect of the company. The result of the respondents assessment of the internal factors are in Table 2. and the external factors are in Table 3.

Table 2. The 2014 IFE Matrix of PDAM Surya Sembada Surabaya

Field	Factor	Evaluation result	Weights (field)	Weights (factor)	Value	Strength Score	Score weakness
Production	Untapped capacity (Idle Capacity)	15.90%	16%	30%	-2		-0.0960
	Installed capacity	10.830lt / sec		25%	2	0.0800	
	Water quality production	According *pemenkes*		25%	2	0.0800	

	Availability SOP	Available & guided portion		10%	1	0.0160	
	The operational costs of production	Rp. 836 / m3		10%	2	0.0320	
Distribution	The rate of water loss	28%	16%	40%	-2		-0.1280
	Water quality distribution	Yet according *Permenkes*		25%	-2		-0.0800
	Continuity of water flow	Not all customers receive 24 hours		25%	-3		-0.1200
	The operational costs of distribution	Rp.451 / m3		10%	2	0032	
Customer service	Customer satisfaction index	78%	16%	30%	1	0048	
	Scope of services	90%		30%	-1		-0048
	The new plug speed	3 days		10%	1		-0012
	The ability of the handling of complaints	95%		15%	3	0.0720	
	The ability of the customer meter replacement	4.5%		15%	-3		-0.0720
Human Resources	Organizational structure	Has not been effective to support the company strategy	13%	30%	-1		-0.0390
	Clarity of career	Not available		20%	-3		-0.0780
	Performance assessment	Already exist but need evaluation		20%	-1		-0.0260
	Qualifications and competences	There is already a standard soft competence but no mapping employee competence		20%	-2		-0.0520
	Planning training needs of employees	Yet structured		10%	-2		-0.0260

Information Systems	*Strategy planning and master plan*	used as a reference since 2008	7%	70%	3	0.1470	
	Network connection	Already connected *on line*		30%	2	0.0420	
Supply chain management	Planning needs	Yet structured	8%	60%	-3		-0.1440
	Inventory system	Not optimal and inventory value of Rp. 40 M		40%	-3		-0.0960
Asset Management	*Road map* management system asset management	Already there since 2010	8%	20%	2	0.0320	
	Implementation of the management of asset management	Not optimal asset management		80%	-2		-0.1280
Finance	The ratio of profit to assets	19%	16%	12%	4	0.0768	
	The ratio of profit to sales	38%		13%	4	0.0832	
	The ratio of current assets to current liabilities	6.78		10%	1	0.0160	
	The ratio of long-term debt to equity	0.094		10%	4	0.0640	
	Ratio of total assets to total debt	5.85		10%	4	0.0640	
	The ratio of operating expenses to operating income	0.663		15%	2	0.0480	
	term receivables collection	9.6 days		15%	4	0.0960	
	Effectiveness billing	97.8%		15%	4	0.0960	
Total			**100%**			**1.1250**	**-1.1450**
Total score of internal company						**2.2700**	
Dominant weaknesses of the company (the difference score)						**-0.0200**	

Table 3. EFE Matrix PDAM Surya Sembada Surabaya 2014

Field	**Factor**	**Evaluation result**	**Weights (field)**	**Weights (factor)**	**Value**	**Score Opportunity**	**Score Threats**

Water resources	Quantity raw water	Very likely increase the quantity of raw water supply dams and water *umbulan*	23%	40%	2	0.1840	
	The quality of the raw water	Raw water quality does not meet the standard		40%	-4		-0.3680
	The quality of ground water in Surabaya	Ground water quality is not good so dependent on water taps		20%	4	0.1840	
Technology	Water treatment technology	Water treatment technologies are available the better the quality	15%	60%	3	0.2700	
	Wastewater treatment technologies	There are water treatment technologies to recycle for use customers		40%	-3		-0.1800
Economic conditions	GDP	Surabaya GDP projections increased	15%	30%	3	0.1350	
	Inflation	Inflation in Surabaya relatively stable range of 6-8% per year		10%	1	0.0150	
	The increase in MSE (city minimum wage)	UMK high Surabaya (Rp.2.400.00) will increase the purchasing power of people		30%	1	0.0450	
	TDL and BBM	Increase HPP		30%	-3		-0.1350
Politics and society	Public perception of the taps	The public has a negative perception of the taps	10%	25%	-2		-0.0500
	Surabaya City Government Support	Great support from the municipality for the development of taps		50%	3	0.1500	

	Parliament support against rising (selling price)	Parliament generally do not support		25%	-2		-0.0500
Market	Water requirements	Community water needs continue to increase	22%	40%	4	0.3520	
	Population growth	Surabaya projected population growth of about 0.63% per year		20%	4	0.1760	
	Growth potential customers (business)	The growth of industry and services sector greater		40%	4	0.3520	
Legislation	Regulation no.23 of 2006	PDAM supported to arrange the sale price rates in accordance with fairness (full cost recovery) with consideration of the community's ability	15%	25%	3	0.1125	
	Permendagri no.2 th, 2007 and the regulations no.2 th 2009	Duties and responsibilities of the Board of Directors in support for the development of the company		25%	3	0.1125	
	Law No.7 th 2004 psl.9	Water rights can be granted to individuals and business entities with local government		25%	-2		-0.0750

	PP no.16 th 2006 psl.1 number 9	Organizing the development of water supply systems are state / local enterprises, cooperatives and private enterprises		25%	-2		-0.0750
Total			**100%**			**2.0880**	**-0.9330**
Total score of external companies						**3.0210**	
Dominant corporate opportunities (difference score)						**1.1550**	

Matching Stage

1. SPACE Matrix

From the above result have been obtained total value for each factor either internal (IFE of Industrial Strength Score and Score Competitive Advantage) and external (EFE of Financial Strength Score and Score Environment Advantage). Company quadrant position by searching resultant X-axis (IFE) and the resultant Y axis (EFE) as following;

Resultant sumbu X = Score Industrial Strength + Score Competitive Advantage
= 1,1250 + (-1,1450) = -0,0200

Resultant sumbu Y = Score Financial Strength + Score Environment Advantage
= 2,0880 + (-0,9330) = 1,1550

Plot sumbu X – Y = (-0,0200 ; 1,15510)

Resultant axis X = Score Industrial Strength + Competitive Advantage
= 1, 1250 + (-1, 1450) = -0, 0200

Resultant axis Y = Score Financial Strength + Score Environment Advantage
= 2, 0880 + (-0, 9330) = 1,155 0

X-Y axis plot = (-0, 0200; 1,155 10)

The Company has conservative profile (as in Figure 3.) where the market chances is stable with low growth. Here the company must focus on improving the production and distribution lines, reducing costs (efficiency), protect competitive products, develop new products and to take advantage of good market as soon as possible

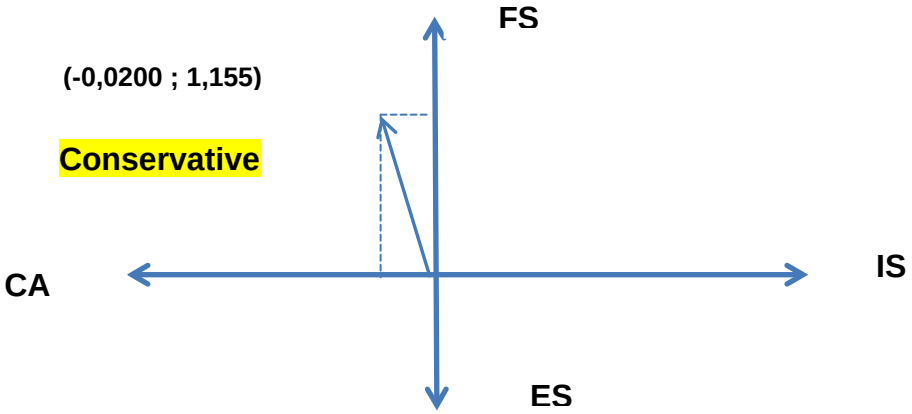

Figure 3. Company Position (SPACE Matrix) of PDAM Surya Sembada

2. IE Matrix (Internal and External)

IE matrix is based on two key dimensions; the total value of a weight given IFE function on the X axis and the total value of a weight given EFE function on the Y axis. IFE total value's result (X axis) is 2.2700 and EFE total value (Y axis) is 3, 0210, so the IE matrix as shown in Figure 4.

IFE total value

3,0–3,99 = strong 2,0–2,99 = medium 1,0–1,99 = weak

EFE total value

3,0–3,99 = high

2,0–2,99 = medium

1,0–1,99 = low

I	II	III
IV	V	VI
VII	VIII	IX

Figure 4. Internal External Matrix (IE) of PDAM Surya Sembada

3. SWOT matrix

SWOT Matrix (Strengths Weaknesses Opportunities Threats Matrix) is an analytical tool of company development based on the situation of the internal and external environment. SWOT matrix has four types of strategies, namely SO (Strengths-Opportunities), WO (Weakness-Opportunities), ST (Strengths-Threats), and WT (Weakness- Threats). Based on the analysis of the identifying data of strengths, weaknesses, opportunities and threats factors that exist, it is obtained four possible alternative strategies such as the following Table 4. SWOT matrix;

Based on the SWOT matrix has been done, there are some good alternative strategies that based on the SO strategy (Strengths-Opportunities), WO (Weakness-Opportunities), ST (Strengths-Threats), and WT (Weakness- Threats). From several analysis of the exist alternative strategies, three alternatives were obtained, namely;

1. Efficiency-effectiveness increasing and company operations management. This strategy is a combination of several strategies based on SO, ST, WO, and WT strategies. The Strategies are; a). production capacity Increasing; b). efficiency increasing; c.) internal management increasing; d). The effectiveness of production and distribution; e). Improve the internal conditions;
2. Company Business development. This strategy is a combination of several strategies based on SO and ST strategies. The strategies are; a). business development; b). public relations increasing;
3. Service improvement. This strategy is a combination of several strategies based on SO and ST strategies. The strategies are: a). Service Improvement; b). efficiency Increasing;

Decision Stage

Alternative strategies are grouped and classified into three groups which is: effectiveness and efficiency increasing and company operations management (EEM), company business development (PBP) and service improvement (PP). QSPM analysis towards the whole respondents (management and *stakeholders)*, shown the highest average value is the strategy effectiveness and efficiency increasing and company management (average value 6.6013), then

alternative strategy to increase services (average value 6.5896) and the last is company business development with an average value of 6.5329.

CONCLUSION

Internal and external factors identification of PDAM Surya Sembada Surabaya based on *internal factor evaluation* (IFE) and *external factor evaluation (EFE)* is;

a. Based on the identification of internal factors, PDAM Surya Sembada Surabaya has strengths in production aspects / field. The installed capacity is very large; the production quality is with a complete SOP and a good ratio of production costs. The main concern in this production is *idle capacity.* Financial aspects able to make a profit with high sales, the ratio of debt to assets is low and the water billing system account is a major factor in addition to the internal strength beside production aspects. The main factor of the company's weakness is distribution system and human resources aspects. Organizational structure, career path, performance assessment and planning of training needs of employees are not optimal yet.
b. Based on the external factors identification, PDAM Surya Sembada Surabaya have opportunities in the following areas/fields of macro-economic and market in Surabaya. Higher financial consumption, the vast of population growth and growing commercial area gives the company opportunities to sell water at commercial rates. Local Regulation (PERDA) no.13 of 2014 provides opportunities for companies to conduct business development. The greatest threat is the availability of raw water.

Effective strategic PDAM Surya Sembada Surabaya;

a. Based on SPACE matrix, PDAM Surya Sembada Surabaya has *conservative profile* where stable market opportunities with low growth. In this condition the company must focus on improving the production and distribution lines with water loss, reduction level, efficiency, charge with reduction, *idle capacity,* protect *competitive* products, develop new products and take advantage of excellent market
b. Based on IE matrix, PDAM Surya Sembada Surabaya entered the region II, which means it's time to grow and develop *(grow and build strategies).* Appropriate strategy used to this position is an intensive strategy such as market penetration, market development and product development.
c. Based on the SWOT matrix, there are 3 (three) alternative strategy that is;
    1. effectiveness and efficiency increasing and company operations management.
    2. Company business development.
    3. Service improvement.

Results of analisis QSPM against all respondents (management and *stakeholder)* PDAM Surya Sembada Surabaya, shows that the total average is the highest value on the strategy to effectiveness and efficiency increasing and company operations management (average value 6.6013), then alternative service improvement strategy average value 6.5896) and the last is Company business development with the average value of 6.5329

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ANYLISIS OF COST SAVING FROM THE FLOATING TANK INTO THE STORAGE TANK AT PT. TOI

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ABSTRACT

The study entitled analysis of cost saving from the floating tank into the storage tank at PT. TOI. This research aims to know the comparison of cost savings, risk management and environmental pollution after doing the relocation floating tank into the storage tank. The type of research used in this research is descriptive qualitative. The technique of sampling in this research is purposive sampling. Data collection in this study using interview techniques FGD (Focus Group Discussion), and research using analysis triangulation. The informant used in this research are three internal informants from the company and two informants from the experts. Data collection using FGD is divided into two sessions, the first session of FGD with the informant of the company and the second session with experts. From this study researchers found three storage tank research findings are more saves than floating tank, the storage tank had a smaller risk than the floating tank and the impact of environmental pollution from storage tank is smaller. It can be drawn the conclusion that the tank land more saves costs and have a smaller risk than the floating tank

Keyword: Relocation, floating tank, storage tank

INTRODUCTION

Calculation of expenses on the presence of a floating tank large enough for the long term, the company plans to relocate a floating tank into the storage tank. based on the research of oleh Klein, Wocke, dan Hughes (2014) retrieved the fact that relocating the company would be more beneficial for the company who developed the market compared to companies that are entering new markets.

According to Elvie Mulia cost saving can be done by using the ABC method. companies can identify the company's activity and the burden of costs on every activity fit resources consumed every product or service.

FORMULATION OF THE PROBLEM

1. How the level of cost savings if done relocation storage tanks?
2. How much does the level of risk that can be reduced by doing the relocation tank?
3. How many levels of environmental pollution that can be deducted from the relocation tank?

RESEARCH METHODS

The research approach used in this research is descriptive qualitative approach. According to

Creswell in Sirnayatin (2013), studies that collect data primarily in the form of words and phrases, or images that have more meaning than just the number or frequency. Qualitative descriptive study conducted to obtain a careful analysis of a particular social phenomenon. Research to develop the concept and gathering facts, but not to test the hypothesis.
Meanwhile, according to Sugiyono in Siyoto and Sari (2014) method is a qualitative research method that is based on the philosophy of post-positivism is used to examine the condition of natural objects (as an opponent is an experiment) where the researcher is a key instrument, performed the data collection techniques triangulation (combined), data analysis is inductive / qualitative and qualitative research results further emphasize the significance of the generalization.
Qualitative methods are used because the problem is not yet clear, holistic, complex, dynamic and meaningful so it is not possible data on the social situation captured by qualitative research methods. In accordance with the limitation issue and the purpose of the study was formulated, then this kind of research using qualitative descriptive method. According to Joseph in the Son (2014) descriptive study is one study that aims to describe systematically, factual and accurate information on the facts and the nature of certain populations.
In this study, researchers will describe or disclose data on the analysis of the cost savings from the displacement tank into the tank floating ashore. The reason the authors chose to use a qualitative descriptive writing method as this method collects data mainly in the form of words and phrases, or images that have more meaning than just the number or frequency. In addition, researchers involved as a key instrument, data collection techniques performed triangulation (combined), data analysis is inductive / qualitative and qualitative research results further emphasize the significance of the generalization.
By using the method of this descriptive study, researchers hope the results of the research can be answered from the formulation of the problem with the exposure that is easily understood by the reader, due to exposure to the results of the study are not the numbers and frequency.
Data used in this study is a combination of qualitative data, that is data from the interviews. The data used in this study are primary data. The primary data source is information obtained from internal perceptions, opinions or views of the informants from within the company about the buoyancy tank to storage tank.
The collection of data is a major step and most crucial in the study, because the main goal of the study is to collect data to determine the answer to the problems studied. Without knowing the techniques to collect the data, the researchers will not get the appropriate answers to the problems that are being studied.
There are several kinds of techniques for collecting data such as observation, documentation, and interviews.
Documentation is selected in this research is by asking general data of the company. For example, on what volume the company's ability to supply each month, and many others. This is done so that the information obtained is actually derived from the object being studied. While the technical documentation selected for this research in the form of notes and photographs function to explain that it is the correct data collection and data is written correctly sourced from the object of research.

Understanding sources by Darmawan (2014) are the ones who really know and get involved with the program being executed. In this study using the technique of purposive sampling. This technique is used in selecting a specific sample based research purposes.
In this study to test the validity of the validity of the test by using a triangulation method. Definition of triangulation itself according to Sugiyono (2009: 330) can be interpreted as data collection techniques are combining of various data collection techniques and data sources that are already there. When the researchers conducted with triangulation of data collection, the

actual researchers collected data at the same time test the credibility of the data, ie checking the credibility of the data with a variety of data collection techniques and a variety of data sources.
Considering the main data in the study was obtained from technical FGD then the validity of the data using triangulation method that can be directly carried out while doing FGD. Thus researchers can directly clarify the truth of the data is no longer the individual subjectively, but make the truth group, because during the discussion of each person expressed his opinion.

DATA EXPOSURE

In essence the transfer of tanks from floating storage tanks into storage tanks ashore are indeed more cost saving compared to still use the buoyancy tanks operating in the offshore. On exposure data, moving the tank aims to enlarge storage capacity, how to fixing service to partners, as well as grow the business by building many facilities that will add to the commercial value of the existence of the army tank, because it is a developing business not to enter the new market of the essence is that many army tank trim costs in terms of care as well as improvements resulting from risks posed.
The conclusions of the exposure the data floating tanks very much pay than the tank army, supported by the opinions of the Mulia Elvie (2014) regarding the repair and maintenance of the machine is a difficult charge to be controlled, however, there are still ways to exercise the supervision system and the cost of repair and maintenance is quite high. In addition to business development is supported by the research of Klein, Wocke, and Hughes (2014): "Leaving Home: relocation options South Africa multinational corporations (MNEs)" regarding the development of the market more lucrative than entering new markets.
Of the exposure data tells us that the percentage of the risk of floating tanks greater than tank army, since many natural factors that influence be cause the onset of risk as well as losses incurred by floating tank that are difficult to predict. Counts for the tank army was still able to be predicted and prevented by our team of experts is there, so it's not such a huge loss for the company in the event of a loss.
As in the specific case at beaches of Balikpapan Sepinggan, (2004), the cost of cleaning the coast oil spill pollution amounting to IDR. IDR 60,000,000 167,350. While processing sludge from a temporary hoarding is IDR. IDR 60,000,000 .500 1,550. For the repair of mangrove, fisheries, environmental assessment costs and the cost of a row is IDR 60, 900, 000 for entrance ticket; IDR. 4, 101, 000, 000 for entrance ticket; IDR. 3, 697, 161, 581, 00 and IDR. 2,000 4,494,630,313. So the total cost resulting from the oil spill is IDR. IDR,894,541 14,071. Because the risk is variation in things that may occur naturally in a situation (Fisk in Labombang, 2012). Risk is a threat to life, property or financial gains resulting from the danger that happens (Ashbourne and Trigunarsyah in Labombang, 2012).
At the conclusion of data exposure to environmental pollution buoyancy tank was the one who had the role raises the role of environmental pollution is more than environmental pollution from land-based tanks. Because elements in sea water cannot do the healing by itself due to the pollution of the environment of the oil spill that occurred at sea. Therefore moving the location of storage tank is good planning for the continuity of the business of the future to TOI.
As in location theory advanced according to Tarigan (2014) is the science that investigates spatial (spatial order) of economic activity, or the science which investigates the geographical allocation of the potential sources, and its relationship with or its influence on the existence of a wide variety of business or other activities of both economic and social. Location theory is not just about the position of an object or activity in an area, but also an analysis of the impact between attraction and activities at a site and the activities in other locations. In an effort to prevent these things then it can be done by analyzing, one way is to use the scenario analysis tools. According to Dewi Aryani in Chermack (2012: 79-80) scenario is a "future history" the future in accordance with its natural properties which are full of uncertainty. The scenario does

not make a prediction (extrapolation-based past). The scenario is a tool used to drive the perception of someone in the future. While the scenario building construction process future options and scenario planning is a challenge of learning organization to give attention to the conditions in the future.

MANAGERIAL IMPLICATIONS

In this study there are three comparison is cost savings, risk, and environmental pollution. With the removal of storage tank then cost savings can be made in terms of the maintenance of the tank as well as other operational expenses. In addition to tackling the risk of accidents that occur on land tank better issuing costs less compared to a floating tank factor of the accident the work difficult to predict, because the comparative risks between the two is 35% to 60% and army tank for tank floating.

Before the removal of the floating tank into the tank, the oil spill at sea with small scale does not cost a bit to handle it. In addition a comparison on environmental pollution that happens by working on the tank ground risk can be dealt with immediately compared to a tank of buoyancy, because there are other mitigation team as for buoyancy tanks located on the ship relief team is different and. Comparison of the disaster management certainly looks more buoyancy tank that takes a lot of cost and time to do prevention the presence of disasters outside the predictions of the expert team.

Comparison of the two third of these factors, it can be seen that the ground is indeed superior to tank versus tank floating in terms of cost savings, smaller risks, and pollution of the environment is no more.

LITERATURE REVIEW

Activity Based Costing (ABC) is a funding methodology for the identification of the company's activities and costs on each activity according to the amount of resources consumed by each product or service. Companies can determine the estimated cost of a product or service with ABC, which is then used to identify and decide which products or services that are not profitable, then eliminating it (Mulia, 2014).

In an effort to reduce costs, many companies will cut a lot of costs that are not necessary such as using some of the above. While planning a company to relocate the tank, which is originally from the tank into the tank floating ashore. Due to the location of the tank is crucial in this business.

Location theory according to Tarigan (2014) is a science that investigates the spatial (spatial order) economic activities, or science that investigates the geographical allocation of resources potential, as well as his relationship with or influence on the existence of a wide variety of business or other activities of both economic and social , Location theory is not just about the position of objects or activities in a region, but also an analysis of the impact of interest and activity in a location with activities in other locations.

Competitive Positioning are methods that are used so that the company can develop its relative position compared with competitors. If the company managed to obtain and maintain strategic location, then it can be effective barriers for competitors to gain access to the market (Tjiptono and Chandra in Wulandari, 2013).

After a review of the theory of location, that location is very important not only to TOI but for all businesses. Without the easy access to the location, existence of the location, area expansion, and a business environment that supports it will be difficult to develop. The factors also affect the location of the distribution process. If the site selection process is one of the distribution can also be disturbed and the effect is not good for business continuity both in terms of TOI and buyers, in terms of the distribution are also considered to be one of the things that are important to the business.

Risk is a variation in the things that may occur naturally in a situation (Fisk in Labombang, 2012). Risk is a threat to life, property or financial gain as a result of the dangers that occur (Duffield and Trigunarsyah in Labombang, 2012). In general, the risks associated with the possibility (probability) the occurrence of events beyond the expected (Soeharto in Labombang, 2011).

Assessment of risk theory to explain some of the types of risks that can occur due to improper distribution of site selection process that will lead the company to spend big to cover the impact of the risk occurring. For that risks need to be analyzed in order to avoid and adversely affects the company.

According to Chermack in Dewi Aryani (2012) scenario is a "future history" of the future in accordance with their nature is fraught with uncertainty. Scenario does not make a prediction (extrapolation based on the past), there is. Scenario is a tool that is used to direct one's perception of the future. While the scenario building process of construction of future options and scenario planning is a challenging learning of the organization to give attention to the conditions in the future.

By analyzing risk using scenario analysis, firms can avoid the possibility of bad will happen to the company and the company can achieve cost savings.

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FEASIBILITY STUDY OF TINE'S DELICACY BUSINESS DEVELOPMENT IN SURABAYA

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ABSTRACT

Tine's Delicacy is an online bakery business operated in Surabaya. This study aims to analyze the feasibility of Tine's Delicacy business development in Surabaya, through business environment, industrial structure, marketing, legal, technical, human resource, and financial perspective.
This is an evaluation type of applied study. Data retrieval technique used in this study was interview, observation, survey, projection of Tine's Delicacy internal data and literature study. Saturation sampling technique was used in interview method and accidental sampling technique was used in survey method. The population of survey method was people who live in Surabaya. This study shows that Tine's Delicacy's plan of business development is feasible from all perspectives, except legal perspectives, because Tine's Delicacy hasn't got any license related to its location and business license.

Keywords: feasibility study, business development, bakery shop

INTRODUCTION

The growth of food and beverage industry is increasing rapidly. One of its supporting factors is the size of customers' demand caused by lifestyle and people's growing income (Fahmi, 2014). Data of customers' increasing demand of food product can be seen in Badan Pusat Statistik's February 2014 booklet. People's expense in food consumption in March 2013 grew 12% compared to one in September 2012. Bank Indonesia's Retail Sales Survey in November 2013 shows that top sales products including food, beverage and tobacco (month to month). Research centre of Lembaga Management Fakultas Ekonomi Universitas Indonesia's macroeconomic projection 2011-2015 also shows food and beverage prospective growth. The data predicts that market size in food, beverage and tobacco industry will continue to grow to 25.9% in 2015.
The change in consumer behavior to pastry and bakery product is one of the supporting factors to the large size of market demand (Poh et al., 2013). At first pastry and bakery product's role is as a snack, then it changes to one of main course alternative. Customer's demand to bakery product is affected by their practical and efficient lifestyle (Sabatini and Japarianto, 2014).
Besides increasing demand of food product and change of consumer behavior to pastry and bakery product, Tine's Delicacy online sales record also support its planning to build an outlet.
This study aims to analyze the feasibility of Tine's Delicacy business development in Surabaya, through business environment, industrial structure, marketing, legal, technical, human resource, and financial perspective.

RESEARCH METHODS

This research is an evaluation type of applied study. Data retrieval technique used in this study was interview, observation, survey, projection of Tine's Delicacy internal data and literature study. Saturation sampling technique was used in interview method to a bakery chef, one of competitor's employee and one of supplier's employee. Accidental sampling technique was used in survey method. The population of survey method was people who live in Surabaya.

FINDINGS, DISCUSSION AND CONCLUSION

PEST analysis shows that Indonesia's business environment is supportive to Tine's Delicacy bakery business development. Several opportunities for Tine's Delicacy business are potential market size growth in food, beverage and tobacco industry, potential market opportunity as an effect from ASEAN Economic Community 2015, the change in consumer behavior to bakery product and development of information technology as a marketing media. Several threats to Tine's Delicacy business are the improvement of employees' basic salary in 2015 and government's rules of health insurance. Five forces analysis shows that Tine's Delicacy business has a good position in competition. Its several strengths and weaknesses are product differentiation, supplier alternative, limited budget and existence of new bakery business. SWOT analysis taken from business environment and industrial structure analysis shows that Tine's Delicacy has many opportunities but has not enough strengths to take the opportunities so the applicable strategy to be used is selective maintenance strategy.

Tine's Delicacy business development is feasible from marketing perspective because of its clear segmenting, targeting and positioning (STP) and its ability to define marketing mix strategy. In legal perspective Tine's Delicacy business development is not feasible due to the absence of any license related to its location and business. In technical perspective, Tine's Delicacy is qualified because of the existence of location, area layout and supporting technology. In human resource perspective Tine's Delicacy business development is feasible because Tine's Delicacy has planned its manpower, recruitment and selection standard operating procedure, compensation and performance appraisal. Tine's Delicacy is also feasible from financial perspective. Tine's Delicacy is able to make projection of income statement and cashflow, NPV calculation shows positive result and IRR calculation result is higher than interest rate. Sensitivity analysis also shows positive result, it means that Tine's Delicacy business development is feasible.

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REDUCING REWORK DURING PRODUCTION PROCESS THROUGH QUALITY CONTROL CIRCLE (QCC) IN PT. ARCON PERDANA GLOBALINDO

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ABSTRACT

The main aim of this research is to reducing rework during production process through Quality Control Circle (QCC) to enhance working performance in PT. Arcon Perdana Globalindo. Before this project started, a quick introduction and training was given to every member of the team. As pilot project, this case study will try to discuss the whole process from planning until execution and standardization for minimalizing losses up to 50%. In this first project, QCC team will try to reduce rework, especially for ducco painted finishing. The result of QCC implementation could reach the target set by the team, the percentage of losses reduce up to 50.57%. The amount of working time cut 16 hours or about 19.4% faster. Besides improvement in quality, the implementation of QCC also resulted in positive impact for the members of the team, especially in improving moral, efficient, and effectiveness. The quality improvement is at best when it done continuously, so for next step the team will select another theme for next problem solving for continuous improvement.

Keywords: Quality Control, QCC, Quality Management, Quality Improvement, Rework

INTRODUCTION

Economic growth in Indonesia helps to build a lot of infrastructure and raise public awareness of esthetic and quality. Other than that, Indonesia will face Asean Economic Community (AEC) this end of the year. According to an article on Jawa Pos on Monday, 25th May 2015, furniture industry is said to be one of the most prepared industry for fronting AEC. Right now Indonesia is in 13th world's position and still has a lot of potential, including great supply of raw material.

PT. Arcon Perdana Globalindo is a company based in Surabaya, as the second largest city in Indonesia, which is the most growing country in Asia Pacific on 2013 based on Emerging Trends in Real Estate Asia Pacific 2013 Survey. PT. Arcon Perdana Globalindo works in design and manufacturing made-to-order furniture, especially for commercial use. For example, cosmetic counter, booth, shop, and office. Sometimes it has residential project too, but the main target market is for commercial.

Table 1. Comparison between Residential and Commercial Market Target

	Residential	Commercial
Consumer	Individual	Company
Target Market	General, common	Specific, few
Competitors	Many	Few
Repeat Order	Rarely, in a long period	Fast
Profit Margin	High	Low

To put it simple, made-to-order furniture is customable furniture that designed and manufactured based on request. A specific product has specific target market too. Made-to-order furniture is more expensive than ready-to-use furniture, but it has a lot of benefit, like customable design that suits customer's brand image and size and shape that fits perfectly with site condition. With that condition, a lot of regular customer will expect a good and steady quality. In fact, there are still a lot of problems happen in company. Table 2 and Table 3 below will show the problems which occured during 2013-2014.

Table 2. Cause of Problems that Occurred During January-December 2013

MONTH	PRO-JECT	ISSUE	INFORMATION	ADMIN	WORK PROCESS	SUB CON	UN CNT
January	5	1	• Waiting for permission				v
February	7	0	-				
March	7	2	• Material delay	v			
			• Long ducco process		v		
April	12	1	• Ducco colour foggy		v		
May	10	2	• Waiting poster			v	
			• Bubble air inside silicone		v		
June	11	2	• Damaged acrylic		v		
			• Waiting poster			v	
July	25	4	• Decco rework		v		
			• Damaged acrylic		v		
			• Waiting poster			v	
			• Damaged logo		v		
August	3	2	• Damaged acrylic		v		
			• Bubble air inside silicone		v		
September	11	0	-				
October	15	1	• Damaged logo		v		
November	18	1	• Site not ready yet				v
December	12	2	• Waiting poster			v	
			• Waiting for permission				v
				1	10	4	3
				6.67%	66.67%	26.67%	

Table 3. Cause of Problems that Occurred During January-December 2014

MONTH	PRO-JECT	ISSUE	INFORMATION	ADMIN	WORK PROCESS	SUB CON	UN CNT
January	5	1	• Site not ready yet				v
February	5	0	-				
March	6	2	• Long ducco process	v	v		
			• Material delay				
April	10	0	-				
May	6	2	• Top table glass left behind during shipment		v		
			• Damaged glass		v		
June	23	4	• Curvy glass failed, order again			v	
			• Waiting poster			v	
			• Silicone uneven		v		
			• Canopy uneven, silicon problem		v		
July	2	0	-				
August	13	3	• Damaged acrylic		v		
			• Damaged logo		v		
			• Bubble air inside silicone		v		
September	7	0	-				
October	12	0	-				
November	12	1	• Site not ready yet				v
December	8	2	• Site not ready yet				v
			• Waiting for permission				v
				1	8	2	4
				9.09%	81.82%	18.18%	

There are mainly 3 problems, which is administrative, working process, and works that including sub-contractor. Number comparison of problems which occurred during 2013-2014 can be seen on Image 1 below.

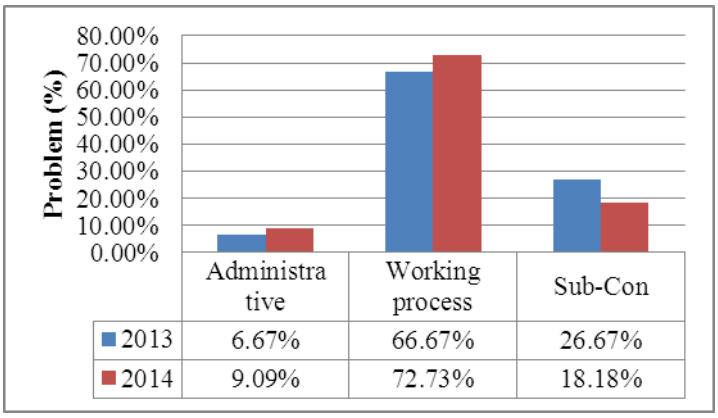

Figure 1. Case Number Comparison of Problem Happen During 2013-2014

Working process is having the biggest number of problem, so this research will aim mainly on working process. A lot of mistakes happen during production process would result in rework, and that's means more money, energy, and time wasted. For illustration, two tables about production cost calculation are made. Table 4 contains calculation on normal condition, Table 5 contains calculation of rework on acrylic.

Table 4. Cost Calculation of 2 La Tulipe's Tower size 45 x 45 cm h= 110 cm on May 2015

Stage	Operation	Element	Name	Number / Duration	Cost (Rp)	Total (Rp)
1	Cutting	Material	Multiplex 6 mm 120 x 240 cm	8	72.000	576.000
1	Cutting	Material	Multiplex 12 mm 120 x 240 cm	5	157.500	787.500
1	Cutting	Worker	Foreman	10	16.500	165.000
1	Cutting	Worker	Carpenter	50	15.000	750.000
1	Cutting	Machine	Electric chainsaw	10	900	9.000
2	Assembling	Material	Nail	5	18.000	90.000
2	Assembling	Worker	Foreman	24	16.500	396.000
2	Assembling	Worker	Carpenter	60	15.000	900.000
2	Assembling	Machine	Electric chainsaw	12	600	7.200
3	Finishing	Material	Acrylic 120 x 240 cm	3	420.000	1.260.000
3	Finishing	Worker	Foreman	12	16.500	198.000
3	Finishing	Worker	Painter	20	12.500	250.000
3	Finishing	Worker	Electrician	12	12.500	150.000
3	Finishing	Machine	Grindstone	12	750	9.000
3	Finishing	Machine	Paint compressor	12	1.800	21.600
3	Finishing	Outsource	Sticker cutting		750.000	750.000
					Total cost	6.319.300

Table 5. Cost Calculation of 2 La Tulipe's Tower size 45 x 45 cm h= 110 cm with Acrylic Rework on May 2015

Stage	Operation	Element	Name	Number / Duration	Cost (Rp)	Total (Rp)
1	Cutting	Material	Multiplex 6 mm 120 x 240 cm	8	72.000	576.000
1	Cutting	Material	Multiplex 12 mm 120 x 240 cm	5	157.500	787.500
1	Cutting	Worker	Foreman	10	16.500	165.000
1	Cutting	Worker	Carpenter	51	15.000	765.000
1	Cutting	Machine	Electric chainsaw	11	900	9.900
2	Assembling	Material	Nail	5	18.000	90.000
2	Assembling	Worker	Foreman	24	16.500	396.000
2	Assembling	Worker	Carpenter	62	15.000	930.000
2	Assembling	Machine	Electric chainsaw	12	600	7.200
3	Finishing	Material	Acrylic 120 x 240 cm	4	420.000	1.680.000
3	Finishing	Worker	Foreman	12	16.500	198.000
3	Finishing	Worker	Painter	21	12.500	262.500
3	Finishing	Worker	Electrician	12	12.500	150.000

3	Finishing	Machine	Grindstone	14	750	10.500
3	Finishing	Machine	Paint compressor	12	1.800	21.600
3	Finishing	Outsource	Sticker cutting		750.000	750.000
					Total cost	6.799.200

As seen on Table 4 and Table 5, rework will cause more cost, material, energy, and time wasted. Workers need time to release damaged acrylic and another working process on raw material until it can be attached to half-finished good. Cost production escalating from Rp 6.319.300 to Rp 6.799.200 or about 7.6%. This figure may not seem enormous, but a lot of time wasted and that can't be replaced. Hence the company attempted to do quality control to reduce, event preventing rework.

Quality can be improved through Quality Control Circle (QCC). QCC is a small number of workers that working together to solve problem that happens during work. Approach of QCC for company is focused on quality, based on participation of all members and aiming at long term success through benefits to all the employees, organization, and to society as well. PT. Arcon Perdana Globalindo as a company that relies on worker's skills is really compatible for using QCC, because QCC is done by field workers whom really understand problems that happen at workshop on daily basis rather than managements whom sit in office. Besides that, workers can give opinions and involved in decisions making, therefore they will motivated and felt involved. Hopefully this will lead to more participating and more quality.

Problem Statement

How to reduce percentage loss in rework up to 50% through Quality Control Circle (QCC) to improve company performance?

LITERATURE REVIEW

Quality Control Circle

The QC Circle headquarters of Union of Japan Scientist and Engineers (JUSE), which serves as the center for continuing education on QC Circles as written by Ryu Fukui et al. (2009), defines a Circle as "a small group of frontline operators who continually control and improve the quality of their work, products and services; they operate autonomously and utilize quality control concepts, tools and techniques." According to definition above, which has been adopted in many countries, the QCC Headquarters enumerates the following features of a QC Circle:

1. Small group
2. Continual control and improvement in the quality of work, products, and service
3. Autonomous operation
4. Utilization of quality control concepts, tools, and techniques
5. Part of TQM or company-wide QCC
6. Self-Development

Objectives of QCC Activities :

1. Establishment of a pleasant workplace
2. Establishment of a state of control
3. Enhancement of morale
4. Establishment of sound human relations
5. Better income
6. Improvement in Quality Assurance

Deming Cycle

Deming Cycle, which is called Plan, Do, Act, Check (PDCA) is a 4 stepped recurrent management method which is used at business process to control and continuous improvement.

PDCA is guidance to process of continuous improvement and to a better way. Problem identification must based on facts to avoid subjectivity.

Figure 2. Deming Cycle

1. ***Plan***
   Plan is a purpose planning stage and whatever process needed to get to the target. Plan was done to identify the issues and figuring out a solution or ideas to overcome these problems. This stage refers to the activity of identification an opportunity for growth and ways to reached increase and improvement. As well as the last step is figuring and choosing problem solving.
2. ***Do***
   Do is a stage to do whatever has been planned on the Plan stage. This stage contains the implementation process through performing which has been arranged before and monitoring implementation process on a small scale for trial.
3. ***Check***
   Check is a stage to evaluate aim and process and to report the results. Check on the process has been done to see conformity with standard or there are still inconsistencies. Upon checking, there are 2 things that has to be noted, monitoring and evaluating the process and results against targets and specifications.
4. ***Act***
   Act is a total evaluation towards targets and process and followed up with improvements. If there are still any unmatched with standard, an act is taken to fix it. Follow up also means to review all the stages and modify the process before the next implementation. In addition, it also needs to monitor changes by doing measurements and control on a regular basis.

Product Quality

According to Golder et al (2012), there are 4 dimensions in product quality, namely defect, durability, matchness, and consistency.

1. ***Defect***
   Defect is a degree where there are disability on product . If there any, then how much customer can tolerate against that defect. This degree is really suitable to be applied for company that production process is carried along by consumers and labour intensive.

2. ***Durability***
   Durability is a degree of resistance to a variety of factors damage later. Consumer goods have expiration date, but for things which is not a consumer goods, need a better durability because they have a longer durability period, even sometimes permanently.
3. ***Matchness***
   Matchness is a degree of conformity of product with what consumer ordered. Made-to-order things may be different with what consumers expected. Therefore company needs to pay extra attention to design, colour, texture, finishing quality, and ease of delivery and installation.
4. ***Consistency***
   Consistency is a degree of company's ability to provide same and stable quality consistently. Quality consistency could be maintained by obeying the standard specified.

Seven Tools

Seven Tools for Quality Control are tools that usually used to help solving problems. The aim for using Seven Tools for Quality Control are increasing competency, reducing cost and price flexibility, and increasing working productivity. Seven Tools for Quality Control consist of flowcharts, cause and effect diagrams, checklists, Pareto charts, histograms, scattergrams, and control charts.

RESEARCH METHODS

Type and Research Methodology

This research is a description study case. According to Basuki (2010:110), description research is a research which tries to describe accurately of all activity, object, and human. Case study, according to Sutedi (2009:61) is included in analyze descriptive research, which focusing on a special case to observe and analyze carefully. As a study case, data collected derived from many sources and the results of this research is only valid for this case only and cannot be generalization.

Research Method Stages

According to Juster, Charles (2012), there are 8 important steps in the process of resolving the problem. They are theme selection, understanding and determine purposes, scheduling activity plan, cause analysis, plotting countermeasures, countermeasures implementation, assessment of effectiveness, and standardization.

FINDINGS

Theme Selection

From a lot of problem which occurred during production process, will be chosen 1 most vital problem using Pareto Diagram to solve and will be the theme for this research. To determine most dominant problem, financial calculations is used to reveal which factor caused the biggest financial lost if rework happened. Based on Table 3, factors from working process were calculated on Table 6.

Table 6. Problem Comparison on Financial Loss during Production Process

No	Problem	Material Price		Labor Cost		Tools Cost		Total Cost (Rp)	Perc (%)	Perc Cum (%)
		Sum	Price (Rp)	Hour	/hour (Rp)	Hour	/hour (Rp)			
1	Finishing ducco	1 1.5	400,000 68,000	10	12,500	10	1,800	611,002	50.57	50.57
2	Damaged acrylic	0.55	400,000	2	15,000			250,000	20.69	71.26
3	Damaged logo	0.18	1,200,000	2	15,000			246,000	20.36	91.62
4	Damaged glass	0.48	85,000	1	15,000			55,800	4.62	96.23
5	Silicon problem	0.5	31,000	2	15,000			45,500	3.77	100.00
6	Left behind on shipment							-	-	
							TOTAL	1,208,302	100.00	

Note: For silicon problems, happen 3 times

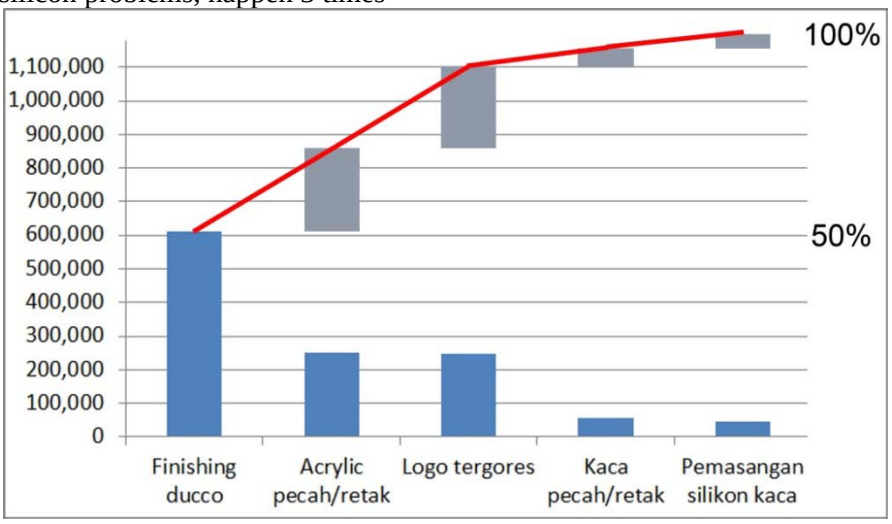

Figure 3. Pareto Diagram Problem Comparison

As seen on Table 6 and Image 3, could be concluded that the biggest financial loss caused by problem in finishing ducco. Finishing ducco chosen to be theme in this first QCC project.

Cause Analysis

Factors that could be the cause of error in finishing ducco will be elaborated using Fishbone Diagram. In general there are 5 factors, man, machinery, material, method, and environment. In its use, not necessarily to elaborate all of 5 factor, just the relevant factors only.

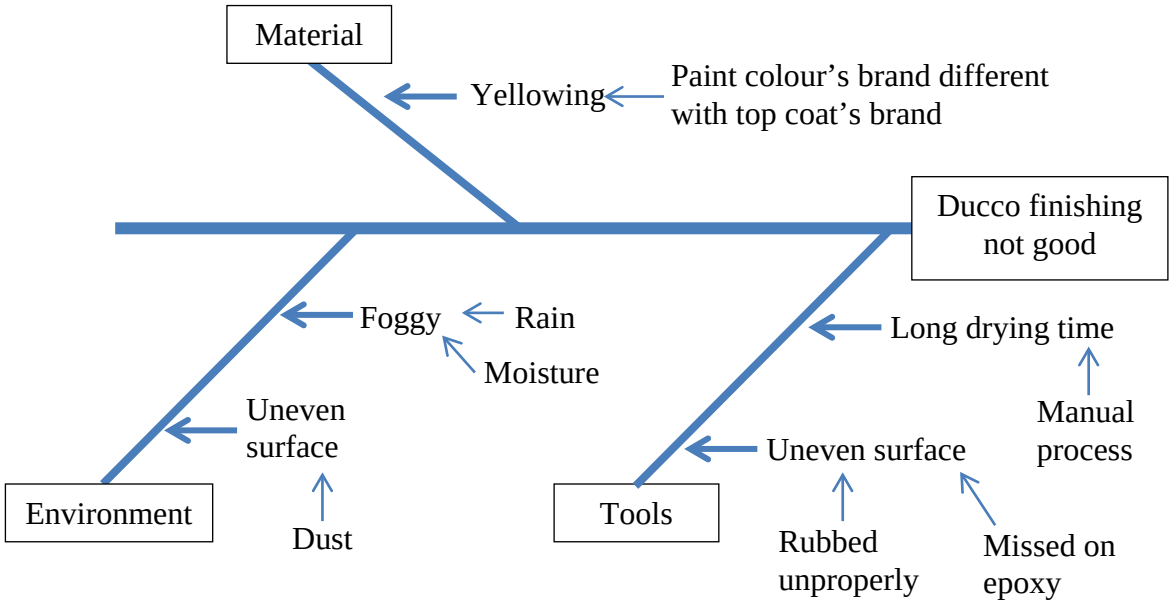

Figure 4. Fishbone Diagram (Cause-and-effect diagram)

Dominant Cause Factor

After elaborated using Fishbone Diagram, a table was made to record cause, analyze, and result from every factor that causing ducco finishing not good enough. The factors were elaborated are material, tool, and environment.

Table 7. Dominant Cause Factor and Result

No	Factor	Cause	Analyze	Result
1	Material	Paint colour's brand different with top coat's brand	Application using paint colour and top coat layer from different brand	Yellowing
2	Tool	No special tool for drying	Manual, aerated	Long drying time
		Rub paper not smooth enough	Rubbing result not smooth enough	Uneven surface
		Workshop lighting not bright enough	During epoxy application, small holes were missed	
3	Environment	Weather	Rain cause high moisture	Foggy ducco result
		High moisture	High moist because in enclosed space to avoid dust	
		Dust	Exposed to dust even though in enclosure space	Uneven surface

According to Table 7, it could be concluded that the dominant cause are:

1. Using different paint colour with different brand from top coat's brand.
2. Long drying time because done manualy, only aerated.
3. Rubbing result not smooth enough
4. During epoxy application, some small holes were missed.

For factor that caused by environment like weather and high moisture, it can't be overcome because it is a natural factor which is uncontrolled or need a really high cost to try to control it.

Plotting Countermeasures

Countermeasures were planned using 5W and 2H, which is what, why, when, where, who, how and how much.

Table 8. Countermeasure Plan using 5W+2H

What	Why	How	When	Where	Who	How much
Material	Application using paint colour and top coat layer from different brand	Using same brand in one process	3rd week June 2015	Admin office	Admin	0
Tool	Long drying time	Need drying tool	3rd week June 2015	Gg. 17	Admin	@ Rp 500.000
	Rubbing result not smooth enough	Change rub paper type	4th week June 2015	Gg. 17	QCC Team	Rp 10.000
	During epoxy application, small holes were missed	Adding lamp	4th week June 2015	Gg. 17	QCC Team	@ Rp 30.000
Environ ment	Rain cause high moisture	Natural factor is uncontrolled				
	High moist because in enclosed space to avoid dust					
	Exposed to dust even though in enclosure space					

Countermeasures Implementation

For Material problem, which colour undergone yellowing in small amount of time caused by usage different brand of paint colour and top coat layer, will be countermeasure with using same brand product. To ensure material stock and usage of products with same brand, administration made sure and controls it.

For long drying time because of manual aerating, company bought and installed fan to accelerated drying time. For uneven ducco finished surface because rubbing result not smooth enough, company change the rub paper type. For 2nd time rubbing, it used to using p180 rubbing paper, then changed into p240 rubbing paper. And for 3rd time rubbing, it used to using p320 rubbing paper, then changed into p400 rubbing paper. The greater the number, the smoother rubbing paper so it will result in smoother surface.

For uneven ducco finished surface because of small holes were missed during epoxy application, company installed more downlight lamps 18W. it used to be 4 lamps in workshop, now it has 8 lamps.

Table 9. Countermeasure Implementation

No	Plan	Action	When	Executor
1	Using same brand in one process	Ensure material stock and usage of products with same brand	3rd week June 2015	Eva Wina
2	Need drying tool	Buy and install fan	3rd week June 2015	Eva Yayuk
3	Change rub paper type	Change p180 with p240 and p320 with p400	4th week June 2015	Samsul Latief

4	Adding lamp	Buy and install 4 lamps 18W	4th week June 2015	Minto

Assessment of Effectiveness

On Image 5 and 6 will be seen comparison before-after QCC implication on finishing ducco working process.

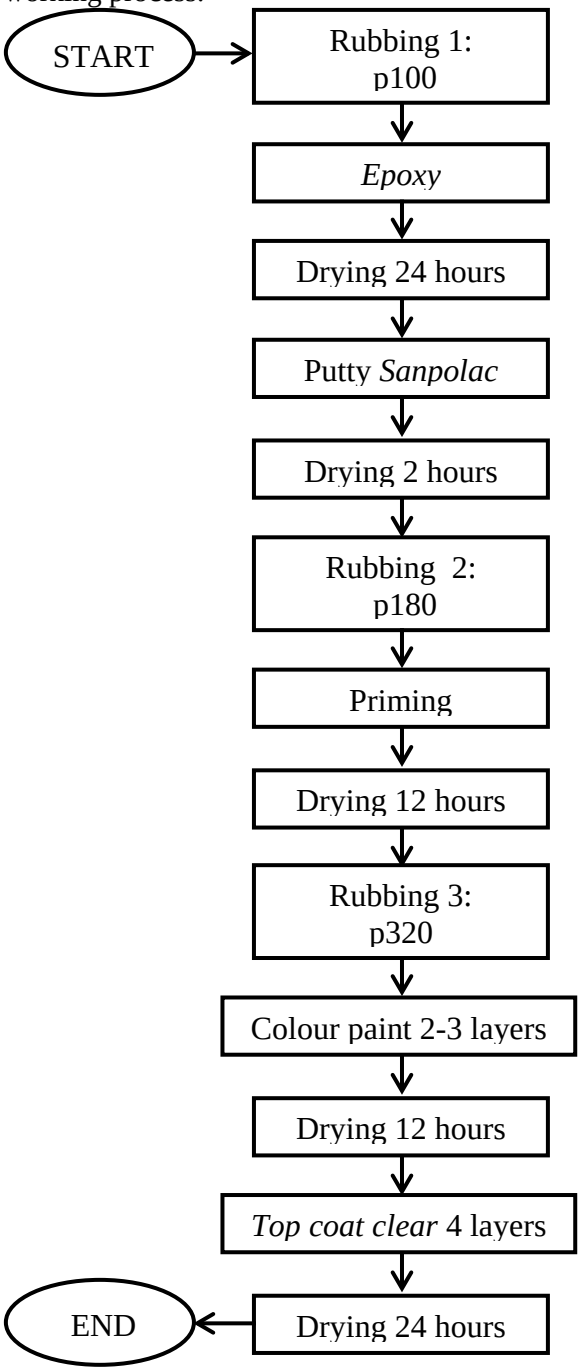

Figure 5. Flowchart of Finishing Ducco Process White Melamic on Multiplex Before QCC

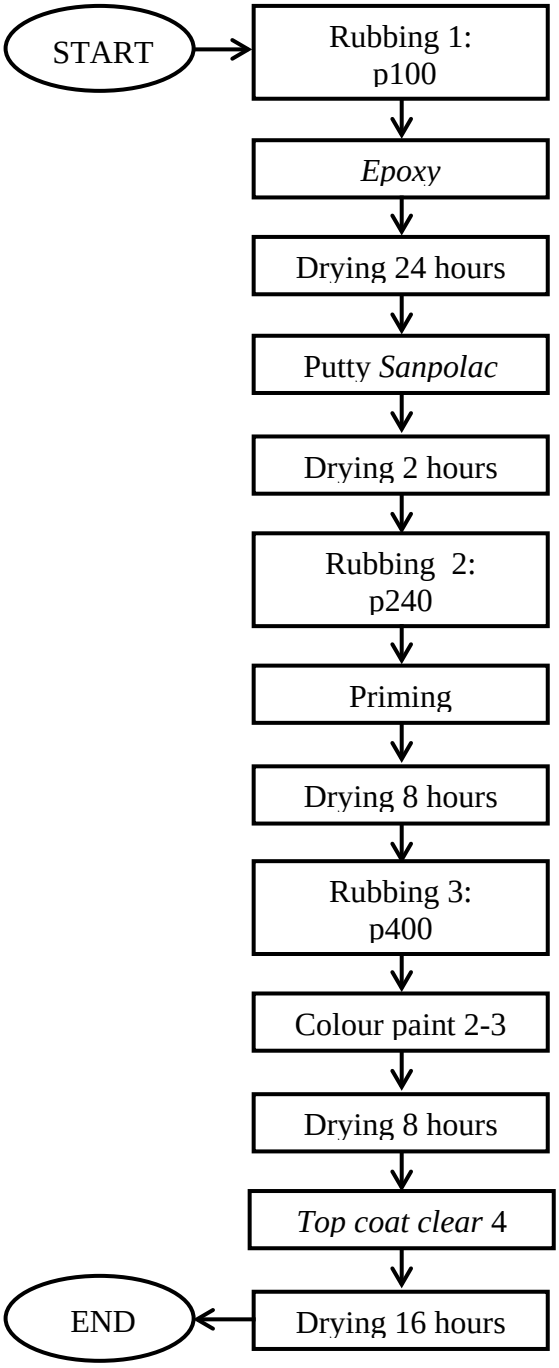

Figure 6. Flowchart of Finishing Ducco Process White Melamic on Multiplex After QCC

No	Activity	Duration (hour)
1	Rubbing 1: p100	2
2	*Epoxy*	0.2
3	Drying	24
4	Putty Sanpolac	1
5	Drying	2
6	Rubbing 2: 180	2
7	Primer	0.33
8	Drying	12
9	Rubbing 3: 320	2
10	Colour paint 2-3 layers	0.5
11	Drying	12
12	*Top coat clear* 4 layer	0.5
13	Final Drying	24
	TOTAL	82.53

No	Activity	Duration (hour)
1	Rubbing 1: p100	2
2	*Epoxy*	0.2
3	Drying	24
4	Putty Sanpolac	1
5	Drying	2
6	Rubbing 2: 240	2
7	Primer	0.33
8	Drying	8
9	Rubbing 3: 400	2
10	Colour paint 2-3 layers	0.5
11	Drying	8
12	*Top coat clear* 4 layer	0.5
13	Final Drying	16
	TOTAL	66.53

It can be seen on Table 10 and Table 11 there was a significant increasing in working time duration. Before QCC it would takes 82.53 hours, but after QCC it only takes 66.53 hours or 16 hours shorter.

Table 12. Comparison Before and After QCC

	Before QCC	AfterQCC	Benefit
Quality	Uneven surface and yellowing	Even surface and colour suits	Ducco painted quality increasing
Cost	Rework cost Rp 611.002	No rework	Cut Rp 611.002 or 50.57% every case
Duration	Working duration 82.53 hours	Working duration 66.53 hours	16 hours or 19.4% faster
Morale	Worker lack of morale because often rework	More enthusiasm and efficient	Increasing moral and productivity

The Following Theme Selection

After the main problem is solved, the next step is to select theme for next QCC project.

Table 13. Problem Comparison on Financial Loss during Production Process

		Material Price		Labor Cost		Tools Cost				
No	Problem	Sum	Price (Rp)	Hour	/hour (Rp)	Hour	/hour (Rp)	Total Cost (Rp)	Perc (%)	Perc Cum (%)
1	Damaged acrylic	0.55	400,000	2	15,000			250,000	41.86	41.86
2	Damaged logo	0.18	1,200,000	2	15,000			246,000	41.19	83.04
3	Damaged glass	0.48	85,000	1	15,000			55,800	9.34	92.38

4 Silicon problem	0.5	31,000	2	15,000		45,500	7.62	100.00
	1.5	68,000						
					TOTAL	597,300	100.00	

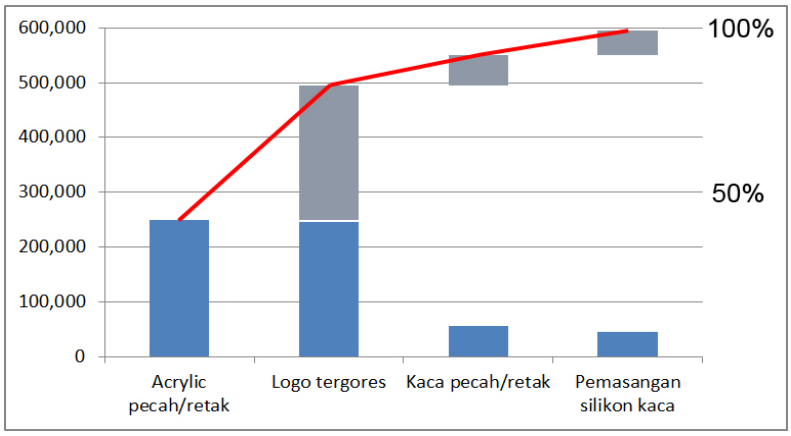

Figure 7. Pareto Diagram Problem Comparison

The new theme for the next QCC project is hor to reduce rework because of damaged acrylic. This was chosen based on calculation on Table 13 and Pareto Diagram on Image 7.

CONCLUSION

1. Quality Control Circle is really suitable for company which really depends on their human resource ability and labor-intensive. Workers get an opportunity to give advice and making decision in working process.
2. Tools that were used in QCC are Deming Cycle, Checksheet, Pareto Diagram, Fishbone, and 5W+2H.
3. QCC helps company saves up to Rp 611.002 or about 50.57% and reducing time up to 16 hours or 19.4% in production process so it is more effective and efficient.
4. QCC improving quality, product cost, working duration, and worker's moral.
5. Administration need attention too because they held a major role in purchasing raw material and controlling quality and stocks.

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AN ANALYSIS OF THE EFFECTIVENESS INNOVATION PROGRAM ON THE PRODUCTION PROCESS IN WATER FILTERS INDUSTRY IN SURABAYA

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ABSTRACT

The purpose of this research is to analyze whether there is a difference in effectiveness production process between automated method and manual method in terms of productivity, adaptability of work, job satisfaction, ability profitable, and resource search in Aquatic Water Filter Surabaya. The population of this research is Aquatic Water Filter's employees who have already worked for at least 6 months, as many as 18 peoples. Furthermore, in this study, samples are taken using census method. Moreover, data are collected using a questionnaire that is measured by the Likert scale. Additionally, this study employs Multivariate Analysis of Variance (MANOVA) which is supported by the SPSS program version 20.

Results have shown that there is difference in effectiveness production process between automated method and manual method in terms of productivity, adaptability of work, job satisfaction, ability profitable, and resource search in Aquatic Water Filter Surabaya.

Keywords: effectiveness, automated method, manual method.

INTRODUCTION

People in Surabaya use water from PDAM Surabaya, who supplies almost 96% people in Surabaya (Perum Jasa Tirta; Ecoton, 2012). Thus, the need for people to be lack of clean water is crucial.

Along with the rapid economic and population growth in the city of Surabaya, Surabaya river water quality has decreased in the classification, from class C to class D (Amalia, 2014). This makes the Surabaya river water should not be used as a source of water for daily activities of people in Surabaya, such as washing, cooking, bathing, and even drinking. Thus, Aquatic Water Filter came to fill this demand of the clean water.

Until the first quarter period of 2014, Aquatic Water Filter has two methods of production of activated carbon, which is a form of innovation of the company. The first method is a manual method. This method starts from the washing process of charcoal as a raw material. This is done with the purpose of raw materials such as coconut shell charcoal is clean. The parameters of this process is the absence of waste (wood chips, paper, pebbles) in the coconut shell charcoal. The next process is the combustion process manually. Coconut shell charcoal collected up weighing

100 kg, then burned with coal. The parameters of the combustion process, burning of charcoal should be thoroughly and evenly. Not only the lower part, but also the top. After baking, coconut shell charcoal, activated dried. The purpose of this is done, so that the coconut shell charcoal becomes dry and hot again when it is held. Furthermore, coconut shell charcoal is sifted to produce some size, ie 8-30 mesh, 6-12 mesh and 4-8 mesh. The latter process is packing, and activated carbon products ready to be distributed to customers. The second method is a method using a machine. This method is similar to the first method, but the difference is in the combustion process. In this method, coconut shell charcoal collected until weighing 50 kg, then burned in a combustion furnace 5000 watt electric power for 4 hours, parameters of the combustion process by using this machine is, to reach a temperature of 1000 degrees Celsius in coconut shell charcoal. For this reason Aquatic Water Filters should conduct research on production methods which are more effective, if the first method with manual method or the second method, using an electric furnace.

Problem Identification

Based on the background, here is the problem identification:

1. Is there difference of production process effectiveness between the automated method and the manual method in terms of productivity?
2. Is there difference of production process effectiveness between the automated method and the manual method in terms of adaptability of work?
3. Is there difference of production process effectiveness between the automated method and the manual method in terms of job satisfaction?
4. Is there difference of production process effectiveness between the automated method and the manual method in terms of ability profitable?
5. Is there difference of production process effectiveness between the automated method and the manual method in terms of resource search?

Research Purposes

The purpose of this study are as follows:

1. To test whether there is difference of production process effectiveness between the automated method and the manual method in terms of productivity?
2. To test whether there is difference of production process effectiveness between the automated method and the manual method in terms of adaptability of work?
3. To test whether there is difference of production process effectiveness between the automated method and the manual method in terms of job satisfaction?
4. To test whether there is difference of production process effectiveness between the automated method and the manual method in terms of ability profitable?
5. To test whether there is difference of production process effectiveness between the automated method and the manual method in terms of resource search?

LITERATURE REVIEW

Measures of Effectiveness

The criteria to measure the effectiveness of an organization there are three approaches that can be used, as proposed by the Martani (2010: 55), namely: 1. Approach Resources (resource approach) that measure the effectiveness of input. Approach prioritizes the success of the organization to acquire resources, both physical and nonphysical in accordance with the needs of the organization; 2. Approach the process (process approach) is to see how effective implementation of all activities of internal processes or mechanisms of the organization; 3. Approach the target (goals approach) where the center of attention at the output, measure the success of the organization to achieve results (output) in accordance with the plan.

Furthermore strees in Tangkilisan (2012: 141) suggests five (5) criteria in the measurement of effectiveness, namely: 1. Productivity; 2. The ability to adapt the workplace; 3. Job satisfaction; 4. Ability gainful; 5. Resources.

The indicators used to gauge the effectiveness of each is as follows:

1. Productivity
   a. Quantity, related to the amount of finished product produced Aquatic Water Filter.
   b. Velocity, with regard to the time required to produce activated carbon products in Aquatic Water Filter.
   c. The rest of the material, how much residue resulting from the production process of activated carbon products in Aquatic Water Filter.
2. Adaptation Capabilities Work
   a. Adaptation Time, with regard to the time required respondents to learn how to operate the method of production in Aquatic Water Filter.
   b. Preparation Time, with regard to the time required the respondent to prepare production methods in Aquatic Water Filter.
3. Job Satisfaction
   a. Safety, how often respondents had an accident while operating methods of production in the Aquatic Water Filter.
   b. Healthy, how often respondents had health problems when operating the method of production in Aquatic Water Filter.
   c. Satisfaction, related to job satisfaction felt by respondents when working producing activated carbon products in Aquatic Water Filter.
4. Ability gainful
   a. Production Cost, related to the cost of production on the production method in the Aquatic Water Filter.
   b. Treatment Cost, related to the cost of care in production methods in the Aquatic Water Filter.
5. Search Resources
   a. Quantity of Employee, relates to the number of employees needed in a production method in the Aquatic Water Filter.
   b. Special Requirements for Employee, relating to the qualifications or special skills of employees to run the production method in the Aquatic Water Filter.

Hypothesis

The hypothesis that will be generated from this study are:

a. H1: There is a difference between the effectiveness of the production process automated method with manual method in terms of productivity.
b. H2: There is a difference between the effectiveness of the production process automated method with manual method in terms of adaptability of work.
c. H3: There is a difference between the effectiveness of the production process automated method with manual method in terms of job satisfaction.
d. H4: There is a difference between the effectiveness of the production process automated method with manual method in terms of the ability of gainful.
e. H5: There is a difference between the effectiveness of the production process automated method with manual method in terms of search resources.

RESEARCH METHODS

The approach used in this research is quantitative approach, with descriptive. Descriptive study is the kind of research that is used to solve the problems faced today. (Winarno, 2013: 140). It is

based on the conditions and the context of the issues that were examined in this study, namely regarding the effectiveness of activated carbon product production process.

Sampling method

The sampling method used for this study was a non-probability sampling, in which all members of the population known not to have the same probability to be in the sample. Members of the population in this study were all employees of Aquatic Water Filter, which amounted to 18 people.

The sampling technique of this study is saturated samples, in which all members of the population used as a sample. The sampling technique is determined based on a limited number of samples. Samples taken in this study were all members of the population, it's based on the number of small population, in addition, all members of this population one hundred percent has been working for the last six months in the Aquatic Water Filter, so it can be concluded that they must be competent and understand the production process of activated carbon products Aquatic Water Filter.

Method Of Collecting Data

The type of data in this study is the ratio data. Ratio data is data obtained by means of measurement, in which the distance of two points on the scale already known, and have the absolute zero point. This study used a questionnaire as a research instrument. Questionnaires are a number of written questions that are used to obtain information from respondents in terms of reporting on the personal, or the things that he knew.

The data used in this study are primary data that data collected or obtained directly. In addition, this study also uses secondary data, ie data derived from the company. This data comes from the Aquatic Water Filter, in the form of calculations in producing activated carbon products. In this study, the data source used is the internal and external data sources, where these data are derived from calculations at the company Aquatic Water Filter, as well as obtained from the respondent, through questionnaires.

This study used a questionnaire as a data collection technique, which is done by giving a paper containing questions posed to respondents. Interval measurement data used in this study is the scale interval.

The scale of measurement that will be used in this research is Likert Scale, which is a scale used to measure attitudes, opinions and perceptions of a person or group of events or social phenomena. By using a Likert scale, the dimensions are translated into a variable and then the variable again translated into indicators that can be measured. Finally measurable indicators that can be used as a starting point to create an item instrument in the form of questions or statements that need to be answered by the respondent. This is a form of semi-enclosed questionnaire that is partly in the form of closed questions whose answers should be selected respondents based on the options provided. The scale used to measure the effectiveness of the activated carbon production process belongs Aquatic Water Filter this form of data according to Likert scoring method in the form of an ordinal scale, involving a scale of 0 to 4, namely:

a. Strongly disagree (STS) = 0
b. Disagree (TS) = 1
c. Neutral (N) = 2
d. Agree (S) = 3
e. Strongly Agree (SS) = 4

Data Analysis

This study using inferential analysis, which uses several statistical tests to process data as follows:

Validity Test

Validity test is done to determine the extent of the measuring device (questionnaire) to measure what is desired. The validity of the instruments can be tested by correlating between the scores obtained on each of the questions with a total score obtained from the sum of all scores of questions. If the correlation between the total score with the score of each significant question (shown with significance level <0.05), it can be said that the measuring device is valid.

Reliability Test

Reliability testing can be understood through the basic idea of the concept is consistency. Researchers can evaluate the research instrument based perspectives and different techniques even though the same symptoms. Measurement using a numeric index is called the coefficient. Reliability test using Cronbach's Alpha Reability, where the instrument is considered reliable if it had Cronbach's Alpha Reability above 0.6 (Ghozali, 2001: 133). Calculation Chronbach's Alpha Reability is assisted by using SPSS 20.0 software.

Assumptions Test

Assuming that must be met in MANOVA is not happening multikolinieritas, no data outliers, and the data were normally distributed (Santoso, 2012: 220). For the following analysis.

Normality Test

Used to determine whether the distribution of the data follow a normal distribution approach. Will be used Kolmogorov-Smirnov test. Multivariate normality test is difficult to do at SPSS, for the test will be performed univariate with the logic that if individually each variable meet the assumptions of normality, then together (multivariate) variables can also be considered eligible for normality (Santoso , 2012: 43). If the sig. > 0.05 then the normal distribution of data. (Santoso, 2012: 45).

Multivariate Analysis of Variance (MANOVA)

Manova a multivariant techniques that interpret between two or more dependent variables and classification variables or factors (Kuncoro, 2009: 253). MANOVA used in testing hypotheses about the effectiveness of the production of activated carbon products Aquatic Water Filter.

The steps used in the test MANOVA are:

1. Significance Tests Multivariance
   Significance test of variables in a MANOVA test using test Wilk's Lambda, Pillai's Trace, Hotelling's Trace, and Roy's Larges Root. The significance test will be seen simultaneously in the MANOVA test. Rules different test (MANOVA) is where the significance <0.05, significant means (Ghozali, 2012: 80).
2. Significance Tests Univariance
   Univariance significance test is a test that is done by analyzing each variable of research results (Ghozali, 2012: 88). Significance in the multiple comparison test using Turkey HSD (Honesty Significant Differently), when the comparison result indicates the significant value> 0.05, or 5%, there were no significant differences (Ghozali, 2012: 82).

1. The difference in the effectiveness of the production process between the automated method with manual method in terms of productivity (Y1)

The study states that the difference in effectiveness between the production process automated method with manual method in terms of productivity. It is obtained from the test results MANOVA with sig. variable productivity amounted to 0,023, less than 0.05 which become the benchmark proven hypotheses exist. The big difference in the effectiveness of the

production process between the automated method with manual method is because, both the method is a method of combustion which is included in the activated carbon production process. The results are consistent with research conducted by Sutansyah (2009), entitled "Effectiveness of Liquid Waste Treatment System in PT Bristol-Myers Squibb Indonesia". Research results found no difference in the effectiveness of the production process when seen from a productivity of working methods. Because the methods of manual or automatic is one of the activated carbon manufacturing process. So that if the method is replaced, it will show the difference in the effectiveness in terms of productivity.

Respondents said that the automated method is more effective than manual methods. This is because the speed is very slow manual production method, which requires an average of eight hours to produce 100 kg of activated carbon. Besides the manual method can not produce activated carbon products in large quantities, because it requires a lot of manpower and still use coal that takes a long time to prepare for combustion.

2. The difference between the effectiveness of the production process automated method with manual method in terms of adaptability of work (Y2)

The study states that the difference in effectiveness between the production process automated method with manual method in terms of adaptability of work. It is obtained from the test results MANOVA with sig. variable adaptability of labor is equal to 0,037, less than 0.05 is a benchmark proven hypotheses exist. The big difference in the effectiveness of the production process between the automated method with manual method is because, both the method is a method of combustion which is included in the activated carbon production process. The results are consistent with research conducted by Sutansyah (2009), entitled "Effectiveness of Liquid Waste Treatment System in PT Bristol-Myers Squibb Indonesia". Research results found no difference in the effectiveness of the production process when seen from its adaptability.

On average respondents overall automated method is better than the manual method in terms of adaptability of work. This is because the time it takes employees to learn how to operate the manual method was considered quite a long time, in addition to the time required to prepare the manual method is also quite long, an employee had to clean the kiln, as well as iron containers to put charcoal in advance, then the employee must heating coal. These processes require a long time.

3. The difference in effectiveness between methods of automated production processes with manual methods in terms of job satisfaction (Y3)

The study states that the difference in effectiveness between the production process automated method with manual method in terms of job satisfaction. It is obtained from the test results MANOVA with sig. variable adaptability of labor is equal to 0.041, less than 0.05 is a benchmark proven hypotheses exist. The big difference in the effectiveness of the production process between the automated method with manual method is because, both the method is a method of combustion which is included in the activated carbon production process. The results are consistent with research conducted by Sutansyah (2009), entitled "Effectiveness of Liquid Waste Treatment System in PT Bristol-Myers Squibb Indonesia". Research results found no difference in the effectiveness of the production process when seen from work satisfaction.

Respondents disagreed with the statement that the number of occupational accidents and health problems experienced by employees while running a manual method only slightly. This is because there is a lot of work accidents and health problems caused by the smoke of burning charcoal coal. Health problems commonly felt by employees include coughing, shortness of breath, and flu. Therefore, the automatic method is considered safer and better ensure employee satisfaction.

4. The difference in effectiveness between methods of automated production processes with manual methods in terms of the ability of gainful (Y4)

The study states that the difference in effectiveness between the production process automated method with manual method in terms of the ability of gainful. It is obtained from the test results MANOVA with sig. variable adaptability of labor is equal to 0.029, less than 0.05 is a benchmark proven hypotheses exist. The big difference in the effectiveness of the production process between the automated method with manual method is because, both the method is a method of combustion which is included in the activated carbon production process. The results are consistent with research conducted by Sutansyah (2009), entitled "Effectiveness of Liquid Waste Treatment System in PT Bristol-Myers Squibb Indonesia". Research results found no difference in the effectiveness of the production process when seen from the ability of gainful PT Bristol-Myers Squibb Indonesia.

On average respondents automated method is more effective than manual methods in terms of the ability profitable, where the mean for the automated method amounted to 3.12 and the mean is 3.03 for the manual method. In addition, respondents also answered agree on the cost of the care needed automated method is quite large, this is because the automatic method of each month the company had to replace an electric element that the price is quite high. Respondents did not agree on the cost of production of automated methods are quite large, this is because when compared with manual methods, automated methods still lighter cost of production, the company need only pay the cost of electricity, but the manual method, the company must buy coal in the amount of large enough.

5. The difference in effectiveness between methods of automated production processes with manual methods in terms of search resources (Y5)

The study states that the difference in effectiveness between the production process automated method with manual method in terms of search resources. It is obtained from the test results MANOVA with sig. variable adaptability of labor is equal to 0,048, less than 0.05 which become the benchmark proven hypotheses exist. The big difference in the effectiveness of the production process between the automated method with manual method is because, both the method is a method of combustion which is included in the activated carbon production process. The results are consistent with research conducted by Sutansyah (2009), entitled "Effectiveness of Liquid Waste Treatment System in PT Bristol-Myers Squibb Indonesia". Research results found no difference in the effectiveness of the production process in terms of sourcing PT Bristol-Myers Squibb Indonesia between two methods of wastewater treatment.

Respondents suggested that the number of staff required automatic method less than manual methods, but employees must have special qualifications such as a high school graduate (high school) to be able to run this method. This makes difficult the search of resources for automated methods.

CONCLUSION

This study aims to examine whether there are differences in effectiveness between the production process automated method with manual method in terms of productivity, adaptability of work, job satisfaction, ability profitable, and search resources. The study was conducted by distributing questionnaires to 18 respondents who are employees of Aquatic Water Filters that have worked for at least 6 months. The analysis showed that:

1. There is difference in effectiveness between the production process automated method with manual method in terms of productivity (Y1).
2. There is difference in effectiveness between the production process automated method with manual method in terms of adaptability of work (Y2).

3. There is difference in effectiveness between the production process automated method with manual method in terms of job satisfaction (Y3).
4. There is difference in effectiveness between methods of automated production processes with manual methods in terms of the ability of gainful (Y4).
5. There is difference in effectiveness between the production process automated method with manual method in terms of search resources (Y5).

SUGGESTION

Suggestions For Companies

Results of this study suggest that there are significant differences in the effectiveness of the production process between the automated method with manual method in terms of productivity, adaptability of work, job satisfaction, ability profitable, and search resources. This proves innovation created by the author (automatic method) may be used by the company. Furthermore, through this study we can see that the automated method is better than the manual method in terms of the effectiveness of its production, therefore the company is expected to no longer use the manual method and turn to the automated method for the progress of the company. In addition, the company is expected to be made SOP (Standard Operating Procedure), punishment and reward system for employees. Managerial implications are discussed in Chapter 5 should be implemented and then be monitored to determine the effect of each action.

Suggestions for Further Research

This study only examine whether there are differences in effectiveness between the production process automated method with manual method on five variables, namely productivity, adaptability of work, job satisfaction, ability profitable, and search resources. Further research is recommended to investigate other variables that could also be used to measure whether there are differences in the effectiveness of the production process, such as product quality, environmental and psychological factors of employees. It also recommended further research to involve more number of samples, making it possible to obtain better research results.

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THE IMPACT OF PRICE AND PRODUCT QUALITY

TOWARDS PURCHASE DECISION OF BIDARAN TRIGER

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ABSTRACT

Bidaran Triger is a local snack product that has been produced since 1997 and been gaining a stable market share and popularity amongst users. Bidaran in this research refers to the category of the snacks while Triger refers to the brand of the product.
Purpose – The purpose of this paper is to examine the effects of Price and Product Quality towards the Purchase Behavior of the consumer that regionally reside in Indonesia.
Methodology/approach – This research used 'SPSS Statistics 20' program to analyze the data, which mainly collected using questionnaire approach.
Findings – Results show that there are positive implication between price and product quality in affecting consumer decision making process while analyzing on which products should be purchased instead.
Practical implications – Consumer-Goods Distributors and Retailers in the food industry, particularly those focusing mainly in applicating price strategies and large varieties of products should pay attention to the price level offered as well as selective product placement when designing marketing approach strategies in order to benefit positively on long term basis.

Keywords: Price, Product Quality, Purchase Decision, Consumer Behavior, Food Industry,

INTRODUCTION

Indonesia is known as a country which massive amount of natural resources has been attracting overseas investors to approach the local authorities in order to establish a good rapport with intention of creating long term positive beneficial relationship. One of the main attractor is the largely widespread number of population that ranked as the 4th largest in the world at 250 million individuals, mainly in their productive age.

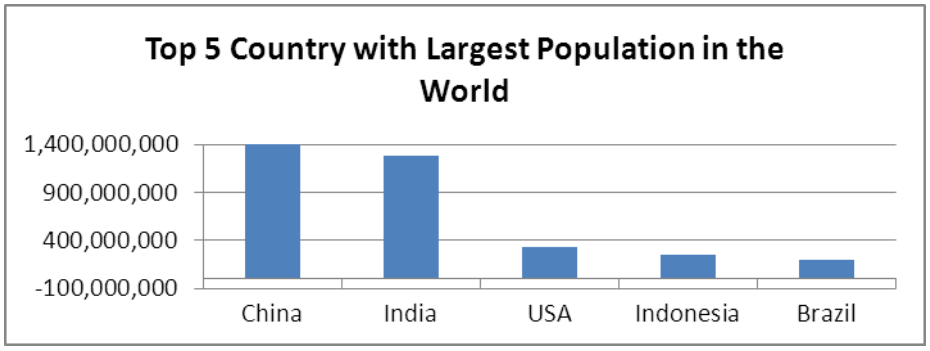

Figure 1. Comparison of the 5 Largest Populated Country in the World

This massive amount of population shows enormous market potential, especially under comsumption aspect, which shall generate demand on continual basis. A research published in the official Indonesian Government sites (*www.bps.gov.id*) stated that on average 25,75% of the money spent monthly, went to readily-consumed packaged-food. Thus if the expenditure figure stated is multiplied by the number of population, the value of Indonesian market indicates a very comprehensively promising wide-scaled prospect in food industry.

According to the analysis in the previous paragraph, the sales of Bidaran Triger was expected to grow exponentially. However, over the years, sales performances had been experiencing stagnation which called for a new effective marketing approach. To arrange an effective marketing strategy, company need to understand what their competitor is doing (Kotler and Amstrong, 2011: 480). Thus, small interview was done with a distributor whose selling Bidaran products and the datas generated are as follows:

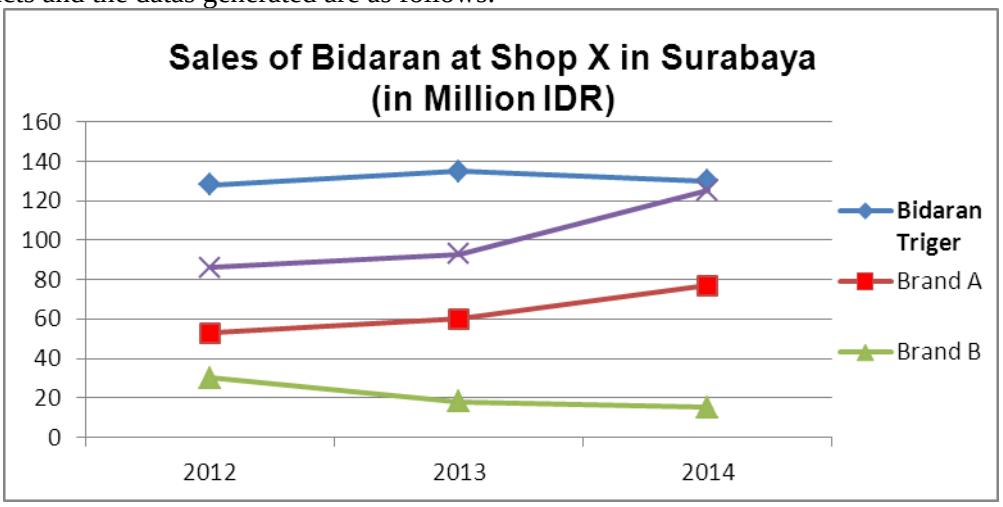

Figure 2. Sales Comparison of Bidaran at Shop X in Surabaya

As shown in the figure, the highest sales is contributed by Bidaran Triger which as shown in later year signifies a slight decline of value, while at the same time, the downward trend also shown for the sales of Brand C. Quite on the contrary of those mentioned earlier, Brand A and B exhibit an upward sales which signifies positive growth.

Table 1. Price Comparison of Bidaran Under Different Brand

No	Type	Bidaran Triger	Brand A	Brand B	Brand C
1	Cheesy Bidaran	70,000.00	65,000.00	69,000.00	66,000.00
2	Mini Cheesy Bidaran	70,000.00	65,000.00	69,000.00	66,500.00
3	White Sugar Bidaran	80,000.00	75,000.00	79,000.00	75,000.00
4	Brown Sugar Bidaran	80,000.00	-	-	-

Bidaran Triger is well known of its stability in the quality of the goods which has been nominated as the most favourited brand for bidaran category. However the latest accounting report has shown that sales performance in the latest years didn't show any significant growth, therefore a small survey was conducted where the participants are the main 20 distibutors that has been purchasing Bidaran Triger ongoingly; with intention to find out the main reason that triggers purchase decision amongst customer. The result of this small survey shows that Price and Product Quality hold a very important role at affecting decision making process. Therefore, based on the conditions above, a formal research is created with intention to find out the causes that impact purchase behavior, titled "The Impact of Price and Product Quality Towards Purchase Decision of Bidaran Triger".

LITERATURE REVIEWS

Price

Price is defined as money or things that are exchanged with the ownership or the right to exploit certain goods or services, which set based on 4 type of approaches, they are : Demand-Oriented Pricing Approach, Cost-Oriented Pricing Approach, Profit Oriented Pricing Approach and Competition-Oriented Pricing Approach; Kerin *et al.* (2012: 264). However, Porter (2011: 17) argued that setting an ideal price is not a transparent rational interaction where cost and benefit can be fully calculated. Price could be categorized as ideal when it satisfied 4 key indicators, they are : Purchaseability based on consumers' spending power, Competitiveness if compared with competitors' offered price, Quality Value of the purchased goods, Benefit-Gained after the purchase has been done; Sagita (2013).

Product Quality

In their book, Kotler and Keller (2011: 378) explained that the key in establishing a solid root in competitive market lies at the constant focus at increasing the value of goods and services which can comes in several dimension and are uniquely determined based on the specific goods or services. And since this paper is focusing mainly in bidaran, the indicators that indicate good quality products are specifically targeting on eatable goods. Carpenter *et al.* (2013: 2) stated that a product can be categorized as good quality one when it satisfies 5 important indicators, they are : Attractive Appearances, Delicious Taste, Proper Texture, Proper Size, Proper Consumption Period.

Purchase Decision

In this internet era where time is a very valuable commodity and consumer is bombarded by massive amount of information all at the same time, purchase decision often made relatively quickly using intuition. Hoyer and MacInnis (2010: 6) stated the main reason which caused the purchase behavior is because the goods or services are able to fulfill physical and spiritual needs

which helps consumer to achieve theis personal goals. The survival key in the rapidly moving market is by focusing mainly in adjusting the management movement while still keeping up with the core value of the company with correct timing and approach thus attract purchase decision from the consumer, Kotabe *et al.* (2011:507). According to Putri (2013) there are 3 main indicators that explains positive purchase decisions, they are : Strong Product Preference, Repeat Purchase that happens after the first purchase, Habit in Purchasing after gaining trust towards specific goods or services.

Proposed Hypotheses

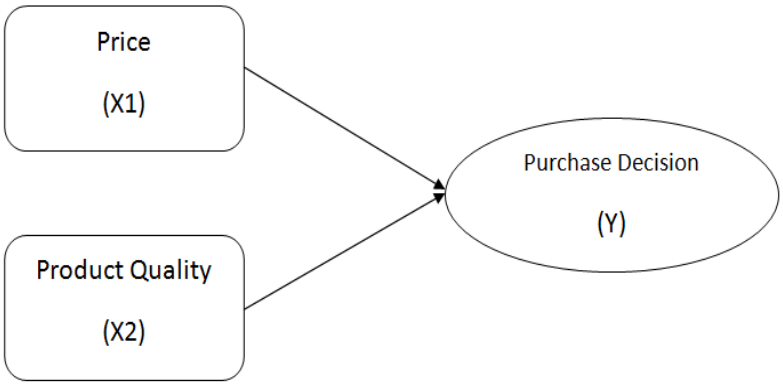

Figure 3. Framework

Hypotheses

5. H_1 = Price (X1) has a significant impact towards Purchase Decision (Y).
6. H_2 = Product Quality (X2) has a significant impact towards Purchase Decision (Y).
7. H_3 = Price (X1) and Product Quality (X2) simultaneously have a significant impact towards Purchase Decision (Y).

RESEARCH METHODS

This paper uses quantitative approach which according to Wirawan (2011: 333) is a method that use quantitative data as well as research instrument; which in this research uses questionnaire and statictics technique to gather and organize datas while a statistic program named SPSS Statistics 20 is used to analyze obtained datas. Research being done in East Java province, Indonesia; where Bidaran Triger is produced. The location is limited inside the city because it is where all main distributors are located.

According to Walliman (2010: 94), population doesn't always mean people; the collective meaning of a population is a number of goods or cases on which are the subject of the research. This also means that a population might consist of several different components such as onjects, organization, people or even an event. Population in this research consists of 45 distributors whom have been actively selling Bidaran Triger through period of 2012 until 2014.

Sample is part of population that resembles certain characteristics in which represent the whole population but in a respectively smaller size; Sugiyono, (2014:156). However, since the population size is rather small, sample in this research covers the whole population thus datas collected by giving out questionnaire to the respected 45 distributors in their offices or shops

As written by Sekaran and Bougie (2013: 227), an instrument is categorized as valid when the results obtained are in line with literatures used as the basic supportive argument. Using Pearson Correlation test, an instrument need to obtain significance value ≤ 0,05 to be concluded as valid

Also by Sekaran and Bougie (2013: 228), an instrument is categorized as reliable when the indicated result doesn't contain bias or free from error therefore the produced results are consistent. Using Cronbach Alpha method, an instrument is called reliable when the coefficient generated is larger than 0,6.
Other tests that also being conducted are Linier Regression Analysis, Statistic Tests which cover Coefficient Determination and Correlation as well as *t*-test and F-test.

RESULT

DESCRIPTIVE STATISTICS

The survey was taken by 45 distributor owners which 33 people (73%) are males while the rest 12 people (27%) represented by females correspondent. This result shows that the majority of business owner are represented by males which in daily life are expected to be the main bread-winner in the household.
The age of the correspondents vary from the age of 20s until 50s and above. The range of 20s consists of 3 people (6,67%), while people in the age of 30s consist of 10 people (22,22%), age 40s represented by 20 people (44,44%) and lastly age 50s represented by 12 people (26,67%). Every correnspondence who joined the survey is the owner of distributor company that has been operating for long time where the companies themselves are capable to follow the high barrier minimum-order that normally set by the producers, therefore the range of age for the participants are mainly dispersed in considerably mature age.

VALIDITY TEST

Table 2. Validity Table for all Variables

Question	Sig (2-tailed)	Validity
X1.1	0.000	Valid
X1.2	0.000	Valid
X1.3	0.000	Valid
X1.4	0.000	Valid
X2.1	0.000	Valid
X2.2	0.000	Valid
X2.3	0.000	Valid
X2.4	0.000	Valid
X2.5	0.000	Valid
Y1	0.000	Valid
Y2	0.000	Valid
Y3	0.000	Valid

As seen in Table 2, the significance level that shown are located in level 0.000. An instrument is concluded as valid when the significance level is lower than the standard of error, which is 5%. And since the significance value obtained are all at 0.000 point, it can be concluded that the instrument is valid.

RELIABILITY TEST

Table 3. Reliability Table for all Variables

Question	Cronbach's Alpha	Reliability
X1.1	0.775	Reliable

X1.2		
X1.3		
X1.4		
X2.1	0.639	Reliable
X2.2		
X2.3		
X2.4		
X2.5		
Y1	0.884	Reliable
Y2		
Y3		

An instrument is concluded as reliable when the Cronbach's Alpha value is higher than 0.6. Thus, as shown in the table, every Cronbach's Alpha values that have been obtained are all above 0.6 point, therefore it can be concluded that the instrument is reliable.

LINEAR REGRESSION ANALYSIS

Table. 4 Coefficient Table

Model		Unstandardized Coefficients	
		B	Std. Error
1	(Constant)	-1.202	.711
	PRICE	.837	.131
	PRODUCT QUALITY	.462	.223

Based on Table 3, the regression equation that represents the relationship between variables will be as follows :

$\hat{Y} = -1{,}202 + 0{,}837\ X_1 + 0{,}462\ X_2$

Whereas:

$\hat{Y}$ = the prediction value of Purchase Decision

X_1 = Price

X_2 = Product Quality.

STATISTIC TESTS

Coefficient of Determination (R^2) and Coefficient of Correlation (R)

Table 5. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.813[a]	.660	.644	.52666	1.741

Coefficient of Determination (R^2) shows the degree of impact the independent variables (X) have towards dependent variables (Y). R^2 value ranges from 0 until 1; whereas 0 point shows lack of impact from independent variables (X) towards dependent variable (Y), while 1 point indicates a strong significant capability of the independent variables (X) in explaining dependent variables (Y). As seen in Table 4, the amount of R^2 is located in 0.660 point. This number explains that 66% of Purchase Decision (Y) could be explained by Price (X1) and Product Quality (X2). While the rest 34% could be explained by the other variables outside the ones being used in this paper.

Coefficient of Correlation (R) explains the degree of closeness in the relationship between independent variables (X) with dependent variable (Y). R value ranges from -1 until 1, with an exception where R=0 indicates that there is a very small degree of closeness amongst respected variable. Table 4 shows that the R values at 0.813 which indicates that there is a close relationship between independent variables (X) and dependent variable (Y).

t – Test

Table 6. Coefficients

Model		t	Sig.
1	(Constant)	-1.690	.098
	PRICE	6.404	.000
	PRODUCT QUALITY	2.074	.044

The purpose of '*t* – Test' is to find out the impact significance of independent variables (X) individually toward dependent variable (Y), whereas a variable is said to have a significant impact if the sig. value is less than 0.05. Therefore as shown in Table 5, where the significance levels are at level 0.000 for X1 and 0.044 for X2, thus since both variable are below 0.05, it can be concluded that independent variables (X) carry significant impact towards dependent variable (Y).

F – Test

Table 7. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.661	2	11.331	40.850	.000[b]
	Residual	11.650	42	.277		
	Total	34.311	44			

The purpose of F – Test is to find out the impact significance of both independent variables (X) simultaneously toward dependent variable (Y), whereas a variable is said to have a significant impact if the sig. value is less than 0.05. Therefore as shown in Table 6, where the significance level is at 0.000, thus it can be concluded that independent variables (X) carry significant simultaneous impact towards dependent variable (Y).

CONCLUSION

Based on the results collected, it can be concluded that:

6) Price has a significant impact towards Purchase Decision.
7) Product Quality has a significant impact towards Purchase Decision.
8) Price and Product Quality has a simultaneous impact towards Purchase Decision.

SUGGESTION

Based on the data presented above, it can be concluded that price and product quality hold a significant impact towards purchase decision. Therefore in order to boost the sales of the product, the company can implement several strategies that focus mainly in setting up the correct price level that could attract new customers while at the same time still able to maintain the loyalty from the existing costumers. Improvement in product quality need to be done as well, providing the company knows which aspects need to be focused on and which products need to be taken care of.

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WHEN WORDS OF MOUTH ISN'T ENOUGH FOR A DESIGN FIRM CHANNEL, ANALYZED FROM HADIPRANA'S BMC

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ABSTRACT

This research aims to describe the block channels of the business model canvas from a leading architecture and interior design firm which has stood for more than 56 years, in Indonesia, Hadiprana. Block channels associated with the channel being used by a business unit in delivering awareness, products and or services to the targeted costumers. This block is usually overlooked in the field of architecture and interior design for many years because there is a ban on advertising and promotion activities of professional associations in Indonesia. This study was conducted based on the theory of the business model: the Business Model Generation by Osterwalder and Pigneur. Analysis was performed on block channels of business Hadiprana in two phases, phase in 1958-2007 and 2007-2014. The type of research conducted using qualitative research with qualitative descriptive method. The resarch finding is the strenghth of Hadiprana channels originating from its differentiation methods, well allignment with other blocks and consistency in operation. Recomendation for businesses in this area are about the importance of understanding, designing and implementing block channels holistically, contextualy and constantly.

Keywords: business model canvas, channels, architecture firm, interior design firm, creative industry, marketing, design management

INTRODUCTION

In Indonesia, architecture and interior design firm are classified under the construction services industry according to Law No. 18 of 1999, which defines that the construction work covers the whole or part of the series of activities and the planning or implementation as well as monitoring including architectural, civil, mechanical, electrical and environmental layout of each along with the accessories, for the realization of a building or other physical forms. Businesses that are included in the business services include contractors, developers, real estate, consulting architecture, interior design and some other related fields. The Government set up LPJK by issuing Law No. 18 of 1999 which declared its formation in Jakarta on August 9, 1999, to regulate all businesses related to construction services. Association for Architects and interior designers in Indonesia are the Association of Indonesian Architects (IAI), Indonesian Society of Interior Designers (HDII), both of which are regulated under LPJK. The data taken from the official website LPJK (Construction Service Development Institution) shows that most companies in the field of consulting services architecture and interior design is not much that can sustain and developed into a large-scale company. In 1998, 2,951,532 SMEs, recorded

bankrupt, whereas the number of SMEs scale companies reached 90% of the whole registered construction companies. However, there are some consultant company which can last up to more than five decades as well as being a large-scale company with a good reputation. Among those companies there is Graha Cipta Hadiprana, which has reached fifty-seven years old now. Sustainability to growth for consulting services in the field of architecture and interior design in Indonesia is influenced by external and internal factors. External factors that affect are the macro-economic conditions and industry competition while the internal factors are the design management and design competency of the firm .

Indonesian macro conditions such as the social, political and national and international economy greatly affects the survival and development of business in this field. Construction services business is one area of business that can be an indicator to measure a country's economic development. It was due to the development in this field is strongly influenced by the economic conditions of the country. At the time of monetary crisis in 1998, 1500, or approximately 60% of existing development company went bankrupt and dragged all related fields (Wuryandani et.al., 2005: 4-6), including the fields of architecture and interior design. When the monetary crisis, followed by riots in 1998, many property projects stalled and almost no new projects until 2000.

Other external factors are industry competition in this field. One of the constraints in the industry competition is coming from organization that houses the fields of architecture and interior design. Certification system under LPJK considered corrupt by the Comission of Business Competition Supervision Republic Indonesia (KPPU, 2014) . Certification of the caretaker LPJK dominated by large employers in the same field, is considered as a barrier to grow due to abuse of power to compete with unhealthy ways, and make the certification for commodity (KPPU, 2014). Uncertified construction services consultants and contractors unable to bid on large projects which is to be a great stepping stone for their growth. It causes the little amount of business that is capable of developing into major scale in this field. On the website of LPJK data of large-scale enterprises in the construction field only less than 10% of the total number of construction companies listed in LPJK. In addition to the certification of unhealthy factors in the organization under LPJK, there are regulations in Indonesian Architects Association (IAI) which forbids its members to carry out promotional activities so that the marketing strategy in this business only use word of mouth strategy to channeling their existence to their customers. Businesses operating services in this field tend to be passive and not creative in finding clients and marketing their services (Asnudin, 2008).

> “Kaidah Tata Laku 2. 102: Arsitek tidak akan menyampaikan maupun mempromosikan dirinya atau jasa profesionalnya secara menyesatkan, tidak benar atau menipu. Arsitek tidak dibenarkan untuk memasang iklan atau sarana promosi yang menyanjung atau memuji diri sendiri, apalagi bersifat menyesatkan dan mengambil bagian dari kegiatan publikasi dengan imbal jasa, yang mempromosikan/merekomendasikan bahan-bahan bangunan atau perlengkapan/peralatan bangunan” (IAI, 2007).
>
> Translation:
>
> "Rule of Practice 2. 102 : Architect would not convey nor promote themselves or their professional services in a misleading , false or deceptive . Architects are not allowed to advertise or promotion tool that flatter or praise themselves, and take part of the publication by the reward, which promote / recommend the building materials or fixtures /equipment (IAI , 2007) .

Compared with a similar association in America, the American Institute of Architects and the American Society of Interior Designers (AIA and ASID), the association in Indonesia do not provide supports their member to develop the business management system in architecture and interior design.

Internal factors influencing the firm development are the difficulty to maintain the fresh competency of talented designers, it affects the regeneration process and the sustainability of its design character which are needed for the competition. In addition, there is the lack of business management skill on construction services, since most of the human resources are graduates from engineering and design school which only teach project management dan design competencies. This deficiency results uncontrolled and unplanned operation which make them difficult to grow.

Hadiprana choosen as a research focus because Hadiprana can stand, grow and become leading firm in this field for 57 years (Iman, 2010). This research will focus on its block channels. The data is taken from interviews with people who know Hadiprana business development from inside and outside the firm, the official website Hadiprana and previous research in the form of biography of companies and monography. To investigate the development of block channels in the consulting business Hadiprana design, Business Model Generation by Osterwalder and Pigneur is used as an tentative theory for analytical tool guide /framework in this research.

RESEARCH METHODS

The approach in this study is a qualitative approach, because the focus of this research is still relatively new, where researchers can not ensure that critical variables and the theory to be tested. Besides previous theories can not be used as a hypothesis but only as a guide and explanatory research. With such conditions, exploratory qualitative approach is more appropriate for use (Creswell, 2009). Audience targets which are expected to utilize this findings are those engaged in the business of architecture and interior design consulting services. A qualitative approach provides room for innovation and creativity (Creswell 2009: 19) that is suitable for audience and researchers background. Inquiry strategy or the type of research is descriptive qualitative where researchers are exploring in depth the business development process Hadiprana. Researchers collected data and later interpreted, catagorized, reduced and evaluated. Theory or existing preposition used as a tool to describe and categorize the data and evaluate the results during the analysis (Creswell, 200: 13, 27). In this research, the channels strategy of both Hadiprana phase are searched, categorized, analyzed and evaluated with nine guide BMC building block of Business Model Generation (Osterwalder and Pigneur, 2010).

Business Model Generation Review

BMC is an innovative one page business plan format which is divided into nine blocks containing nine essential elements for planning a start - up or business development. BMC will be used by researchers to interpret , map and analyze data obtained from in- depth interviews and related documents . Nine building blocks or basic element in the business models include: customer segments, value proposition, channels, customer relationships, revenue streams, key resources, key partnerships and cost structure. The following is an explanation of each of these blocks (Osterwalder dan Pigneur, 2010).

Customer segments is a segment of customers targeted by an organization . The segment will be a reference for the design and implementation of a business . Some types of Customer Segments are mass market where customers consists of many people with the same needs ; niche market where customers consists of a small number of people with very specific needs ; segmented where customers are divided into several groups with needs that differ little from each other ; diversified where customers consists of two or more segments are completely different from each other ; and multi - sided platforms where customers consists of several segments of different but interrelated to one another .

Value Propositions is the solution offered to solve the problems and meet the needs of the targeted customer in block Customer Segments . Value can be a novelty , improved performance , customization , reliability , new design , brand image / status , price , cost reduction , risk reduction , accessibility and convenience of use

Channels is how a company show its value to deliver the targeted segments , in this case includes communication channels , channels of distribution and sales channels. By filling in this block the user can plan the type and stage of the delivery channels used . Types channel includes sales force , sales sites , stores , consignment shops , and retailers. The stages that occur in the process of delivering is preceded by awareness, evaluation, purchase, delivery and after sales.

Customer relationships is how a company to establish and maintain good relationships with the targeted segments . Some type of relationship that is mentioned in this book are personal assistance, dedicated personal assistance, self-service, automated service, communities and co - creation where customers involved for the performance of the service and product innovation .

Revenue Streams is how the system get the results of all activities in the block Value propositions and Key Activities. Some ways to generate cash flow can be product sales, asset sales, registration fees, subscription fees, rental fees and licenses, the cost of a broker or intermediary, it could also provide space for advertising. After determining how, then businesses determine whether the pricing mechanism using fixed menu pricing or dynamic pricing for each of these ways .

Key Resources describe the most important asset of a company is required to be able to operate all blocks . This can be a major asset of intellectual assets, physical assets, financial assets and assets of human labor.

Key Activities is the main activity is to operate a business. This activity can be the production of goods and problem solving that normally exist in a design service business and a network or platform activities .

Key Partnership is the main partner from outside the organization that is needed to operate. The three motivations for partnering: to optimize the business scale , reduce risk and uncertainty or acquiring certain activities and resources required.

Cost Structure is a block that describes all financing operations in seven other blocks. Furthermore, through this block, the user describes what kind of financing models appropriate for the business, whether it is cost- driven, value - driven, fixed costs, variable costs, economics of scale or the economics of scope.

The use of BMC now has grown to guide the assessment to examine the pattern of the transformation process in business development. Researchers use them for research purposes, while the businessmen use to assess ongoing business as a foothold for the subsequent development strategy. The use of BMC as an evaluation tool is proposed by Osterwalder in his dissertation in 2004, six years before the book Business Model Generation was published. First function: **understand and share**, the tools assist users in the process of capture-visualize-understand-communicate and share. These tools can simplify the business logic of a complicated business plan format. Its simplicity and its graphic enable a novice user to capture and re-share their concepts and logic of a very complex business easily. The second function: **Analyze**, this tool make it easier to measure and compare the business logic of a company. In analyzing the business models that will be run or are already running, Business Model Generation provides assessment tools developed from the SWOT analysis. Assessment tools consist of a checklist question includes strenght, weakness, opportunity and threat per block. On the question checklist per block there are questions about the relationship (alignment) between blocks. The third function is **managing**, this tools can help users to improve ongoing business, while the fourth function: **prospect**, this tool can be used to innovate in developing the business. Furthermore, this tool can be used to design business models and patented business for sale.

Data Collecting Technique

The type of data in this research is qualitative data consist of :

1. The primary data of the interviews of the informant related to Hadiprana business development and professional organizations in this field .
2. Secondary data are written sources include: biography, the book works, Hadiprana official website, the official website of professional organizations, scientific journals. Here is the informant identity of and its encoding :

Table 1

CODE	INFORMANT IDENTITY
HS, 2014	Informant 1 : Hendramianto Syamsulhadi Joining in Hadiprana July 14, 1986 , former division head design and build and Retail Hadiprana Accent to 2004 , Hadiprana Associate (Hadiprana Associates is a partner Hadiprana consisting of former staff designer / senior designer who is considered to be ' spirited Hadiprana ') until now .
AS, 2014	Informant 2 : Alwi Sjaaf Practitioners and Observer Design and Lifestyle , Contributor to several design magazines nationwide that Living Goddess , Bravacasa and Indonesia Design Oom Henk article on the interview by Alwi Sjaaf in Bravacaza entitled : Oom Henk , Indonesia A , 04 , February 2014 , March 2014 PT Media Esquirindo International
FS, 2014	Keynote Speaker 3 : Francis Surjaseputra Chairman of Central HDII period in 2014 (a professional organization interior design) . Informant interaction with Hadiprana : engaging with staff Hadiprana in seminars and excursions at home and abroad are held by a relatively HDII or not HDII
II, 2014	Informant 4 : Iman Imanuel of Sentra Systems , a business consultant of Hadiprana 2007-2008 for business development and use of ISO 9001 , as well as the author of a case study of transformation in an organization with a case study Hadiprana

Source: Nuradhi, 2015

The data collection method using in-depth interviews and review on documents such as biographies, monographs and previous studies. In-depth interviews with the informants, use the questions that develop from BMC which its structure already arranged based on BMC. During the interview process , the conversation documented using audio recorder, followed by transfer the record into a written form or transcript. While the data from the biographical literature , websites and guide the practice of professional organizations will be catagorized and reduced to fit the BMC blocks.

Data Analysis Technique

Data analysis technique developed from the analysis model by Miles and Huberman (2014) with points analysis developed from BMC blocks. Data from interview transcripts and related documents Hadiprana marked and categorized according to the MC blocks details. Categorization is done by using coding tools developed from existing detail in BMC blocks. The results of the first classification per stage was classified again according to the Hadiprana

development phase. Two complete filled Hadiprana's BMC was analyzed to find the details of its channels and its allignment with other blocks. Professional organizations practice guides and case studies from previous research on business management design consulting firm, used for deepening the discussion of the results of the analysis process, to find the differentiation between Hadiprana's channel compared to other firm in general.

Data Validation Technique

In this research, the data validation using triangulation techniques. Triangulation technique is a technique that uses more than one source to validate the same data in the analysis and conclusion (Moleong, 2002, Creswell, 2009). In this research, triangulation is performed between the transcript and documents. Triangulation results will then be analyzed with comparative data from previous research and document the Professional Practice Guideline from professional organizations. All the techniques used above are used for accountability in conformability and dependability. As for transferability to other settings can be done for a similar service sector and in a similar setting, which is expected as the benefits of this research.

RESULT AND ANALYSIS

Hadiprana General Review

The general overview of Hadiprana summarized from triangulation sources include company websites, two books that discuss the biography Hadiprana namely Indonesia Accent (1999) by Tan Hock Beng and Transforming Organization (2010) by Imanuel Iman, article interview by magazine Bravacaza contributor with Hadiprana founder, as well as in-depth interviews with the contributors, one of the Hadiprana associates and the HDII Chairman period of 2014. Hadiprana formerly Graha Cipta Hadiprana was founded between 1957 and 1958 by Hendra Hadiprana (Tan, 1999). Hendra Hadiprana which his nickname is Oom Henk has a Chinese name Go Cu Hing, that become the initials of Graha Cipta Graha (GCH).

Graha Cipta Hadiprana was originally the first interior design consulting firm in Indonesia. GCH has spelled success for the project is entrusted with the interior design of a foreign bank in Jakarta in the first nine year since its founded. Originally, its business activities include architecture and interior design consulting services, which is now grown up to an art gallery, service contractors, handicrafts manufacture and art courses. The strength of this agency does not fade in the age of more than five decades , even its existence becomes stronger. Imelda Akmal, architectural writer , stated that Hadiprana is one of the most comprehensive one stop design consultant in Indonesia and Hadiprana has a very good reputation in Indonesia, even at the level of ASEAN (Akmal, 2011).

The projects entrusted to Hadiprana are the large-scale national and international clients who have an extensive network of banking and hospitality. National and international crisis in 1965 , 1998 and 2008 passed Hadiprana safely and still stand strong today. In 1973 , GCH add architectural consulting services with a core team consisting of the founder , son and daughter of the founder, known as the triad. In the young age of the company for the category of design services namely seventeen years, GCH has gained the confidence to handle large projects for the entire network of Bank Niaga Indonesia, as well as its network grew to nationwide and to international hospitality project until now .

From 1975 until 2013 , Hadiprana has gained many awards both nationally and internationally, and has gained a lot of projects design and development to the outside Indonesia. Several times the regeneration of the leadership and financial crisis Hadiprana passed safely.

In 1988 the leadership passed on to Sindhu Hadiprana. Sindhu Hadiprana lead Hadiprana safely through monetary crisis of 1998. Next in 2007, Hadiprana going on regenerated again from Sindhu Hadiprana to Mira Hadiprana until now, the regeneration time happened at a time of financial crisis in the GCH. In the leadership of Mira Hadiprana , the world was hit by the global economic crisis of 2008 and 2010 (Iman, 2010). All the regeneration of the crisis and

have been passed and Hadiprana still standing strong today. What is being done for fifty-seven years is certainly very valuable to be studied and inspired by the other business consultants and interior architecture.

Hadiprana Channels Analysis

Hadiprana use two types of channels , direct and indirect , direct sales force and indirect includes stores, promotional tools, websites and community events. Both direct and indirect are owned by Hadiprana. Hadiprana use both types of the channel since 1958 until now. However there is a development on both of its channels.

Table 2. Triangulation of Hadiprana Channels

Iman, 2010 Channel type: Direct via founder, cuatomer servoice , via designers as sales force Indirect via build project and word of mouth from satisfied client. Without modern marketing program , simply relying on work and service quality maintenance and customer satisfaction only. Very strong in phases of awareness, evaluation, purchase, delivery and after sales.	**CHANNELS HADIPRANA ERA 1958-2007** Based on previous research and interview results with Hadiprana related people	Tan, 1999 Channel type: Direct via founder, cuatomer servoice , via designers as sales force indirect via own office, own gallery, own house, build project, own cultural events.
HS, 2014 Channel type: Direct via founder, marketing staff as cuatomer servoice maintain client for repeat order, via designers as sales force. Indirect via own office, own gallery, own house, build project, own cultural events. very strong in phases of awareness, dan after sales.	Sjaaf 2014, AS, 2014 Channel type: Direct via founder indirect via own office, own gallery, own house, build project, own cultural events. very strong in phases of awareness, evaluation	FS, 2014 Channel type: Direct via founder Indirect via build project and word of mouth from satisfied klien

Iman, 2010. Channel type: Direct via cuatomer services, marketing staff and designers as sales force indirect via own gallery, own house, build project, own cultural events. Online and offline promotion tools,	**CHANNELS HADIPRANA ERA 2007-2014** Based on previous research and interview results with Hadiprana related people	Tan, 1999 N/A

very strong in phases of awareness, evaluation, purchase, delivery and after sales. More organized using modern marketing strategy		
HS, 2014 No change from the previous era with the addition of a website and well planned marketing program	Sjaaf, 2014. AS, 2014 Channel type: Direct via cuatomer services, marketing staff and designers as sales force indirect via own gallery, own house, build project, own cultural events. Online and offline promotion tools,	FS, 2014 Channel type: Direct via founder Indirect via build project and word of mouth from satisfied klien Plus art program for international school and exhibition untuk next generation customer

Source: Nuradhi, 2015

In the era of 1958-2007, the most powerful direct channel of Hadiprana is the power of founder personality, Hendra Hadiprana , which is further supported by the core team, Sindhu and Wedhari, followed by its designers. Hendra Hadiprana use lifestyle education strategies to introduce Hadiprana's design work through a high tea parties and fine dining at Hendra residence attended by socialite from Jakarta, Bandung and Bali (AS, HS, 2014).

According to Hendramianto, interior and table setting during those parties using the western standards but combined with Indonesian decoration, since Hendra's passion to the Indonesian culture, especially the elegant Java and festive Bali. Hendra/ Oom Henk introducing international lifestyle, branded home decoration, interior design, table manners and the art knowledge to Indonesian socialite who was still not much exposed to a similar lifestyle that time. His residence and parties along with his unique personality as a channels to introduce his business. Here the home, gallery and office become indirect channels (Tan, 1999, HS, 2014, AS 2014, Hadiprana dalam Sjaaf, 2014)

Changes of Hadiprana sales force formation in 2007 reduced role of founder and the core team. In addition, since 2007 Hadiprana have special marketing staff with a more modern marketing strategies. But the founder wisdom in terms of design and services perfection invested continuously to all staff. Founder always instill the importance of quality of work and service as a strong base to reach clients, he calls this a quality management for marketing. This wisdom is the reason why Hadiprana at the beginning of the establishment does not have a modern marketing program according to Hadiprana business consultant, Iman, 2010. But actually, his unique personality, activity and property, has created strong and attractive direct and indirect channel for all channels phase (HS, 2014).

Indirect channel Hadiprana from 1958 to the present using many channels include gallery, consultant's office, founder residence and villa, built projects, promotional tools, presentation tools and lifestyle-cultural-art events. When Hadiprana started implementing modern marketing, Hadiprana began making promotional tools such as producing monography books and postcards, while still maintain the perfect quality of the design and service during project. Those channels create other channels, word of mouth to the old and new clients clients. Now Hadiprana has a good website as additional marketing tools along with the presence of internet in Indonesia.

Hadiprana channels strong in the awareness phase with an unusual strategy for compare to similar type of business in the same era, which will be explained in more detail in the comparison between Hadiprana and other agencies. Those strengths since 2007 became more organized and integrated with the overall company strategy. In the phase of awareness and evaluation, direct and indirect channel Hadiprana give a very strong and clear message about Hadiprana's value propositions. When the client begins to interact with the Hadiprana staff, the quality of customer relationships during the project which serve by Hadiprana human resources, become channels to get the clients to the ext all phases. Nowadays Hadiprana reach a position where the marketing staff was asked to focus more on taking care of good relations with old clients rather than looking for new clients (HS, 2014). However, this unique channels just not as strong as before 2007 (Sjaaf, 2014), although there are additional art-school program to international school (Francis, 2014), and this is because of the founder absence.

Professional practice documents in the field of architecture and interior, describes channels as an untouched block in the operational management. The cause is the prohibition to carry out marketing activities. In 1980, the association in many countries already loosening the ban on advertising (Piotrowsky , 2013 , Kolleeny , 2002 , Littlefield , 2005). Th past conditions make architects and interior designers rely on the channel words of mouth and project portfolio which weakened their channels in awareness and evaluation phase. In Indonesia, until now, IAI has not revoke the ban (IAI, 2007. The architects and interior designers all around the world also believe in the myth that the quality of their work automatically make the audience aware of their presence for decades (Littlefield 2005).

Now in the overseas this field is now open for marketing activities, their channels develop to highly innovative channels, and most of these firm have specialized human resources for marketing and allocate large cost for marketing activities (Littlefield, 2005, Emmitt, 2014, Maurer, 2010, Kolleeny, 2002). Here are Channels SWOT Evaluation and Comparison Table between Hadiprana channels and other firm.

Table 3. Channels SWOT Assessment

(D= Hadiprana before 2007, S= Hadiprana 2007-2014)

CHANNELS S-W ASSESSMENT	+	-	
Our Channels are very efficient		DS	Our Channels are inefficient
Our Channels are very effective	DS		Our Channels are ineffective
Channel reach is strong among customers	DS		Channel reach among prospects is weak
Customers can easily see our Channels	DS		Prospects fail to notice our Channels
Channels are strongly integrated	DS		Channels are poorly integrated
Channels provide economies of scope		DS	Channels provide no economies of scope
Channels are well matched to Customer Segments	DS		Channels are poorly matched to Customer Segments

CHANNELS OPPORTUNITY	Y	N
How could we improve channel efficiency or effectiveness?	DS	
Could we integrate our Channels better?	DS	
Could we find new complementary partner Channels?	DS	
Could we increase margins by directly serving customers?	DS	
Could we better align Channels with Customer Segments?	DS	

CHANNELS THREATS	Y	N
Do competitors threaten our Channels?	S	D

Are our Channels in danger of becoming irrelevant to customers?	S	D

Comparison between Hadiprana Channels and other firm

Channels Biro Konsultan	Methods	Phase	Ownership
Hadiprana 1958-2007	Direct via founder, cuatomer services , via designers as sales force indirect via own gallery, own office, own house, build project, own cultural events.	very strong in phases of awareness, evaluation, purchase, delivery and after sales	Channel ownership: own channel
Hadiprana 2007-2014	Direct via cuatomer services, marketing staff and designers as sales force indirect via own gallery, own office, own house, build project, own cultural events. Online and offline promotion tools, More organized using modern marketing strategy	very strong in phases of awareness, evaluation, purchase, delivery and after sales.	Channel ownership: own channel
Arsitektur dulu	Indirect and direct via founder and designer	Almost without channel in awareness phase, only use word of mouth fromformer client. While the other phases happen naturaly without strategy.	Channel ownership: own channel
Arsitektur Luar negeri sekarang	Creative Indirect and direct via PR and salesforces	Channel Innovation focused on Awareness and Evaluation Phase	Channel ownership own and media partnership
Interior dulu	Channel types: Indirect and direct via founder and designer	Almost without channel in awareness phase, only use word of mouth fromformer client. While the other phases happen naturaly without strategy.	Channel ownership: own channel
Interior luar negeri sekarang	Channel type: Creative Indirect and direct via PR and salesforces	Channel Innovation focused on Awareness and Evaluation Phase	Channel ownership own and media partnership

Source: Nuradhi, 2015

CONCLUSION

Hadiprana channels method consist of direct and indirect , direct channel includes unique team sales force, while indirect includes an open house activity, gallery, project portfolio, marketing tools, websites, gathering, exhibition cultural event, and monography. Hadiprana use both types of the channel since 1958 until now. Development is done by adding the website and well planned costs allocation for business development. Its power lies in the uniqueness of the strategic concept which is built on the specific capabilities of human resources, physical resources from the existence of the physical evidence hat match with the specific needs of Hadiprana's customer segments. Those evidences and reputation of Hadiprana's value propositions channeled through words of mouth and user experience on all interaction phase. This makes Hadiprana's words of mouth developing into "Seeing is Believing".

Managerial Implication:

1. While in Indonesia the association still has not lifted the ban on promotion for its members, design firms can still has its channels in a creative , honest and consistent as that of Hadiprana. Because, basically, channels happen not only through advertising and signboard , and not only in the awareness phase only, but can be cultivated in each phase during the design process .
2. Now is the era for design firm not only depend on the words of mouth especially with the internet availability . Hadiprana use the cultural event activity and its physical resources to demonstrate its works in offline social networks, directly channeling their presence to their future client. Hadiprana aware that the quality of design and service will be promotional material whether it be negative or positive , so both are taken care of perfection in every phases. The impact is Hadiprana's words of mouth is not just words of mouth , but become strongly proven words of mouth on the right targeted segments .

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FEASIBILITY STUDY OF OYSTER MUSHROOM CULTIVATION IN MOJOKERTO CITY

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ABSTRACT

Oyster mushroom also known as Pleurotus ostreatus, "Hiratake", "shimeji" and "houbitake" (Sanchez, 2010) is one of the many types of fungi that can be consumed. In general, the mushroom contains 90% water and 10% other dry substances (Morais, et al., 2000). In the development of this oyster mushroom cultivation business, business owners are using mushroom seed strain Florida. The reason business owners are using this type of seed is because it is suitable for all kinds of manufacturing kinds of foods made from oyster mushrooms in Indonesia. In this study, researchers conducted a feasibility study of oyster mushroom cultivation seen from several aspects: legal, market and marketing aspects, technical aspects and technology, management and human resources, as well as the financial aspect. The urgency of research of the feasibility study is partly because the oyster mushroom producers in Mojokerto is still quite a bit while demand is increasing oyster mushrooms. This prompted researchers to develop business Oyster Mushroom Cultivation Sooko in Mojokerto. In addition oyster mushroom has many benefits for the oyster mushroom has a delicious taste and contains few calories (Aishah and Wan Rosli, 2013). In addition oyster mushroom is easy to be cultivated in any area (Noorlidah, Uddin, Borhannudin, 2013).

Keywords *: Feasibility Study, Oyster Mushroom, Cultivation, Sooko Mojokerto*

INTRODUCTION

White oyster mushroom (*Pleurotus Florida*) is a type of mushroom consumption are popular in the market because of high nutrient content and easy to be cultivated. This kind of mushroom contains a lot of protein, phosphorus, iron and calcium when compared to other types of mushrooms (Djajanegara and Harsoyo, 2008). In the oyster mushroom, there are some beneficial properties for health, among others: As an anti-cholesterol, antioxidant and antitumor because it contains nutrients, some of which are fat, minerals and a variety of vitamins and fiber, folic acid content in the oyster mushroom to prevent cancer and to cure anemia. Besides good for pregnant women because it can reduce birth defects and brain defects in children (Rahmat and Nurhidayat, 2011: 19), the fat content in the oyster mushroom is mostly unsaturated fat. In addition oyster mushrooms also contain active compounds that can lower lovastatin cholesterol (Piryadi, 2013: 10). Thus oyster mushrooms unfit for consumption. In Table 1.1 are presented

data on the number of oyster mushroom demand in several major cities in Indonesia in 2012 (Piryadi, 2013: 14):

Table 1. Total demand of oyster mushroom in 2012

No	City	Needs per Day (kg)
1	Jabodetabek	20.000 – 25.000
2	Cianjur	1.500 – 2.000
3	Sukabumi	1.750 – 2.000
4	Bandung	7.500 – 8.500
5	Semarang	500 – 1.000
6	Yogyakarta	1.000 – 2.000
7	Malang	1.500 – 1.750
8	Surabaya	1.500 – 2.000

Based on data in Table 1.1 of the oyster mushroom production needs and the high number of requests oyster mushrooms on the market, the researchers plan to open the oyster mushroom cultivation with the aim to increase the number of requests oyster mushroom production in East Java and the surrounding region. For the moment oyster mushroom cultivation in East Java is in the area of Surabaya, Sidoarjo, Mojokerto, Pasuruan, Malang, Blitar, Madiun, Jombang and Banyuwangi.

Entry barrier for oyster mushroom cultivation business is relatively low because in addition to the capital required is not so great, supplier of seed maker or oyster mushrooms seed readily available at an affordable price. In Table 1.2 below will be presented the supplier data of oyster mushroom seed based author's data:

Table 2. Supplier data of oyster mushroom seed

No.	Supplier	Location	Price per Seed
1	Nur Soleh	Belakang lokasi wisata Ubalan Pacet	Rp. 2.500,-
2	Ratna Novita	Dsn Kebangsore no. 159, Ds. Petak, Pacet	Rp. 2.300,-
3	Taufik Mikhrozin	Dsn Kembangsore no. 01, Ds. Petak, Pacet	Rp. 2.000,-
4	Eko	Jalan Brawijaya 362 Mojokerto	Rp. 2.750,-
5	Opik	Pacet Mojokerto	Rp. 2.550,-

The urgency of research of the feasibility study is partly because the oyster mushroom producers in Mojokerto is still quite a bit while demand is increasing oyster mushrooms. This prompted researchers to develop business Oyster Mushroom Cultivation Sooko in Mojokerto. In addition oyster mushroom has many benefits for the oyster mushroom has a delicious taste and contains few calories (Aishah and Wan Rosli, 2013). In addition oyster mushroom is easy to be cultivated in any area (Mostak, *et al.*, 2013). Aishah and Wan Rosli (2013) reported that *Pleurotus ostreatus* is a type of fungus that ranks second in terms of mushroom cultivation worldwide. Meanwhile, according to (Josephine, 2015) oyster mushroom (*Pleurotus spp*) is ranked third after the white button mushrooms and shiitake mushroom production in the world. In this study, researchers conducted a feasibility study of oyster mushroom cultivation seen from several aspects: legal, market and marketing aspects, technical aspects and technology, management and human resources, as well as the financial aspect.

LITERATURE REVIEW

Feasibility Study

Sangree (2012) in the journal argued about the feasibility study as a measure to determine the feasibility of developing a project from the aspect of economy. Hassan (2013) suggested a feasibility study as a tool that offers technical, economic and financial in making a decision to estimate the investment of a business project that will be done. From some of these definitions can be concluded that the feasibility study is a detailed study conducted on a business idea to analyze all the things that will happen so that the business idea is feasible to run and bring benefits.

Legal Aspect

Feasibility legally means determine the feasibility of a proposed system in accordance with legal requirements such as data protection measures or legal social media (Mukund, 2015). It can be concluded purpose of the legal aspects of the business feasibility study is to analyze the various procedures and licensing business so that the business is feasible in terms of its legal.

Market and Marketing Aspect

Market and marketing aspects aims to determine the structure and market opportunities that businesses can determine the marketing strategy to be used (Kasmir and Jakfar, 2012: 42). Analysis of the market aspects of a business regarded as a scientific tool to obtain relevant information about the reality of the state of the proposed market (Abou-Moghli and Al-Abdallah, 2012). From some opinions on the above it can be concluded that the purpose of the market and marketing aspects is to find a marketing strategy so that it can be analyzed how much the market will enter, how many products will be produced, how big prospects and opportunities in the market and know the advantages and disadvantages of competitors. To find out the requirements necessary analyzes such marketing; Segmenting, Targeting and Positioning (STP) and the Marketing Mix.

Technical and Technology Aspect

Technical and technological aspects determining product design, machinery and equipment chosen and required material (Moses and Chimezie, 2014). Technicalities of a project is feasible can be seen from the technical capabilities of the organization, the availability of skilled staff and appropriate facilities (Hoffman, 2013). Referring to the multiple definitions of the above, it can be concluded objectives of the feasibility analysis of the technical and technological aspects of a business idea is to determine the readiness of the company to prepare a few things: the accuracy of location, layout determination of the election, the sheer scale of the production of machinery and equipment as well as the selection of the technology to be used so that can achieve operating efficiencies.

Management and Human Resource Aspect

Feasibility on human resources aspect can be seen in the quality of resources and the amount of resources needed to complete a project effectively (Hoffman, 2013). Project management is a system for planning, implementing and supervising the construction of the project with efficient (Kasmir and Jakfar, 2012: 169). Based on some of the above definition can be concluded purposes of analysis and human resource management aspects of the feasibility study is to plan and oversee the project development process and business ideas that correspond to human resources owned by a company.

Financial Aspect

Financial aspects aims to analyze incoming and outgoing cash flows, the cost implications, capital requirements, profit and loss (Moses and Chimezie, 2014). Financial aspects of the business feasibility study aims to prepare the capital to be used in conducting business with a favorable rate of return (Suliyanto, 2010: 184). Researchers used several methods to analyze the feasibility of investing: Payback Period (PP), Net Present Value (NPV), Profitability Index (PI), Internal Rate of Return (IRR), Scenario Analysis.

RESEARCH METHODS

Place and Time of Research

The study was conducted in the oyster mushroom cultivation researcher at Prof. Dr. Soekandar Street, Sooko in Mojokerto. The reason the researchers chose a place to study because of the passage of oyster mushroom cultivation are in these locations. When the study of the month February 2014-July 2015.

Analysis Unit

The unit of analysis to be used in this study are as follows: supplier of oyster mushroom seed, farmer of oyster mushroom, sellers based foods oyster mushrooms, sellers of oyster mushroom in traditional markets.

Methods of Data Collection and Analysis

Legal Aspect

Analysis of the data used in the legal aspect is qualitative analysis. This method is used to test the extent of oyster mushroom cultivation can meet business licensing and permitting completeness location.

Table 3. Data source of legal aspect

Type of Data	Information
Primary	The response from the public about the location of a business idea that will be executed
Secondary	Location permits and business licenses

Market and Marketing Aspect

Analysis of the data used in the market and marketing aspects are quantitative analysis. This method is used to analyze the request (demand) and supply (supply) to determine the amount of demand and supply on the oyster mushroom will be produced later. With secure data so researchers can determine the most appropriate marketing strategy through analysis of STP and marketing mix.

Table 4. Data source of market and marketing aspect

Indicator	Information
STP (*Segmenting, Targeting, Positioning*)	Business owner able to set the segment, a target, and the position of the industrial market and the traditional market.
Marketing Mix (*Product, Price, Place, Promotion*)	Business owner is able to assign the most appropriate strategy regarding product, price, place and promotion efforts oyster mushrooms.

Technical and Technology Aspect

Table 5. Data source of technical and technology aspect

Indicator	Information
Location	Selection of the business location that does away with the availability of raw materials, availability of labor and adequate transportation.
Layout	Design of place of oyster mushrooms should be able to retain moisture and oyster mushrooms can prevent pests.
Production Scale	Planning of production scale in accordance with the availability baglog oyster mushrooms, availability of employees and the amount of demand.
Technologi	The use of sparkling water to keep the indoor temperature and humidity sealer for sealing plastic.

Management and Human Resource Aspect

Table 6. Data source of management and human resource aspect

Indicator	Information
Business Owner	Initiate and carry out business in accordance with the planned time (beginning July 2014).
Competent Workforce	Workers who sought labor is able to meet the specifications of the expected work.
Labor Cost	Labor costs will be determined by the costs of operations and future production.

Financial Aspect

The financial data that have been collected will then be processed to calculate the necessary capital, projected income statements, cash flow projections, the calculation Payback Period (PP), Net Present Value (NPV), Profitability Index (PI), Internal Rate of Return (IRR) , as well as scenario analysis.

Table 7. Data source of financial aspect

Indicator	Information
Payback Periode (PP),	Able to recoup the money invested 3 years
Net Present Value (NPV),	Nilai NPV > 0
Profitability Index (PI)	Nilai PI > 0
Internal Rate of Return (IRR)	Nilai IRR > BI interest rate bank guarantee of 7.5%
Scenario Analysis	Analyzing the situation worst, the situation is moderate and the best situation in which relate to various aspects, including cost of sales, purchases and expenses.

FINDINGS

Legal Aspect

Table 8. Feasibility of legal aspect

Indicator	Business Condition	Information
Owner Identity	Already have ID cards	Feasible
Recommendations of RT / RW / District	Has Obtaining permission from the RT / RW / District that this effort does not cause interference in the vicinity of the business	Feasible
Licensing letter	Letter from the ground permitting Pertahanahan Office	Feasible

Market and Marketing Aspect

Table 9. Feasibility of market and marketing aspect

Indicator	Business Condition	Information
STP	Business owners have set segmentation, target market and target market positioning	Feasible
Marketing Mix	Business owners have set up a marketing strategy by using the marketing mix	Feasible

Technical and Technology Aspect

Table 10. Feasibility of technical and technology aspect

Indicator	Business Condition	Information
Business Location	Farms have good irrigation system and clear	Feasible
Layout	Business owners have designed the oyster mushroom cultivation place to keep moisture and temperature and can prevent pests	Feasible
Production Scale	Business owners had planned scale of production in accordance with the availability baglog oyster mushrooms, availability of employees and the amount of demand	Feasible
Technology	Business owners can meet the technology and equipment needed	Feasible

Management and Human Resource Aspect

Table 11. Feasibility of management and human resource aspect

Indicator	Business Condition	Information
Competent Workforce	The company is able to determine the specifications of the job and a new human resources can be said to be competent if it has met these requirements	Feasible
Labor Cost	The company is able to determine the wages of workers in accordance with the operating costs and the cost of production.	Feasible

Financial Aspect

In the graph harvest oyster mushrooms Sooko (Figure 1) and turnover graph (Figure 2) it can be seen that the oyster mushroom Sooko during the period 1 (August 2014 - February 2015) have yields and low sales level. Later in the second period (May 2015 - July 2015) crops began to improve and climb that resulted in the sale of products became meningkat. At Figure 4.1 and Figure 4.2 it can be seen that the yields and sales turnover in March and April worth 0. This is because owner experienced an error in calculating the turnover process seed oyster mushrooms. Procurement process should have another oyster mushroom seeds which will be taken from the supplier, taken during the first month or two when the first harvest begins to take place. This will make the chain harvest and sale of oyster mushrooms will not give up and continue.

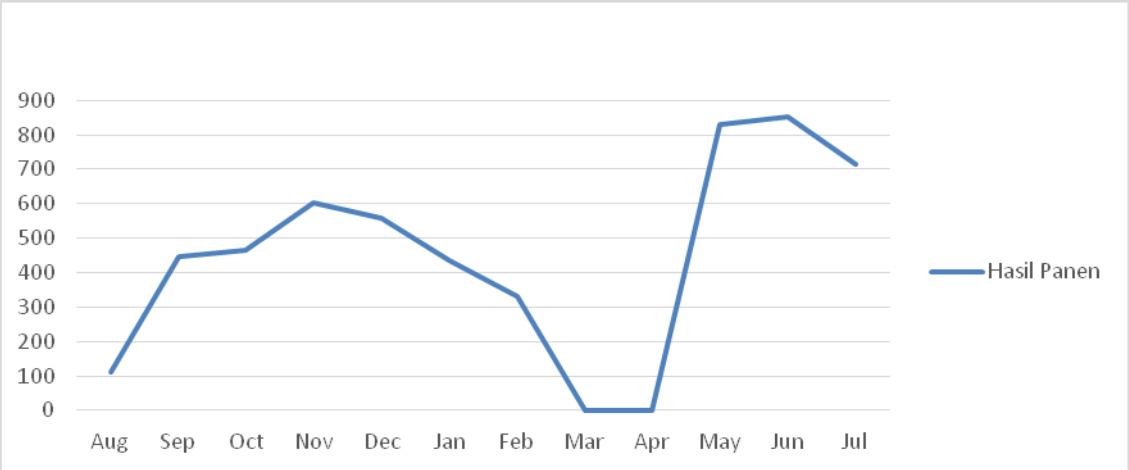

Figure 1. Harvest periods 1 and 2

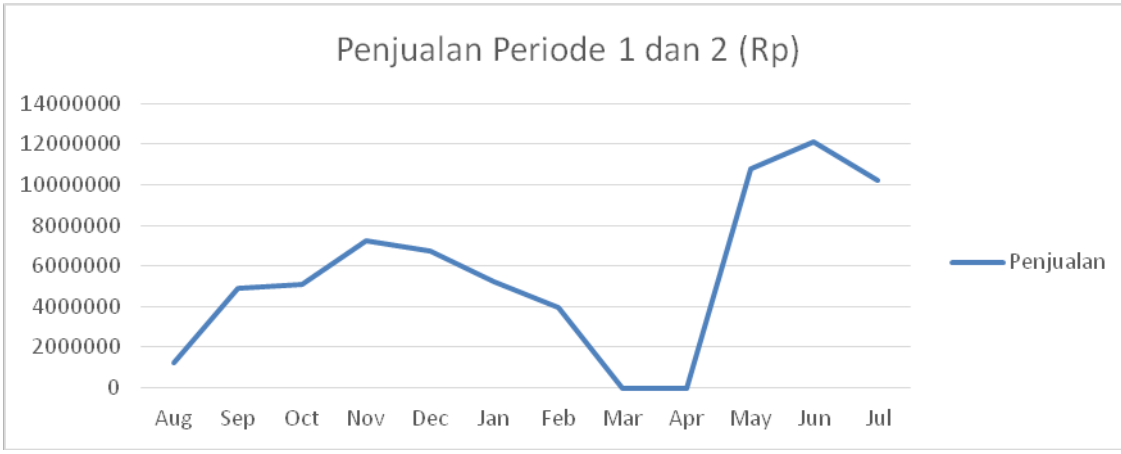

Figure 2. Sales Turnover Period 1 and 2

Table 12. Feasibility of financial aspect

Indicator	Trend Scenario	Skenario Moderat	Best Case Scenario	Worst Case Scenario
PP	≤ 3 years	1 year 3 months 15 days	1 year 2 months 12 days	1 year 4 months 25 days
NPV	> 0	Rp 269,618,818	Rp 312,518,162	Rp 226,719,475
PI	> 1	3.02	3.34	2.70
IRR	> 7.5%	82%	92%	72%
Information		Feasible	Feasible	Feasible

DISCUSSION AND CONCLUSION

Legal aspects declared eligible. As for the tax ID and business license letter and others have not been too urgent because this business is engaged in agriculture and small-scale still. For the future business owner will take care of business license and official permits from other legal entities. On market and marketing aspect, business owners have set segmentation, target market and target market positioning and business owners have set up a marketing strategy with marketing mix method. On technical and technology aspect, Farms have good irrigation system and clear, business owners have designed the oyster mushroom cultivation place to keep moisture and temperature and can prevent pests, business owners had planned scale of production in accordance with the availability baglog oyster mushrooms, availability of employees and the amount of demand. On management and human resource aspect, for a job specification is not required special individual specifications and specific experience. It just takes someone who is tenacious and honest. On financial aspect oyster mushroom Sooko financial performance during the harvest period 1 (August 2014 - February 2015) is still not stable. This happens because of the necessity of the process of introducing a product to market. In addition the owner still has not been able to maintain and control the growing period and harvest oyster mushrooms. However, in the period 2 (May 2015 - July 2015) financial performance showed significant results. This is because the owners are able to maintain and control the growing period and harvest oyster mushrooms. In addition to the second period, the owner sells fresh oyster mushrooms products in traditional markets. In addition the owners are not only selling products in the form of fresh oyster mushrooms alone but sells processed food products in the form of oyster mushrooms.

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IMPACT OF *ASEAN CHINA FREE TRADE AGREEMENT* (ACFTA) ON COMPETITIVENESS AND PERFORMANCE OF MICRO, SMALL, AND MEDIUM-SIZED ENTERPRISES OF CERAMIC

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ABSTRACT

ASEAN-China Free Trade Agreement (ACFTA) has positive and negative impacts on the economy, however there is limited scientific information at micro economic level. This article fill the gap with the purposes to analyze (1) the impact of ACFTA on micro, small, and medium-sized enteprises (MSMEs) of ceramic and (2) the role of market structure and competitiveness as intervening variables between ACFTA and performance of MSMEs of ceramic in Malang. Data were collected from 30 artisans at Dinoyo as the ceramic production center in Malang. Generalized Structured Component Analysis model was applied to analyze data with ACFTA as the exogenuos variable, market structure and competitiveness as intervening variables, and performance of MSMEs of ceramic as the endogenuos variable. The result of the study showed that ACFTA has insignificant impact on performance of MSMEs of ceramic in Malang. Market structure and competitiveness have not enough evidence as intervening variables between ACFTA and performance of ceramic enteprises. Competitiveness was the only variable that significantly has positive impact on performance of MSMEs of ceramic in Malang. One of the main reasons is that Malang is not market destination of the imported ceramic from China that have lower prices.

Keywords: ACFTA, market structure, competitiveness, performance, ceramic

INTRODUCTION

Economic integration between ASEAN member countries and China through ASEAN-China Free Trade Agreement (ACFTA) on January 1st 2010 formed a *Common Effecive Preferental Tariff* (CEPT) scheme by deacreasing import tarrif up to 0-5% in 2011 among ASEAN member countries and China. The implementation of ACFTA has positive and negative impacts on the economy. Proff dan Proff (1996:321) emphasized that ACFTA has positive impact due to ASEAN countries and China have a homogenous character in forming regional economic integration, although it is heavily rely on the depth and speed of the integration. Therefore, Hufbauer dan Schott (1994:3-13) stated that economic integration needs the following steps:

free trade in goods and services; free transfer of capital; labour mobility; supraregional institutions; monetary coordinations; and *fiscal integration*.
The important impacts of ACFTA, among others, are *trade creation* and *trade diversion*, which could be positive and negative impact for welfare of a country (Viner, 1950; Balassa, 1967). Nevertheless, the development process of economic integration between ASEAN and China is in the eraly stage, i.e. free strade area/free trade zone. In this stage of integration, each ASEAN and China countries can have trade transaction intra ASEAN-China countries without tariff barrier, meanwhile trading with non ASEAN-China countries is still determined according to the regulation of each country.
Micro, Small, and Medium-sized Enteprises (MSMEs) is one of the priority sector under ASEAN economic integration. This sector plays an important role in the economy indicated by increasing contribution to Gross Domestic Product (GDP) both in ASEAN countries and China. According to Dipta (2010) in Sriningsih (2011), the implementation of ACFTA could decrease product competitiveness of MSMEs in Indonesia. There are 15% of MSMEs that have high competitiveness in the region, whereas the remaining have low competitiveness; and only 7% of MSMEs will be able to compete if China is incorporated in the ASEAN regional economy.
The MSMEs' contribution is also plays an important role in the economic structure of Malang region. Ceramic is one of the important business of MSMEs in Malang. Cermic products can be found in Dinoyo area which is well-known as the ceramic production center in Malang. Various kinds of ceramic products are not sold only locally but also at the national and international market. Nevertheless, the implementation of ACFTA bring about impact on competitiveness and performance of ceramic industry in Malang.
As of 2015, publication concerning the impact of ACFTA on MSMEs performance and competitiveness especially ceramic product in Indonesia is hardly found. The publication so far are at the macro level such as study carried out by Madani (2001), Kwanjai *et al.* (2002), Pambudi and Chandra (2006), Park (2007), and Geib and Pfaff (2012). Research of MSMEs done by Rahutami and Kekalih (2011) was aimed to know MSMEs condition in Central Java, whether it will strengthen internal economy or could be an opportunity for export due to Central Jave has deficit transaction with China. Research about MSMEs is also conducted by Tambunan (2011) and the study found that trade liberalization has positive impact on the development of MSMEs in Indonesia, however this is a general study about MSMEs not a specific study for ceramic product. Therefore, this article is an effort to fill the gap.
The purpose of the article are to (1) analyze impact of the ACFTA implementation of performace of ceramic artisan in Malang and (2) analyze the role of market structure and competitiveness as intervening variables between ACFTA and performance of MSMEs ceramic in Malang.

LITERATURE REVIEW

Economic integration is a part of the ways of a country to improve public welfare (Jovanovic, 1998) by means of liberate trade from any form of protection and restriction through form a free trade area. El-Algraa (1998) defined economic integration as follows: "…economic integration as the discriminatory removal of all trade impediments between at least two participating countries and the establishment of certain element of co-ordination and co-operation between them…"
Thus, it can be conluded that economic integration imply eliminating any trade restriction with other countries and replaced by mutual benefits of economic coordination and collaboration
Economic integration indicate a group of nations which are geographicallny close to each others to establish a trade union aiming to gain economic benefits among member countries and limits penetration of other countries to the free trade zone (Chu and Park, 2007: 3) and to achieve economic growth through market extension, internalization of increasing return to scale

in the production and consumption, increase life standard of society as well as lessen income disparity among member countries (Daniel and Radenbaugh, 1986). Benefit of establishing economic integration would be bigger when member countries have similar comparative advantage, small market size, and low tariff imposition to non-member countries (Gibb and Michalak, 1994).

Economic integration, theoretically, has various types or criteria. Balassa (1961) clafisfy economic integration into five degree: (1) free trade area; (ii) costom union; (iii) common market; (iv) economic union; and (v) total economic integration. Free trade area is characteized by existance of free trade without tariff barriers among member countries, however each country is allowed to levy tariff to non-meber countries. Custom union apply decreasing import tariff to member countries and give trade barriers to non-member countries through Common External Tariff (CET). Common market is an extension of custom union by adding free flow of production factors (goods, services, capital, and labour) among member countries. Economic union is an economic cooperation agreement which include harmonization of national economic and fiscal policy. Political union is a form of integration involve compehensive political harmonization among member countries such as form one political jurisdiction in the economic integration region. According to Lawrence (1991) stage (i) up to (iii) appear a form of shallow integration and stage (iv) up to (v) are forms of deep integration.

The impact of economic integration process is, among others, the existance of trade creation and trade diversion. According to Viner (Nicholls, 1998:324) trade creation and trade diversion are forms of welfare appears as an impact of economic integration. Trade creation can be interprates as shifting goods which are produced by domestic producers with higher cost of resources to other member countries having lower cost of resources. Trade diversion, on the other side, is defined as shifting of goods produced by non-member countries own lower costs of resources to member countries having higher costs of resources. The existence of trade creation and trade diversion indicate that each country would have different economic benefits in an economic region (Lawrence (1991). The difference in the degree of economic integration has impacts on different integration pattern and mechanism of economic integration among contries, so that each country gains different benefits. According to Asante (1997), there are three factors determin degree of economic integration: market aspect, production factors, and economic policy. Carroll (1994: 24) emphasize that trade creation will give bigger benefits for countries inovolved in having high competition degree at the domestic market. More spesifically, Balasa (in Silva, 2000:10) said that more benefits of trade creation only occur if goods are produced in the competitive market.

Competitiveness has macro and micro unit of analyzes. AT the macro level, competitiveness as stated by Schwab (2012) that ‘competitiveness as the set of institutions, policies, and factors that detemine the level of productivity of a country’. At the micro level, according to Black and Porter (2000:213) stated that “Competitive advantage is the ability of a firm to wim consistently over the long term i a competitive situation”. Based on operational management point of view, Krajewski and Ritzman (2005:62-65), stated that there are four competitive capabilities for a firm to win in a market segment: (1) cost, (2) quality, (3) time, and (4) flexibility. These capabilities seems can be applied in MSMEs of ceramic, for example low cost of production will end with low price of ceramic that enable producer to compete in free trade area.

Competitive advantage concept has been used by many researchers with various indicators. Flynn *et al*. (1995) explained that advantage of firm is ways in which firm create value to its customers. It can be achieved through creating competitive advantage by various dimensions such as low cost and differentiation (Porter, 1999) and Black and Porter (2000).

RESEARCH METHODS

Variables

Variables in this study consists of exogenous, intervening, and endogenous variables. Exogenuos variable is ACFTA (X_1), intervening variables are market structure (Y_1) and competitiveness (Y_2), and endogenuos variables is performance of MSME ceramic (Y_3).

ACFTA (X_1) is defined as economic integration framework between ASEAN countries and China. Implementation of the cooperation was commenced effectively since January 1st 2010. ACFTA indicators are (a) tariff (X_{11}), which is number of tariff imposition in trade implementation, (b) numbers of ceramic products imported from China (X_{12}), and (c) government intervention in limito r restrict numbers of imported ceramic from China.

Market structure (Y_1) is defined as composition of the producers in producing and selling ceramic products the regional market of ASEAN-China. The indicators are: (a) numbers of ceramic producers (Y_{11}), (b) numbers of cermaic producers in Indonesia and other ASEAN countries (Y_{12}), numbers of ceramic products sold in ASEAN market (Y_{13}), numbers of ceramic products sold in Indonesia and other ASEAN countries (Y_{14}), and ease of raw material procurement (Y_{15}).

Competitiveness (Y_2) is defined as the degree of competition in the market. Indicators of competitiveness are (a) cost of production (Y_{21}), (b) quality of ceramic product (Y_{22}), and (c) utilization of technology in the production process (Y_{23}).

Performance MSMEs ceramic ($_{Y3}$) is defined as degree of achievement to fulfill family needs. Indicators used are: (a) earnings from ceramic make them afford to pay for their children education fee (Y_{31}); (b) earnings from ceramic make them afford to pay for family health care (Y_{32}); and (c) earnings from ceramic them affor to fulfill family needs beyond education and health care (Y_{33})

Data

Data were gained from 30 MSMEs ceramic artisan at Dinoyo and Merjosari area of Malang. This study was a census one due to that are the population of ceramic artisan in the area as the ceramic production center in Malang. Data were collected using questionnaire contained statement of indicators of the variables with five Likert scale: starting from strongly disagree; disagree, do not know, agree, and strongly agree.

Model

Generalized Structured Component Analysis (GSCA) was used to analyze data. This model was used because it is nonrecursive as well as differentiate reflective and formative measurement (Solimun, 2013) and it has small sample (Tenenhaus in Solimun, 2013).

Figure 1 depict the relationship between variables as conceptual framework in accordance with the purpose of the article.

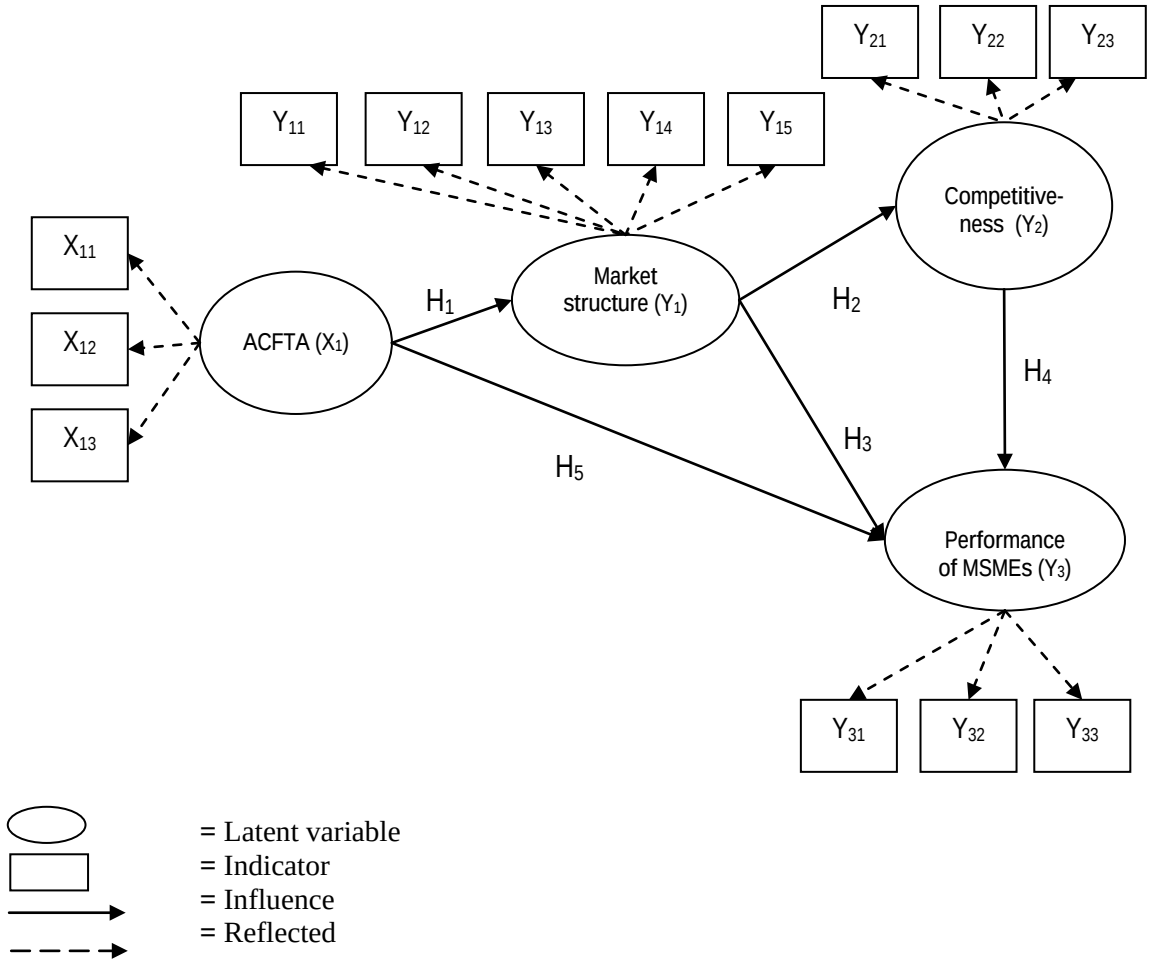

Figure 1. Research Model

RESULTS AND DISCUSSION

Statistical Result

Statistical analysis shows that all indicators are valid, except numbers of ceramic producers in Malang as the market structure indicator is marginal (loading close to cut off). Convergent validity loading is also marginal. ACFTA and market structure are not reliable, whereas competitiveness and performance of MSMEs ceramic are reliable. Overall, it can be concluded that model in good enough or marinal due to internal consistency is close to the cut off (0.60).
Model of fit structure is good enough since FIT is 0.472 that the model explaine 47.2% of the fenomena and AFIT is 0.42.7 that is relatively stable after taking into account number of sample and variables. Model of fit overall is good because Goodness of Fit Index (GFI = 0.984) ≥ cut-off (0.90) and Standardized Root Mean Square Residual (SRMR = 0.095) ≤ cut-off (0.08).
The statistical result of analysis using GSCA software is summarized in Figure 1.

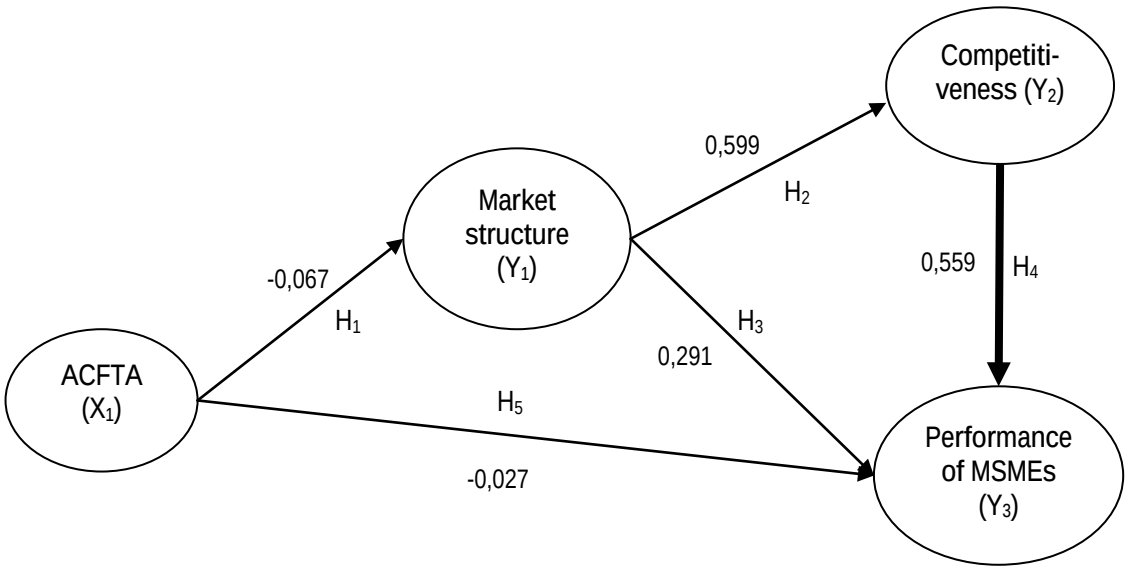

Figure 2. Statistical Analysis of Structural Model

→ : Significant at α = 5%

Statistical analysis (Table 1) showed that almost all of the hypotheses were rejected, except the influence of competitiveness on performance of MSMEs ceramic (hypothesis 4 was accepted). The path coefficient of competitiveness is positive, means that the stronger competitiveness the higher performance of MSMEs ceramic will be, holding other variables constant.

Table 1. The result of structural analysis and hypotheses testing

No.	The variables relationship	Path coefficient	CR	Decicion to hypothesis
1	ACFTA (X1) → market structure (Y1)	-0,067	0,15	Reject H1
2	Market structure (Y1) → competitiveness (Y2)	0,599	1,24	Reject H2
3	Market structure (Y1) → performance of MSME ceramic (Y3)	0,291	0,76	Reject H3
4	**Competitiveness (Y2) → performance of MSME Ceramic (Y3)**	**0,559**	**2,48**	**Accept H4**
5	ACFTA (X1) → performance of MSME ceramic (Y3)	-0,027	0,11	Reject H5

Source: summarized from statistical analysis

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Discussion

ASEAN economic integration through ACFTA is has no significant effect on market structure of MSMEs ceramic on Malang. The main reason is that ceramic product imported from China did not enter into ceramic market in Malang. It is an indication that Malang is not market destination of Chinese ceramic products may be because of ceramics produce in Malang have spesicic characteristics as a basis of competitiveness (Malang Post, 2015). This finding is in line with study of Tambunan (2011) that global trade liberalization has no strong negative

influence on MSMEs performance in Indonesia. The decreasing numbers of ceramic producer in Malang during 2014-2015 was insignificant; there was only 10 ceramic producers shift to become gypsum producers, meanwhile 30 artisants still producing ceramic. The study of Pambudi dan Chandra (2006) found that costs of production in domestic market increase as the impact of ACFTA implementation. The increasing costs of production of cermamic in Malang was affected by increasing price of liquid propane gas (*elpiji*) of 12 kg from IDR 119.000 to IDR 136.000 per tube by the end of 2014 instead of ACFTA impact. As the rsults, average cos of production per month increase from IDR 5.712.000 to IDR 6.528.000.

The increasing cost of ceramic production in Indonesia can result ini trade creation in ACFTA framework and it will benefits for other ASEAN countries, especially China that able to produce low cost of ceramic (Nicholls, 1998). If Indonesia does not be able to produce ceramic at a lower cost and therefore competitive price, Chine and other ACFTA countries will take bigger benefits from the regional economic integration. Trade creation is bigger when countries involved in the economic integration have high degree of competition to win at the demoestic market (Carroll, 1994).

Products imported from China was actually overwhelm domestic market. According to the Head of Indonesian Ceramic Industry Association, ceramic products that were 6.6 million cubic meter (m^3) of ceramic imported from China in 2011 and it were increase twice (12 million m^3) by 2012 (Kementrian Perindustrian, 2015). Data also showed that imported ceramic products from China during the periode of 2007 – 2010 was US$ 174.6 million on average, but it increased dramatically in 2012 become US$ 278 million.

The increasing numbers of ceramic products in domestic market, that is about 40 million m3 according to the Head of Indonesian Ceramic Industry Association, is was illegal (Tempo, 2011). That ceramic products were sold at a very low price (IDR 65 thoussands per m^2), whereas domestic price for the same products was IDR 100 per m^2. Imported ceramic should be levied and costs so that it would be sold at the price of at least IDR 85 thoussands per m2.

Market structure was also has no significant impact on competitiveness of ceramic products in Malang. Market structure after ACFTA implementation should be perfect competition. In fact, market structure for ceramic products in Malang is imperfect competition for most of ceramic artisan (705) were strongly disagree thet there are many numbers of ceramic producers in Malang, and most of the ceramic artisan (63%) were also did not know about numbers of ceramic producers in Indonesia and other ASEAN countries.

Market structure was also has no significant impact on performance of MSMEs ceramic in Malang. Overall analysis found that performance is significantly affected by competitiveness instead of market structure and economic integration through ACFTA. Market structure in Malang is imperfect competition due to ceramic producers have limited information concerning jumbers of ceramic products sold at national and international market. This information will helpful in effective and efficient decision making process of production and marketing. Besides, market structure of imperfect competition was stringly indicated by heterogeneous ceramic products according to consumers. Ceramic producer have not been optimize imperfect market competition by acting as price maker.

Competitiveness was the only variable that significantly affect performance of MSMEs ceramic in Malang. Competitiveness was measured by three indicators: (1) cost of ceramic production in Malang that is cheaper than other production area; (2) quality of ceramic products in Malang that are better than products from other production are included from China; and (3) production process and marketing have utilized new technology. Based on the statistical analysis, quality of ceramic product and production process play an important role in determined ceramic competitiveness. Most of the ceramic articant (56.7%) agreed even stringly agreed that quality of ceramic products in Malang are better than products from other production area included

China; and 80% agreed even stringly agreed that production process and marketing of ceramic in Malang are technological-based by means of machinery, computer, and internet.
Ceramic product in Malang and generally from Indonesia would have higher competitiveness if it is supported by various government programs and policies, such as National Standard (Standar Nasional Indonesia/SNI) for ceramic product. Indonesian government through Indonesia National Body (Badan Standarisasi Nasional) speed up implementation of SNI for 564 product included ceramic since the beginning of 2014 (BSN, 2014). Acceleration of the obligation of SNI is aimed at protecting local producers toward imported product under free trade agreement. So far, a lot of imported product had low quality and low price so that local producers were not protected.
Besides protection through SNI, MSMEs ceramic competitiveness can be increased by innovation, especially product innovation. Innovation is believed to improve ceramic products competitiveness in the global market. Motive or unique design would be attractive for consumers. Some enterprises have developed ceramic based on local culture, such as batik design (Kompas, 2015).
ASEAN ecomic integration through ACFTA has no significant on performace of MSMEs ceramic in Malang. As has been mentioned that Malang, so far, is not market destination of Chinese ceramic product. Spesific or uniqueness of ceramic produced in Malang tha has been acknowledge by European society (Jawa Pos, 2015) can be one of the reason of Chinese ceramic to not entering Malang ceramic market.

CONCLUSION

ASEAN economic integration through ACFTA has no significant impact on performance of MSMEs ceramic in Malang. Market structure and competitiveness are also have not significant as intervening variables between ACFTA and performance of MSMEs ceramic in Malang. Competitiveness, the only variable, which has significant effect on performance of MSMEs ceramic in Malang. ACFTA has no impact on performance of MSMEs ceramic due to Chinese ceramic products were not entering into Malang, maybe because of this area is not market destination of Chinese ceramic products. Product quality and technological-base production process determine competitiveness of MSMEs ceramic in Malang.
In order to maintain and improved competitiveness of MSMEs ceramic in Malang and Indonesia in general, governemt should speed up application of SNI for ceramic product to protect small producers through non-tariff barriers. Moreover, government should intensify diffusion of information to all parties involed in ceramic industry concerning the impact of ACFTA on enterprise performance.

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ANALYSIS ON PROSPECTOR, DEFENDER, ANALYZER AND REACTOR STRATEGY APPLICATION FOR SMALL AND MEDIUM ENTERPRISES

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ABSTRACT

In the last five years, small and medium enterprises (SMEs) received more attention from the government and banks. SMEs' ability to withstand waves of financial crisis in Indonesia, its significant contribution for national economy, and its capability in absorbing workforce made SMEs play an important part in Indonesia's economy. Every SMEs are surely implementing business strategy to keep their market share and expand their business. Using business strategy typology by Jabnoun – prospector, defender, analyzer and reactor – this research aims to map business strategy types used by SMEs in Batu city, the most used business strategy, and the result of the business strategy used on their business' success, both partially and simultaneously. The result of this research shows that prospector, defender, analyzer, and reactor business strategy partially and simultaneously affect business' success where prospector strategy being the most dominant factor.

Keywords: business strategy, small and medium enterprises (SMEs), business' success

INTRODUCTION

Small and medium enterprises (SMEs) is an integral part of the business world that has its own position, potential, role, and strategies in achieving national development goal of people-oriented economy, where the economic system leans toward society's interest instead of a small fraction of it.

The importance of SMEs can be seen from its distinct characteristics, e.g. (a) originated from traditional values and generally located in villages or rural communities, (b) informally managed, (c) owned by families or local communities, (d) workforce made up of family members or local residents, (e) less dependent on technologies, (f) the products geared toward supplying local demands and, (g) less disturbed by macro economical fluctuation since it's not dependent on imported commodities.

Meanwhile, SMEs' strategic roles in contributing for the government in macro economical scale is by its ability to absorbing less educated and less skilled workforce in local communities,

creating economic development centers in various locations and helped in shaping a stable and safe political and social environment.

With such important strategic role and potential, economic development experts suggest the government to treat SMEs as national assets with proper facilitation. A proper treatment will take SMEs a long way and strengthen its position as independent contributor in national economy.

Steps taken to ensure the goal is achieved become more vital in relation withRegional Autonomy, known as Otonomi Daerah (OTODA) and globalization issues. By OTODA, central government creates various regulations that allow faster economic development in provinces and ensuring political stability. Economic development in provinces focused on accelerating equal development and its results to ensure people's welfare, encouraging people contribution, and optimizing each province's unique potential.in relation to achieve people welfare, development is more focused in economic sector, especially in fair distribution of goods and services where SMEs directly plays important role.

From globalization aspect, SMEs is more vulnerable from the massive influx of imported goods that either cheaper or of better quality. With the saturated market, the possibility of SMEs products experience decrease in sales is high considering the preference of imported goods to local products. Without proper government preventive action (especially provincial government), local SMEs product will gradually disappears and resulting in higher unemployment rate.

The unwanted result illustrated above is fundamentally vital for SMEs to reevaluate their strategy and performance based on current condition to build their own competitive edge. Every business needs to continually improve to be able to benefit from the constantly changing trends and retains its ability to properly respond to business opportunities in timely manner (Herawati, 2003). This not only applies for major business but also for SMEs.

An effective effort to not only cementing SMEs independence, but also help it to operating in profit and contributed more for national economy requires more than government regulations. SMEs needed to understand strategy types that can support its performance in facing uncertain condition, ultimately creating a competitive advantage as the key of good business performance.

A study by Jabnoun (2003) found the 4 (four) strategy typology influencing business performance, prospector, defender, analyzer, and reactor. Those four strategies considered relevant in relation to current SMEs situation.Batu as a city displays fast SMEs growth, resulting from its position as a major tourist attraction in East Java. SMEs in Batu are no exception in the four business strategies influence. This study will focus on whether the four business strategies, simultaneously and independently, contributing in business performance and which strategy has the biggest influence.

LITERATURE REVIEW

Strategic Management Process

Strategic management process consists of four basic elements, environment analysis, strategy development, strategy implementation, and evaluation and control (Hunger and Wheelen, 2001). Business everywhere always related to and interacts with an ever-changing environment. Naturally, it has to be able to adapt and utilize every opportunity presented by the changing environment.

Analysis and strategy development is a management process of analyzing and decidingwhich strategy alternatives will be suitable for the company. Company can utilize SWOT (Strength, Weakness, Opportunity, Threat) analysis in deciding which strategy to be utilized to achieve desired business result.

Strategy implementation process is executing the decided strategy while the evaluation process compares the expected and the actual result and any discrepancies will be investigated and resolved by the management.
Strategic management is a companywide activity, performed by every management level. Thompson &Stricland (1998:44) classified strategy hierarchy based on the business type: (a) Corporate strategy is a specified strategy for company with various business lines, (b) Business strategy/competitive strategy, used mostly by companies with single business line and directly related to product/service in the market, (c) Functional strategy, strategy related to business departments' role in implementing corporate and business strategy and (d) Operating strategy, a more limited strategy, continuously implemented in daily operation.
Alternatively, Hunger &Wheelen (2001) stated that a multi-vision company normally utilizing three strategies, (1) corporate strategy, (2) business strategy, (3) functional strategy. (1) Corporate strategy envisionsthe company's direction and its general approach for growth and managing its various business lines to create a balanced product and service portfolio. (2) Business strategy/competitive strategy developed at department/division level and emphasized on improving product and service competitive advantage in the market. This strategy focused on profit increase from production and sales and integrating operational activities. (3) Functional strategy emphasizes on optimization of productivity and resource. Within the company and the business strategy, a functional department develops a stratefy to organize various activities and competence to increase performance. The three strategy levels – corporate, business, and functional – form a strategy hierarchy in a company. These strategies simultaneously and closely interact and need to be integrated properly for a better performance.

Strategy Types

In analyzing intensity of industry competition or strategy types, it is important to recognize competitor to predict their goals. Miles dan Snow (1978) stated that competitors can be classified by their general strategy direction to four basic strategy types. Each type characterized by a main strategy to withheld pressure from environment and combines a consistent structure, value and process. The difference between the strategy types will explain different reaction among companies toward the same situation and maintain the reaction for a relatively long time.
Miles dan Snow (1978) suggested that an organization build a systematic behavior pattern and identifiable to environment change. Main element of adaptation and the relationship defined as adaptive cycle. The cycle adapts different business strategy and represents organization's response toward competitive environment. Organizational strategy addressing three problems in the adaptive cycle. Those are entrepreneurship, technical skill, and administrative skill.
Entrepreneurship problem related on how organization oriented itself to market and related to product. Technical skill problem referring to organization's technical system on the technology utilized to manufacturing goods and rendering service. Administrative skill problem is how an organization coordinates and implements its strategy, a structure, control, and process issue. Miles and Snow (1978) states that there are four types of strategies,prospector, defender, analyzer,and reactor.
(a) Prospector: Strategy focused on inventing and exploiting new product and market opportunity. Innovation prioritized over profit. Prospector strategy focused on product innovation and market opportunities. Companies adopting this strategy tend to emphasize on creativity and flexibility than efficiency and quickly responds to market changes and benefit from new market opportunity. Orientation towards sales made an inefficient company;Stathakopolous (1998) inJabnoun, *et al* (2003:21) stated that a prospector organization using a more informal and decentralized structure to be more flexible and responsive towards changes, (b) defender: this strategy analyzes market stability and offered a limited product line for potential market niche. Defender classifies market and focused on hardly penetrable market

niche. They usually compete based on price, quality, delivery, and service and concentrated on operational efficiency and strict cost control to keep their competitive edge. Orientation on price made the company less inclined to innovate in new territories. Stathakopoulos (1998) inJabnoun*et al* (2003:21) stated that the structure and process of defender companies is formalized and decentralized. The organization took standard measures such as competitive price or high quality product.

(c) Analyzer combines both prospector and defender by minimize risk and maximizing opportunities. The strategy is only moved to new product or new market after proven success by prospector. Analyzer lives by imitation, taking successful ideas from prospector and imitates it. At the minimum, analyzer operates in two market areas, a stable one where they emphasize on efficiency and a variable one where innovation is encouraged. The organization structure is complex, resulted from the wide variety of market where they operate. An analyzer organization combines mechanistic and organic structure and (d) reactor: a residual strategy. The name given to explain the inconsistent and unstable pattern resulted if one of those three strategies pursued incorrectly. Reactors mostly react inappropriately and negative result making them reluctant to commit to any specific strategy in the future. Reactors reacted toward environmental change, changing strategy only when faced with pressure. Reactors also characterized by the lack of coherent strategy and inability to quickly respond to change.

Business' Success

Hisrich and Peter (1998) stated that there are two things that needs to be taken care of in building a successful business, (1) financial control, by minimizing cost and maximizing sales, and (2) human resource management by recruiting, motivating, and directing them to be a strong team.

Meanwhile Tambunan (2002) stated that SMEs business success can be observed from several aspects: (a) the importance of job opportunity creation to measure a business' success. With more workforce absorbed, SMEs' contribution in reducing unemployment becomes more important. More workforces also translate to higher productivity. (b) Contribution to Gross Domestic Product (GDP) by increasing national sales both domestic and overseas.

SMEs considered being successful based on increased profit over time. Higher sales amount also indicates increase of performance of the company. This study uses Tambunan (2002) measurement, growth of workforce and growth of sales.

SMEs

BPS Indonesia classifies companies with 1-4 workforce is a home industry, 5-19 workforce as small industry, while Department of Industry and Trade and Bank of Indonesia defines SMEs by asset value, small industry are companies with asset value (excluding land and building) less than 600 million rupiah and the working capital less than 25 million rupiah.

Those two categorizations illustrated the variation of SMEs classification applied in Indonesia. This study uses SMEs categorization to BPS, Department of Industry and Trade, Bank of Indonesia and UU No 9 year 1995: (1) Asset value less than or equal to 200 million rupiah (excluding land and building), (2) annual sales less than or equal to 1 billion rupiah, (3) owned by Indonesian citizen, (4) Not a subsidiary or branch office, (5) personal company and managed by the owner, (6) amount of workforce less than 20, (7) working capital less than Rp 250 million.

Three hypotheses proposed in this study, the first one being prospector, defender, analyzer and reactor strategy, both simultaneously and partially, influenceBatu city SMEs' business success, the second is prospector, defender, analyzer and reactor strategy partially influence Batu City SMEs' business success and the third is prospector strategy dominantly influence Batu City SMEs' business success.

RESEARCH METHODS

Data used in this study are: (1) primary data acquired from questionnaire distributed to SMEs, (2) secondary data in the form of list of names and addresses from Batu City Disperindagkop office. Instrument used in this study is questionnaire distributed to respondents, supported by interviews and observation. The questionnaire a closed question wth multiple choice questionnaire and directly distributed to respondents.

The population for this study is 447 government-licensed SMEs in Batu area. Sampling method using simple random sampling using Umar (2000:68) formula:

$n= N/ 1+ N(\alpha)^2 = 211$

Questions in the questionnaire designed to be related with the implementation of the four business strategy,prospector, defender, analyzer andreactor based on Miles and Snow (1978). There are 3 (three) indicators assigned for each strategy with 4 (four) questions for each indicators resulting in 48 questions used as the basis for the data analysis. Respondents are required to scale their perception using five-point Likert scale started from 1 "strongly disagree" to 5 :strongly agree"(Sekaran, 2003). Business performance also measured by: (a) growth of workforce, calculated using the following formula: Number of $workforce_{(thn\ t)}$ – number of $workforce_{(thn\ t-1)}$/ number of $workforce_{(thn\ t-1)}$ (b) growth of sales ($Y_{1.2}$), calculated using formula: sales $amount_{(thn\ t)}$ – sales $amount_{(thn\ t-1)}$ /sales $amount_{(thn\ t-1)}$ in the last five years, averaged using ratio scale. Prior to data analysis, validity test is performed using Pearson's product-moment correlation model (Ghozali, 2006:47) and reliability test using Alpha Cronbach model (Nunnally, 1967 inGhozali 2006:42).

Data obtained analyzed using multiple linier regression analysis (Ghozali, 2006:85) using the following formula.

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + e$$

where:

Y = business' success
X1 = prospector strategy
X2 = defenderstrategy
X3 = analyzerstrategy
X4 = reactorstrategy
β0 = constants
β1.... β4= coeff. variable regression X1.....X4
e = residual error

For the regression model to be able to function as estimator, classical assumption should be fulfilled. Classical assumptions that considered important to be tested in a regression analysis by Ghozali (2006:91-110) are: (a) multicollinearity test, used to determine whether there are correlation within variables,(b) heteroscedasticity test to determine whether any variance discrepancies among observations.

RESULT

Instrumental Test

Validity test result shows that between tested variables, using Pearson's product-moment correlation model, p value less thanα 0,05which means obtained information is valid. Instruments determined as reliable if the AlphaCronbach above 0.6. Reliability test result of 48 instruments are valid with Alpha Cronbach value 0.765 > 0.6, thus the instrument is valid and reliable

Variable Description

To describe prospector, defender, analyzer andreactor strategy, each strategy broken down in 3 (three) indicators with 4 (four) questions each. The result of each question analyzed and presented below:

Table 1. Frequency Distribution Variable(X_1)*Prospector*

Respondent Answer	Score	$X_{1.1}$		$X_{1.2}$		$X_{1.3}$	
		F	%	f	%	f	%
Never	1	-	-	-	-	-	-
Rarely	2	1	0.44	1	0.44	-	-
Sometimes	3	48	22.75	50	23.27	47	22.75
Often	4	**126**	**58.30**	**127**	**58.31**	**128**	**58.32**
Always	5	37	18.51	32	17.57	36	18.49
Total		211	100	211	100	211	100

Table 2 shows that (1) 58,30% often inventing new product ideas, new opportunities, creating previously not existed and try to offer new product to the market, (2) 58,31% quickly responds new market opportunity, aiming to be main player in the market, trying to expand market share without regard to competitor and try to responds faster than competitors and (3) 58,32% emphasize on production flexibility than efficiency, has flexible business structure, flexible product line and flexible in responding to uncertain market condition.

Table 2. Variable Description X_2 (*Defender*)

Respondent Answer	Score	$X_{2.1}$		$X_{2.2}$		$X_{2.3}$	
		F	%	f	%	f	%
Never	1	-	-	-	-	-	-
Rarely	2	-	-	-	-	-	-
Sometimes	3	39	18.44	35	16.59	35	16.59
Often	**4**	**132**	**62.10**	**136**	**63.95**	**133**	**63.05**
Always	5	40	18.96	40	18.96	43	20.37
Total		211	100	211	100	211	100

Table 3shows that: (1) 62.10 % concentrated on limited product line, emphasizing on better product quality from competitor, emphasizing on better service quality from competitor, emphasizing on better price from competitor (2) 63.95% operated in a specific market, market products to specific market segment, keeping a stable market environment, able to identify its market niche and(3) 63,05% emphasized on work efficiency, emphasized on production efficiency, efficient work structure, and efficient human resource management.

Table 3.Variable DescriptionX_3 (*Defender*)

Respondent Answer	Score	$X_{3.1}$		$X_{3.2}$		$X_{3.3}$	
		f	%	f	%	f	%
Never	1	-	-	-	-	-	-
Rarely	2	1	0.48	1	0.48	-	-
Sometimes	3	42	19.91	43	20.38	49	23.22
Often	4	**131**	**62.01**	**133**	**63.03**	**130**	**61.61**
Always	5	49	17.50	34	16.11	32	15.17
Total		211	100	211	100	211	100

Table4 describes (1) 62.01 % observing new products from competitor, developing new product that positively responded by the market, improving existing product to suit market demand, and continuously improve existing product. (2) 63.03 % carefully analyze market trends, continuously observing market leader, observing market response toward new product, entering new market after ensuring its stability and (3) 61,61 % observing competitors, analyzes competitor mistake, improving mistakes made by competitor,and adopting competitor strength.

Table 4.Variable Description X_4 (*Reactor*)

Respondent Answer	Score	$X_{4.1}$		$X_{4.2}$		$X_{4.3}$	
		f	%	f	%	F	%
Never	1	2	0.95	2	0.95	1	0.47
Rarely	2	47	22	45	21.33	41	19.43
Sometimes	**3**	**118**	**56.20**	**101**	**47.86**	**126**	**59.72**
Often	4	41	19.43	60	28.43	43	20.38
Always	5	3	1.42	3	1.42		
Total		211	100	211	100	211	100

Table5describes: (1) 56,20 % develop new product based on market pressure, lacking response toward competitor's new product, ignoring continuous product development strategy, has no clear product orientation. (2) 47.86 % develop similar market strategy with competitor to minimize risk, has no clear and consistent market orientation, not aggressively marketing product, provide simple reaction to change and (3) 59.72 % rarely focusing on competition strategy, rarely focusing on business vision and mission, rarely responds to competitor strategy and unable to keep up with competitor strategy.

Classical Assumption Test

The result of the test presented below:

Multicollinearity test resulted in *VIF*value less than 10, meaning there is no multicollinearity. This shows no correlation among independent variable.

Table 5. Multicoliniarity Test Result

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2,912	1,075		2,709	,007		
	X1	,542	,148	,643	3,367	,000	,928	1,078
	X2	,323	,118	,238	2,274	,028	,917	1,090
	X3	,218	,112	,276	2,194	,033	,955	1,047
	X4	,160	,144	,177	2,479	,027	,966	1,035

a. Dependent Variable: Y

Heteroscedasticity test result using scatterplotmethod shows scattered result and no identifiable pattern and no heteroscedasticity.

Figure 1. Heteroscedasticity Test – Scatterplot

Normality test result using Kolmogorof-Smirnov model shows value 0,496 or less than α5% meaning the data distributed normally.

Table 6. Normality Test Result

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		211
Normal Parameters [a,b]	Mean	,0000000
	Std. Deviation	,36255048
Most Extreme Differences	Absolute	,087
	Positive	,087
	Negative	-,047
Kolmogorov-Smirnov Z		,830
Asymp. Sig. (2-tailed)		,496

a. Test distribution is Normal.

b. Calculated from data.

Regression Analysis

Data analysis resulted in the following regression result from four independent variables and one dependent variable as presented below:

Tabel 7. Result of Multiple Linear Regression Analysis

Variable	B	t	Sig.t	Result
Constants	2.912	2.709	0.000	Significant
Prospector(X1)	0.542	3.367	0.000	Significant
Defender (X2)	0.323	2.274	0.028	Significant
Analyzer (X3)	0.218	2.194	0.033	Significant

Reactor(X4)	0.160	2.479	0.027	
R Square	0.744			
Adjusted R Square	0.795			
Sig. F	0.000			

Based on the table, the regression formula is:

$$Y = 2{,}912 + 0.542\ X_1 + 0.323\ X_2 + 0.218\ X_3 + 0.160\ X_4 + e$$

Where:
Y = business success
X1 = prospector strategy
X2 = defenderstrategy
X3 = analyzerstrategy
X4 = reactorstrategy
β0 = constants
β1.... β4= variable regression coefficient X1.....X4
e = *error*

Based on the above formula, prospector, defender, analyzer and reactorstrategy positively correlate to SMEs business success.
Regression result shows that 74,40 % (R *Square* = 0,744) of SMEs business success influenced by prospector, defender, analyzer, and reactor strategy implementation, while the rest influenced by other variables not included in this study.

Hypotheses Test
Data analysis shows that p value Sig. F 0.000 less than α 0,05, means hypothesis that prospector,defender,analyzer and reactor simultaneously influencing SMEs business success. With this result, the first hypothesis is accepted. The analysis result also shows that prospector shows t_{count}3.367 and sig.t = 0.000 less than α = 5 % meaning prospector strategy significantly influencing business result.
Significant influence of defender strategy variable on business success explained by concentrated effort on certain product line when a company decided that they will create a focused product with emphasis on product quality.$X_{2.1.3}$emphasizes on better service value and competitive price while for focused market companies will market their product in a niche market and maintaining a stable market environment. On efficiency issues, companies tend to focus on production, business structure, and human resource efficiency.
Significant influence of analyzer strategy variable on business success can be observed when a company maintaining a continuous product they will analyze new product or services presented by competitor and improving the product or existing ones to get better response and continuously developing product. Analyzers also carefully analyze market trend and its response on new product launch and enter a market when it has been stabilized.
Significant influence of reactor strategy variable on business success observed during product launch based on market pressure and its relation with competitor product. Reactors mostly show little to no clear product orientation and development strategies. In relation with market anticipation, reactors shows lack of strategy and consistent market orientation. Products were not marketed aggressively and response on market change is often simple.
Overall, the four independent variables significantly influence business success. This result agrees with McCann et al (2001) and Vargas (2001) where prospector strategy has more significant influence to business success compared to other strategies. Outward oriented strategy responds better to customer and resulted in better financial result and market share. Conclusively, to win the market competition, SMEs encouraged implementing strategies where prospector shows the best result.

CONCLUSION

Prospector, defender, analyzer and reactor strategy, both simultaneously and partially, influence SMEs' business success with the most dominant strategy is prospector.

Prospector, defender, analyzer and reactor strategy, partially influence SMEs' business success and with most dominant strategy is prospector.

SMEs owner should consider prospector, defender, analyzer and reactor strategies in business development decision making process.

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THE INFLUENCE OF STUDENT-CENTERED LEARNING IN TEACHING *BUDGETING* TO STUDENT ENTREPRENEURIAL PROFILE IN *CIPUTRA UNIVERSITY*

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ABSTRACT

Students, the future generation, are the backbone of each nation. Consequently, these students are also the ones controlling their countries economics and business in the coming days. One of determining factors for success in controlling economics is entrepreneurial profile. Therefore, it is important for educators of economics to find learning method which can improve students' entrepreneurial profile.Traditional learning model which is centered more on the teacher or lecturer makes students become passive and does not reflect the student desired entrepreneurial profile. A qualitative research on student centered learning has been done on students taking budget courses at Ciputra University Surabaya, Indonesia to investigate how this learning model can improve the students entrepreneurial profile. In similar case of student-centered learning, previous researches on the effect of case-based cooperative and learning method centered on the effectiveness of student learning showed cooperative learning method better results compared to the traditional method both for faculty and students. This method has also proven to optimize the potential of the intellectual, social and emotional students. The result shows a significant improvement on the student entrepreneurial profile such as innovation; ability to implement strategy with programs, budget procedures, evaluation; initiative; desire for responsibility; personal value orientation.

Keywords: APA, Qualitative, Research, Academia (Budgeting, Student-Centered Learning, Student Entrepreneurial Profile)

INTRODUCTION

Increasing focus on student center learning have been trending in recent years, shifting from traditional teaching and learning activity to student-centered learning. This paradigm shift moves the "power" of learning from the instructor to the learner, treating the learner as a co-creator in the teaching and learning process (Barr and Tagg, 1995). In addition, learners make meaning in the learning process more easily if points of learning are relevant to their lives, needs, and interests, and when they are involved in creating, understanding, and connecting to

knowledge (McCombs and Whistler, 1997). The paper describes the interconnection among the student center learning, and student's entrepreneurial profile improvement.
Entrepreneur profile has a high correlation with personality traits since entrepreneurial profile such as innovation; ability to implement strategy with programs, procedures, budgets, evaluation; initiative; desire for responsibility; personal value orientation is an expression of one's personality traits. The six traits are need for achievement, locus of control, risk taking propensity, tolerance for ambiguity, innovativeness and self-confidence, are used to define the entrepreneurial profile of students (Yonca Gu¨rol and Nuray Atsan: 2006).
Personality traits, organizational factors, and environmental factors have been studied by entrepreneurship researchers as factors of new business success; on the contrary, from 1961 to 1990, study about *entrepreneurs' traits found only weak effects* (Aldrich and Wiedenmayer, 1993). The weak results for traits were storming because new business, financiers and entrepreneurs themselves referred to entrepreneurs' personal characteristics as significant factors for success (Sexton, 2001; Smith and Smith, 2000).
This research was aimed to find relationship the student center learning to improve student's entrepreneurial profile. Why and how the student entrepreneurial profile can be improved through the application of student center learning in the learning process will be discussed further in this paper.

LITERATURE REVIEW

Student Centered Learning

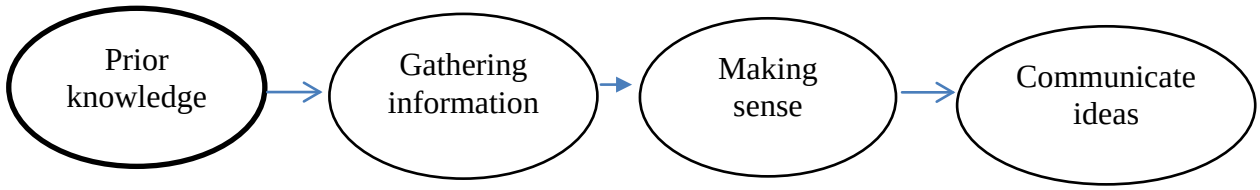
Student-centered learning has been defined simply as an approach to learning in which learners decide not only topic of the study but also the method and the reason behind choosing the topic (Rogers, 1983).
In the student center learning, the first meeting plays the important role. In the first meeting, a teacher shows the students how to begin the activity. Teacher shows the students the learning criteria, making an agreement with the students on how the learning activity would conducted. As lecturers, it is our responsibility to care about our students' effective learning (Roberto, 2004). Students are encouraged to learn independently, with a rubric as guidance.
Student Centered Learning (SCL) facilitate learners to involve actively in fun learning process. The purpose of SCL is to develop attitude to become lifelong learner, active, motivated, responsible to improve learning strategy independently (self-directed learning).SC process require a lot of learning activity variation. Learning Process can be designed either independently or collectively (in groups). The learning activity can be conducted in door or out door. For instance, the activity may range from doing research in the library to doing field research. The learning resources can be written or oral (MacLellan and Soden, 2004: 254).

Conventional versus Student-Centered Learning (SCL) Approaches

Conventional learning (traditional learning) considers students only as receptors of information without consideration of the necessity to actively engage in the learning process. In the conventional approach to learning, the curriculum is based on basic levels of student participation, as control of the learning process is at the hand of the teacher/lecturer as students' main source of knowledge. It is a non-participatory approach, where students are seldom expected to ask questions, inquire, or to challenge the theories or the explanation of the teacher/lecturer. In the conventional learning approach, the common activities found are the following: lecturing, note-taking, and memorizing information. The purpose of traditional or conventional learning is later recognition or reproduction of what the teacher or lecturer has taught. In an SCL learning environment, learning is no longer confined to lecture theatres. On the contrary, there is more emphasis on peer-review and continuous self-evaluation, as well as a

wider perspective and more appreciation of lifelong learning. (MacLellan and Soden, 2004: 254).

Developing the learning process interaction in SCL can be various, such as: between teacher to student, student to student, student to anybody or student with environment. The steps for the student learning, are shown as the following diagrams:



Prior knowledge is the first step in SCL which is done for the students such as pre-test about the subject. The second step is gathering information; the students go to library and go to market for price survey later to be discussed in the class. The third step, they are making sense about what budgeting is, how to make budget and to apply it for their mini business project. The last step is to communicate ideas by creating video, writing paper, and presenting about their mini business project to peers and lecturers.

Learning process can become meaningful because the students are treated as subjects, not objects. They are making questionnaire, doing research, collecting data, making summary and finally, they apply and communicate the summary to solve the problem. The result of interaction within the learning process is that they learn about problem solving, reasoning, critical thinking, and using the knowledge actively (Rodolfo, P., et al., 2001).

Authentic assessment can be used to evaluate the students' learning on the SCL. The lecturer gives an actual task which measures the achievement of the result. The authentic assessment need the students own evaluation and involvement of other peers to judge the level of their learning success. Feedback is given regularly so that the student can decide which part of the learning needs improvement. At the end the students have to present everything having been learned and done to peer and the lecturer (Rodolfo, P., et al., 2001).

The lecturer's role in SCL is to be a facilitator. The important steps as a facilitator are the following:

1. Make a learning design.
2. Determine the list of competencies required in the learning process.
3. Ensure the students actively search the important information which is relevant to the learning topics.
4. Ensure the students extract point of learning from the information obtained.
5. Ensure the student become independent in solving problem found in the subject.

Budgeting

Budgeting is an organization of budget planner which is realized into quantitative, formal, and systematic form. Budgeting can be categorized into: selling budget, profit budget, balance budget, and comprehensive budget. The functions of budgeting are planning, organizing, actuating, and controlling (Rudianto: 2009: 3). Budgeting is a subject related to counting and using mathematical formula.

Entrepreneurial Profile

The personal trait of creativity is essential to entrepreneurship and organizational structure (Dexter, 2000). Specific component variables of entrepreneur traits, skill, and motivation categories are *significant* direct or indirect predictors of venture growth for a period of 6 years following initial measurement (Robert and Locke, 2004).

According to Rauch and Frese (2007), entrepreneurial personality research can be improved through theories which better define the different objects of research and methodological

approaches, the phenomenon with evermore attention and the possibility of having different variables. In the same publication (Rauch and Frese, 2007: 47), the authors present an interesting model of the entrepreneur's personality characteristics and success; in particular, we choose to highlight specific personality traits: need for achievement, risk-taking, innovativeness, autonomy, locus of control, and self-efficacy. These specific traits are affected by broad personality traits (extraversion, emotional stability, openness to experience, agreeableness, and conscientiousness) and have an effect on goals and action strategies. The specific personality traits are assumed to lead to business success. These specific traits are dependent on environmental variables as well.

Each of these *profiles* as the hobbyists, artisans and entrepreneurs has specific identifiable needs, goals and values. Entrepreneurs, over 40 per cent of the sample, showed superior commercial ambitions and planned to increase their production beyond themselves. (Martin and Florence, 2014).

Boundary Objects

The process outlined in this paper is designed to find relationship between the student-center learning to improve student's entrepreneurial profile and is based on boundary object concepts. In the context of this study, boundary objects would appear to offer a conceptual explanation of how learning can be translated into practice when students are in a learning event setting.

Table 1. Breakdown of the learning planning

Session	Process	Outcomes
Students can understand the use of budgeting	Individual pre-test and post-test; conducting price survey and going to library in groups. Conducting review both individually and in groups.	Students understand the use of budgeting to plan mini project business
Students can relate budgeting with cost efficiency	Conducting budget calculation and determining selling price in groups learning. Conducting review both individually and in groups.	Students can relate budgeting with mini project business efficiency.
Students can be responsible in using budget	Conducting selling product in mini project business and getting feed-back from customers in groups. Conducting review both individually and in groups.	Students can be responsible in using budget for their mini project business
Students can finish their budgeting assignment on time	In groups, making time line to do budgeting assignment video, paper, and presentation. Conducting review both individually and in groups.	Students can finish their budgeting assignment for budget video, paper, presentation
Students can plan comprehensive budget	In groups, planning budget for mini project business. Conducting review both individually and in groups.	Students can plan comprehensive budget for mini project business

RESEARCH METHODS

This study has been based on action research using a descriptive qualitative to find relationship the student center learning to improve student's entrepreneurial profile.

In the study, the main units of analysis is to find relationship the student center learning to improve student's entrepreneurial profile are students taking budget courses at Ciputra *University* Surabaya.

According to Miles and Huberman (1994) data will be analyzed according to steps such as: data reduction, data presentation or display, data withdrawal or verification. Participants on the research are all of the students taking budgeting subject.

There are 4 items of method which were used to measure the success of my intensive study such as: field note, student log, student work sheet, and record or student chatting of social media.

In this research, student center learning is used to teach budgeting subject for university students. In budgeting students learn to plan budget such as make selling budget, profit budget, balance budget, and comprehensive budget. It was conducted electronically via on line to all the attendees during learning.

Data collecting from finding research can be seen to table 2 as follows:

Table 2. Breakdown of data collecting for learning outcomes evidence

Learning Steps	**Learning Media**	**Outcomes indicator**	**Learning outcomes evidence**
Class setting	Table, chair	Review the beginning knowledge about budget	Pre-test and self-reflection
Market Survey	Off line	Be capable to relate budget with cost efficiency	Budget implementation to arrange sell budget for mini project business
Go to library	Off line, on line	Understand many kinds of budget case from the other book	Argument collecting from expert in the book ongoing ask to the other expert and up load the groups conclusion result by on line
Selling Product	Product, off line	Be competent in responsibility of how to use budget	Budget implementation at least to reach break- even point for mini project business
Class Setting	Table chair, slide power point	Review the ending knowledge about budget	Post-test, discuss to another student, feed-back to facilitator
Paper, Video, Presentation	Rubric, on line, off line	Be capable to communicate idea with comprehensive budget plan to mini project business	Time line in groups mini project business, Peer Assessment, lecturer assessment, self-reflection

The students have been given questionnaire as learning review; some of them replied as follow:

1. How the student can improve budgeting subject?
   At the beginning, students felt the subject was difficult because almost of them didn't like it. However, SCL method has made them understand it.
2. How budget learning was prepared so that the presentation became interesting for learning?
   The budget material was made as a simple subject. Teacher's attitude as the facilitator was friendly, open minded, caring to students, relaxed but serious.
3. How was learning pattern format which was able to motivate the student to learn by them- selves?
   In the beginning on SCL pattern, the student felt strange because the learning pattern was not the same as usually pattern. They became less spirit-full and complained with the lecturer. After the third meeting, the learning pattern such as: team work discussion, games for reviewing previous learning material, make and sell product in mini project business, survey price in market was able to make the student understand budget material and actively ask question to each other.
4. In short semester, which activity motivated student to look for the answers in budgeting case study?
   Making and arranging time line motivated student to look for the answers in budgeting case study so that student could plan, arrange, and manage every activity up to make comprehensive budget in mini project business.
5. How could SCL pattern build student character?
   Students became more diligent to study independently; students had better understanding in budget material. Class setting made student interact to each other and there was no gap between clever students and less clever students.
6. Is there any suggestion for the university?
   Students hope SCL method can be used in all subjects in the university.

Findings

There are two important advantages of SCL. The first, students that take budget subject can improve budget knowledge by themselves. The second, students can improve their entrepreneurial profile such as innovation; ability to implement strategy with programs, procedures, budgets, evaluation; initiative; desire for responsibility; personal value orientation.

There are four items of method which are used to measure the success of this intensive study such as: field note, student log, student work sheet, and record or student chatting of social media. The summary of four items of method which used to improve the student entrepreneurial profile as follows:

Innovation from the students are improved by learning process such as: selling the product of mini project business according to the criteria until getting market feed-back.

The ability to implement strategy with programs, procedures, budgets, evaluation from the bookmen has to be better with ascertaining process such as innovation and initiative improvement. Pre-test and Post-test are added in the study. Beside pre-test and post-test, there are additional assignment in which the content is about ten keys for selling budget; making time line to achieve learning until final test in the last budgeting class; interviewing them about applying student center learning; executing video, paper, presentation concerning budgeting to mini project business according to criteria. Assessment is not only from lecturer but also with peer; self-reflection; etc.

Initiative from the students are improved by learning process such as: going to library to get some information about the problem solution of budgeting; discussing budgeting problem in on line and off line between the students each other and the lecturer to the students; going to market for price survey to arrange selling budget according to rubric; selling the product of mini

project business agreeing to criteria, practicing budgeting problem in group and share to each other group, etc.
Regarding desire for responsibility, learners have to get better on acquiring process such as: folder to keep personal budgeting duty; discuss with peer by on line and off line on budgeting subject; etc.
Personal value orientation of bookmen have to be improved on ascertaining process if innovation, initiative, ability to implement strategy with programs, procedures, budgets, evaluation; and desire for responsibility are improved.

Proposition

In the student center learning, the first meeting plays the important role. In the first meeting, a teacher shows the students how to begin the activity. Teacher shows the students the learning criteria, making an agreement with the students on how the learning activity would conducted. As lecturers, it is our responsibility to care about our students' effective learning (Roberto, 2004). Students are encouraged to learn independently, with a rubric as guidance.
According to Rauch and Frese (2007), entrepreneurial personality research can be improved through theories which define the different objects of research and methodological approaches that study, the phenomenon with evermore attention and the possibility of having different variables. In the same publication (Rauch and Frese, 2007: 47), the authors present an interesting model of the entrepreneur's personality characteristics and success; in particular, we choose to highlight specific personality traits: need for achievement, risk-taking, innovativeness, autonomy, locus of control, and self-efficacy.
The connection between student center learning and entrepreneurial profile is supported by empirical studies. The results of my research which explain before can be used as bases to propose the following proposition:

P1: Five important steps for facilitators of SCL (Make a learning design; Determine the list of competencies required in the learning process; Ensure the students actively search the important information which is relevant to the learning topics; Ensure the students extract point of learning from the information obtained; and Ensure the student become independent in solving problem found in the subject) are needed to establish student entrepreneurial profile.

P2: The four steps for students in the learning process interaction of SCL (Prior knowledge, gathering information, making sense, and communicate ideas) are needed to build student entrepreneurial profile. Every step from learning process needs review both individually and in groups to create and improve student entrepreneurial profile.

DISCUSSION AND CONCLUSION

In Student Center Learning, prior knowledge is the important one. SCL is required to improve the student entrepreneurial profile, so that the student entrepreneurial profile (such as innovation; ability to implement strategy with programs, procedures, budgets, evaluation; initiative; desire for responsibility; personal value orientation) is established.
As table 2 has shown, learning outcomes evidence show how the students make better budget knowledge and student entrepreneurial profile. By using learning media such as: class setting, rubric, media on line, off line, assessment, artifact, time line, group discussion and interaction, students can improve their entrepreneurial profile.
Recorded review of the students in the end of every learning session have shown improved entrepreneurial profile. Learning experience such as going to library, price survey, making time line on SCL have been able to improve self-confidence and encourage personal value so that they can plan their mini project business budget better than before. Interaction between students and students then lecturers and students has made comfortable situation that creates an interesting learning process. The students' different intelligence has created no gap among the

students; moreover they can complement to each other while learning. The students have better understanding in subject learning because every given step is reviewed both individually and in groups.
Summary of student log, student work sheet, and record or student chatting of social media as qualitative method which is used to improve the student entrepreneurial profile have been shown positive improvement. Meanwhile lecturer's field notes showed the same result too.
So, improvement of the student entrepreneurial profile (such as innovation; ability to implement to strategy with programs, procedures, budgets, evaluation; initiative; desire for responsibility; personal value orientation) have already brought positive outcome when communicate ideas and prior knowledge (as the first meeting is important from SCL) have been acted to subject learning process.

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IMPLEMENTING BUSINESS DEVELOPMENT ANALYSIS USING BUSINESS MODEL CANVAS APPROACH

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ABSTRACT

This research is to identify outline scheme of company strategy by mapping the business of electronic device dealer using Business Model Canvas (BMC), then analyzing the revenue stream area (income) and cost structure (cost) in the established BMC. The conclusion based on BMC, there are nine factors that must be observed. First, value of suppliers of electronic devices business, which is focuses on fire alarm and fingerspot. Second, the customer segmentation were broaden to entire storey building and shopping centers (malls). Third factor is the closeness between the business to the customer by adding member discount and bonus. Fourth, customers also interested in membership offer with major facilities of guaranteed. Fifth, key resources of this business is to develop technicians and administrators since its development focusing on new products Security Hardware and marketing of products. Sixth, from process side, main activity should add supporting activities to support the progress that has been made, for examples, updating the company's website more often, receive consultation from any prospective customers who require Security hardware, and provide service to the consumer that is fitted to their services. Seventh, partnership is important as a drive for improving company performance, especially for partner suppliers for Finger Print dan Fire Prevention. Eighth, main income of this business is including income for sales and service. Ninth, necessary costs to create value for customers consist of promotion cost, delivery and labor cost. By considering revenue stream and cost structure to analyzes financial feasibility, proper decision may be made from this business. Therefore, this business may be categorized into proper and operable.

Keywords: Business Model Canvas, Nine factors, Business Plan,Company Strategy , Financial feasibility

INTRODUCTION

Economic growth cause the demand for goods and services increasingly diverse. Therefore, many business emerge such as small and medium businesses to provide the demand. Every business development requires investments that are tailored to business objectives and form business entities. One objective of the establishment of business is for profit/gain or social nature to assist communities in providing the necessary infrastructure. There is also a well established with the aim to profit while also delivering social services. In practice, a social

business also needs to make a profit so it is able to finance their own businesses so as not to rely on donors (Kasmir and Jakfar, 2006).

In a business, it's necessary to analize the business to determine the project's feasibility. Study the feasibility of a project is necessary to review whether the project is feasible in some aspects, such as technical, managerial and administrative aspects, organizational aspects, commercial aspects, economic aspects and financial aspects. Not all projects include consideration of the fifth aspect. However, in making an investment decision required the consideration of the financial aspects. From the investors side, the investment would be interesting if favorable. It can be seen from how much profit to be gained. Some SMEs in Indonesia engaged in services. Services are often viewed as a complex phenomenon. Basically services are all economic activity results are not a product in physical form or construction, and consumed at the same time with the resulting time and provide added value, such as those that provide services consumer products, both tangible and intangible, such as transport, entertainment, restaurant, education. Goods/services turnover required supplier's role or distributor to distribute a product that has been produced by the manufacturer to the consumer. Feasibility level of SMEs can be viewed from the aspect of marketing, operations, human resources, finance, and supporting aspects such as the environment and the law.

As the development of future technologies, now many companies use security technology and efficiency of activity of the company. To communicate remotely, nowadays some companies do not wear a telephone network. Then comes the PABX, a telephone system which is commonly referred to as a switchboard which is used as an internal phone system in the office. This network does not use the usual local provider, therefore the PABX safer to maintain the privacy of the company.

In addition the company's security systems have been utilizing today's technology is CCTV, in the form of complementary security cameras and recorders. It has been widely used in industries such as military, airports, shops, offices, factories and now many housing have use this technology. Therefore, the researchers choose CV. Alfindo Electronik that engaged in supplying electronic devices as the subject of this research. In order for companies to remain competitive, it is necessary to develop appropriate business strategies to approach the business model canvas. Then, the purpose of this study is to Develop a draft business model innovation and fire alarm products Fingerprint using Business Model Canvas.

LITERATURE REVIEW

Feasibility

Business Feasibility Study

A business should always be monitored by the owner to run as expected. Advancement or benefit (benefits) obtained in carrying out a business activity / project, called the feasibility study or also commonly referred tofeasibility study. Feasibility study is a material consideration in taking a decision, whether receives or rejects of a business idea / project planned to consider the benefits, both in terms of financial benefits and in terms of social benefits. Factors that need to be assessed in preparing the feasibility study is concerned with several aspects, among others: a) Aspects of Marketing b) Technical Aspects of Production c) Production Aspect d) Management Aspects e) Environmental Aspects, and f) Financial Aspects. Thus, if a business idea / project that has been declared as economically, than the implementation rarely fail unless due to uncontrollable factors such as latticework, fire, and other natural disasters which are beyond the reach of humans. Feasibility analysis using analysis of Net Present Value (NPV), Internal Rate of Return (IRR) and Net Benefit Cost Ratio (BCR), to determine whether or not a business

Aspects of research Feasibility Study Business

Aspects of Marketing

Marketing is a social process in which individuals and groups obtain what they need and want by creating, offering, and freely exchanging products of value with others (Kotler, 2005: 10). The aim of marketing is to know and understand the customer so that the product or service that fits with the customer and then sell itself. According Kotler (1999), the service is any activity that benefits one of the parties may offer another product that is essentially intangible and does not result in any ownership. Production may not be tied to a physical product. Service is all economic activity whose output is not a physical product or construction generally consumed at the time produced, and provide added value in the form (such as comfort, entertainment, or health) (Zethaml And Bitner 1996) Meanwhile, the company that provides service operations are those that give the consumer product and services, both tangible and intangible, such as transportation, entertainment, restaurants, and education. Service is a process or activity-which are intangible activities. Some things to consider in the marketing aspect of which is a) segmentation and determination of the market, b) Determination Strategy Services, c) Market Analysis, Internal, competitors, d) Distribution Services, e) Role of Physical Environment, f) Customer Satisfaction and Quality Services, g) Technology and Marketing Services, h) Marketing via the Internet.

Operational Aspects

Operations management is an activity to create products and services through the process of transforming inputs into outputs (Heizer & Render, 2008), which includes a series of activities of design, operation, and repair of systems that create and deliver products and services (Chase et al., 2006), tangible product or intangible product generated by manufacturing companies whose goods are physically visible, but service companies generate intangible product, the product exists only when done. For example, delivery service, education for the students, and the transfer of funds.

In operations management, activities alter the transformation of inputs into outputs. Inputs include raw materials, customers, or products derived from other systems. Transformational process is categorized as physical (in the manufacturing company), location (such as transport companies), exchange (such as the retail business), aberrations (such as warehouse), physiological (such as in health care), and informational (such as the telecommunications company). The role of surgery is to create value to customers.

Service or services (services) is defined as an economic activity that generates time, place, form, and uses psychological (Haksever et al., 2000). Services are activities, process, and interactions, as well as a change in the condition of a person or thing in the possession of the customer (Edvardson et al., 2005). Services are comprehensive structure and consistently used in all aspects. According Edvardson et al., (2005) which focuses on demand to customers, the service is everything on an abstract level can be operationalized and interpreted in different ways.

In a service company, the customer is input. The service provided by the service provider can not be held without the presence of the customer as input the service. Ownership services can only be perceived by customers. In addition, information is also required as input into a service company. Industry services can also be measured the same as the manufacturing industry, by assessing the productivity, service quality, and efficiency (Johnston, 2005). Those things are very important for service companies to respond effectively to the needs of customers. According to Sampson and Froehle (2006) there are five characteristics of the service, namely the heterogeneity or diversity, simultaneity, easily damaged, difficult to understand or do not appear, and the participation of the customer.

The importance of determining the location

Site selection decision is very important for the overall services business strategy. Criteria for the location of a service company is the ease of access by customers. The most important dimension in choosing the location of a service company is its flexibility, the position of competitors, demand management, and site selection strategy fokus. Some people used clustering, competitive saturated marketing, marketing intermediaries, substituting the communication, the separation of front office and back office, the influence of the internet, and consideration of the place (Fritzsimmons & Fritzsimmons, 2008).

Strategy services

Service company can survive in the competition if it is able to create value for stakeholders include customers, employees, suppliers, shareholders, and the general public. It can be obtained by first giving satisfaction to the employees who deal directly with customers. With employees who are satisfied they can give satisfaction to the pelanggannya.Strategi service operations should pay attention to the framework of The Service Strategy Triad.

Aspects of Human Resources (HR)

Human resource management is critical for companies to manage, organize, and utilize employees so that they can function productively for the achievement of corporate objectives. Human resources in the company need to be managed in a professional manner in order to realize a balance between the needs of employees with the demands and capabilities of the organization. Setting human resource professional it is expected that employees can work productively (Mangkunagara, 2005: 1).

Human resource management (Human Resources Management) is the utilization, development, assessment, granting remuneration, and management of individual members of the organization or group of employees. (Simamora, 2004: 4) .Aspek human resources to be one issue that is important in a company, because human resources is considered as a driver of other resources within the company. Besides, human resources can create efficiency and effectiveness of the company. With the human resources manager or head of the effective requires companies to seek and find the best way to empower existing employees within the organization so that the desired objectives can be achieved by managing, organizing and utilizing human resources. Some points to consider in the aspect of human resource management is a) Structure and Job Descriptions, b) Procurement of Labor, c) Training and Development, d) Job Performance Assessment, f) Provision of Compensation, g) Pattern Empowerment of Human Resources, h) Maintenance Workers

Financial Aspects

Subagio (2007), discusses the economic and financial aspects of capital requirements and the necessary investment in the establishment, development and summarize the planned venture in the form of financial statements (balance sheet, profit / loss, and cash flow), and analyzed to determine eligibility these efforts. The purpose of the analysis is to evaluate the overall aspect of the discussion of each aspect in need of funds and working capital into investment analysis is reviewed from time capital controls (payback period), the rate of return (rate of return), the control level of investment (return on investment), and a net present value (net present value). According to Kashmir and Jafar (2007) assessment of the financial aspects include sources of funding will be obtained and the need for investment investasi.Penilaian costs and an analysis of the priority order can be done by the method of payback period, net present value, internal rate of return, and profabilitas index as well as the break-even point.

Aspects Supporters

a. Legal Aspects

In starting a business feasibility study generally starts from the legal aspects, although many are doing it from another aspect. The purpose of the legal aspect is researching the validity, perfection, and the authenticity of documents owned.

b. Types of Business Licenses

In practice, there are various permits. The number of licenses required depend on the type of business carried on. The permit consist of a list of companies, tax registration number, business licenses, certificate of land or securities owned. Licenses other companies to be immediately sent to business owners and to be assessed by the assessor is in accordance with business type and areas of the company. Licenses include: trading business license, business license industry, mining business licenses, business licenses hospitality and tourism, business license and the hospital pharmacy, livestock and agriculture business license, permit residence, where the company / project site is located, permit interference, permit construction of the building, permits foreign workers if companies use foreign labor.

c. Environmental Impact Analysis (EIA)

EIA is a tool used to control environmental changes caused by a business. Based on Government Regulation No. 27, 1999, article 1, paragraph 1, the EIA (Environmental Impact Assessment) is a study of major and significant impacts of a business and / or planned activities on the environment that is necessary for the decision-making process.

Business Model Canvas

According to Osterwalder and Pigneur (2010: 10), business model innovation is something completely new. The business model describes the rationale of how to create value for the company, customers, and communities. According to Osterwalder and Pigneur (2010: 15) explains that the Business Model Canvas is a business model describes the rationale of how an organization creates, delivers, and captures value.

This canvas divides business models into nine major components, then separated again become a component of the right (the creative side) and left (side logic). Just like the human brain. The nine components are as follows (sorted from right to left). Customer Segments, Value propositions, Channel, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships, Cost Structure. By using the Business Model Canvas, which can be done projections of financial analysis. The components needed to make projections of financial analysis are: First Revenue Stream is the main income and other income. Both Cost Structure yaitubiaya production, marketing expenses, research and development costs, administrative expenses and taxes.

The following is an explanation of each component in the Business Model Canvas:

a). Customer segments: Building Blocks describes the customer segment or a different group of people who want to reach or serviced by the company.

b). Value propositions: Building Blocks proportion of value describe a combination of products and services that create value for specific customer segments. Value proposition creates value for customer segments through different alloy elements that serve the needs of the segment. The resulting value can be quantitative (eg, price and speed of service) or qualitative (eg, design and customer experience).

c). Channels: Its about how a company communicates with its customers and reach out to those segments to provide psoporsi value.

d). Customer relationships: Building block wake customer relationship describes the various types of relationships that are built the company together with specific customer segments

e). Revenue streams: Its about cash flows generated revenue describe the company of each customer segment.

f). Key resources: Its about the main resource block describes the most important assets necessary for a functioning business model.
g). Key activities: This block key activities illustrate the most important things that must be done by the company that its business model can work
h). Key partnerships: Building Blocks describes the main partnership network of suppliers and partners who make a business model can work.
i). Cost Structure: It's describing all expenses incurred to operate the business model.

RESEARCH METHODS

Object Research

CV. Alfindo Electronic was founded in 2006 by Mr. Sunarto SE, the owner and start the business using only his private capital. With the encouragement from his professors when in college, he established his business and immediately took care all of its business license. The initial capital CV. Alfindo Electronik of one hundred million, to buy office supplies.

In 2008 CV. Alfindo Electronik has experienced break even. To expand the market, CV. Alfindo launched a website which includes a wide range of products PABX and CCTV along with specifications and price. Currently the office CV. Alfindo Eng has moved to Griya Bhayangkara Sidoarjo, which closer to the owners' home.

Data collection

The data was collected by interviewing the owners about what is consumer's desired, a market survey about the price compared to similar products, and financial projection analysis

Data Processing

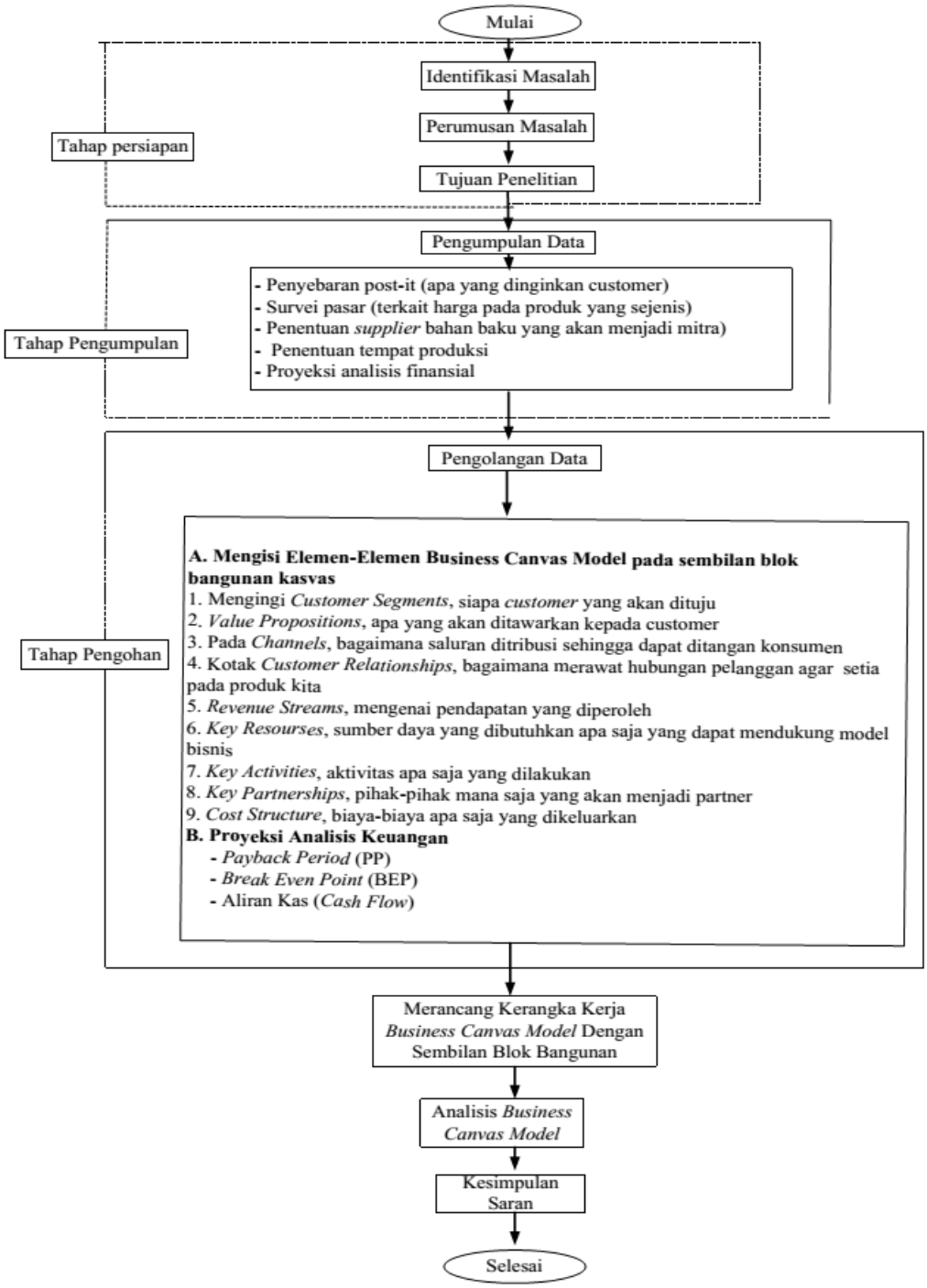


Figure 1. Framework Research

Analysis Business Model Canvas

Customer Segment

CV. Electronic Alfindo's market targets at the beginning are hotel, apartments, and office buildings. Market segments were developed throughout storey building and shopping centers. It

is current security equipment (Security Hardware) is needed by all the buildings and shopping centers into a new target market considering the number of malls in major cities.

Value propositions

Flexibility in scheduling the installation of the product that has been purchased, bringing the hallmark of CV. Electronic Alfindo of companies engaged in the same field. The importance of collateral which is one of the service quality is indicated by the CV. Electronic Alfindo to provide free maintenance for 6 months after installation of the product. CV. Alfindo Electronic Security Hardware certainly choose products with the best quality in Indonesia is Fingerspot for products Finger Print, and Hochiki for Fire Prevention products.

Channels

To facilitate prospective customers who require products Security Hardware, the company provides a website that contains all the products offered by the company with complete specifications. Open community comprised of business people in the field so that the consumer can consult and aware the products needed.

Customer Relationship

To maintain relationships with consumers authors add members discounts and bonuses to consumers so that consumers do not switch to another company. What is meant here is to give a discount price cuts ordered products on condition that the purchase of products so the unit. And the bonus is intended to provide services such as cabling LAN (Local Area Network) is always needed every company that each activity using a computer.

Revenue Streams

CV benefits. Electronic Alfindo after a development has been given by the author is from sales of new products and services are provided to consumers who have similar products.

Key Resources

To support the development of the company CV. Electronic Alfindo badly needed human resources competent considering the company is only engaged in the service. CV. Electronic Alfindo focused to develop technicians and administrators of the company since its development focusing on new Hardware Security products and product marketing.

Key Activities

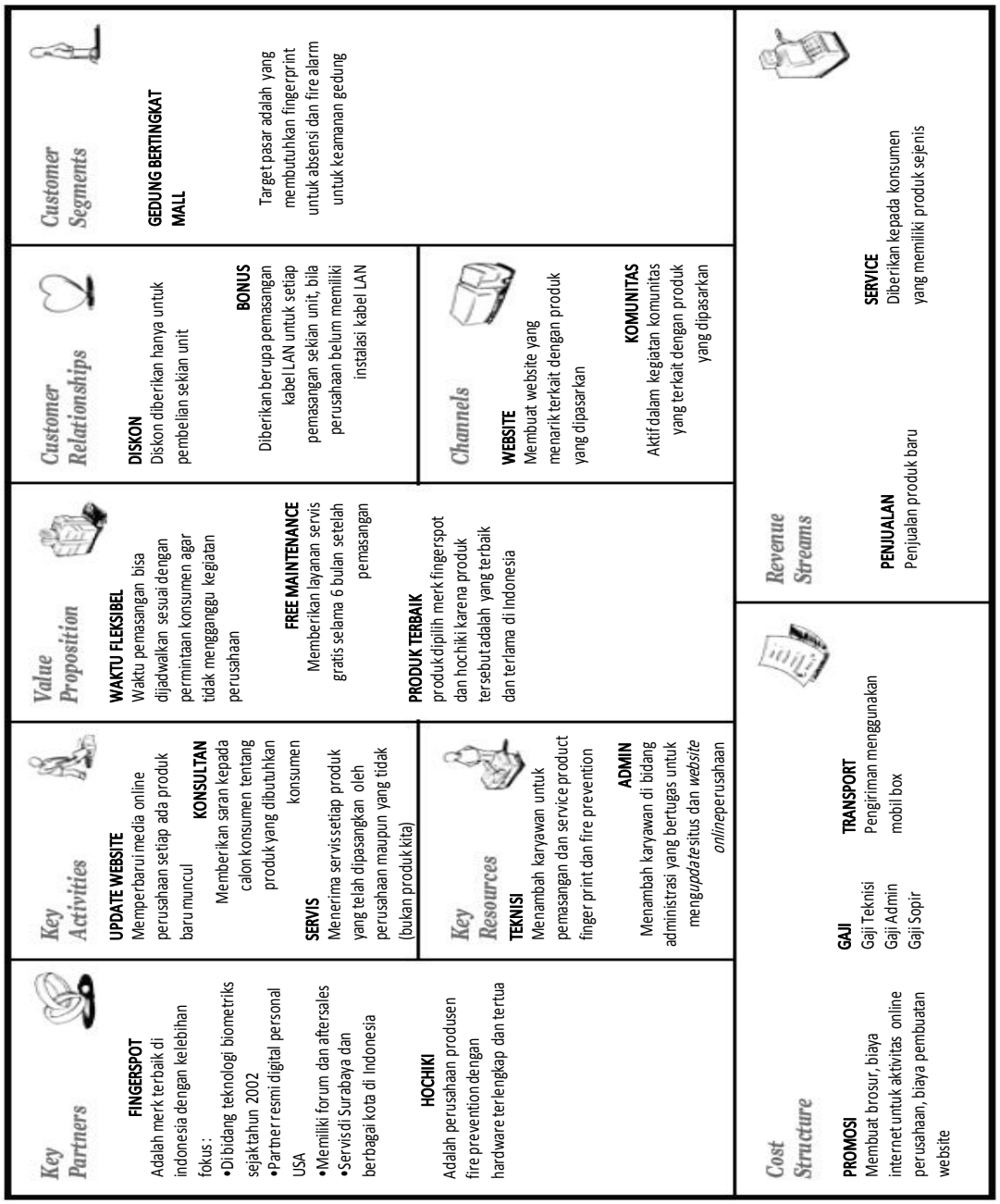
For the activities of companies that have developed, CV. Electronic Alfindo must add activities to support the progress that has been made. The first is a routine update the company's website every new item that appears. The second is receiving consultation from any prospective customers who require products Security hardware. The third is to give service to the consumer's property is fitted wear our services or services of another company.

Cost Structure

Costs incurred to perform development are:

1. Promotion
    a. Create a brochure with a cost of IDR 500,000 @ 2rim
    b. Cost of Internet for online activities of IDR 300,000 @ 1 month
    c. The cost of website creation of IDR 2,000,000
2. Transport or delivery is done using a truck with the following pricing details
   Gasoline IDR 7,400 x 10 liters = IDR 74,000 for 1 day
3. Employee Salary
   Technicians IDR 2,750,000, Admin IDR 2,750,000, and The driver IDR 150,000 / order

Table 1. :
Busines Model Canvas Development from CV. Electronic Alfindo



Calculation of Financial Aspects

PRODUCTION CAPACITY

Table 2.Production Capacity

FACILITIES & MACHINE PRODUCTION	TOTAL	TOTAL VALUE (IDR)
Building	1	IDR 7.000.000
Office Equipment Computer	 3 set	 IDR 15.000.000

Office Table	4	IDR 8.800.000
Office Chair	4	IDR 4.800.000
printer	2	IDR 2.400.000
Telephone	2	IDR 800.000
Air Conditioner	3	IDR 8.400.000
tool set	9	IDR 4.500.000
Car	1	IDR 267.500.000
TOTAL	0	IDR 319.200.000

RESULT

Previously, CV Alfindo Electronics sells services and products PABX and CCTV. Seeing the development of the construction of multi-storey buildings and offices in Surabaya, estimated there will be an opportunity to sell fire alarm solution and fingerprint engine. Fire alarm products of Hochiki and Fingerspot solution for Presence fingerprint machine. In addition Hochiki is a pioneer of early fire detection products have been selling their products not only in the region but also to Europe and the United States. Fingerspot a product presence of highly qualified fingerprint made in the country which is also the official peer digital persona USA.

Table 3. PLANNING TO ADD FIRE ALARM SOLUTION BRANDS HOCHIKI ESP

Poduct	Price/psc (IDR)
Hush button	
1. Hush button	IDR 1.300.000
2. Stainless steel hush button	IDR 3.058.600
Detector	
1. ACB Fixed temperature/ROR heat sensor, no base	IDR 1.042.800
2. ACB-E/W Fixed temperature/ROR heat sensor, weatherproof, no base	IDR 1.997.000
3. ACA-E Multi-sensor, no base	IDR 1.400.000
4. ALG-EN Photo-electric smoke sensor, no base	IDR 1.042.800
5. AIE-E Ionisation smoke sensor, no base	IDR 1.040.000
6. YBN-R/3 Sensor base	IDR 100.000
Manual call points	
1. HCP-E(SCI) Addressable call point with isolator, flush, red (no back box)	IDR 943.000
2. HCP-DPS Addressable call point with isolator, flush, red, dual pole (no back box)	IDR 1.994.200
3. HCP-W Addressable call point, red, weatherproof c/w back box	IDR 4.142.800
4. SR Surface mounting back box, red	IDR 71.400
5. SR-IT Surface mounting back box, red, 1 terminal for SF3370HD	IDR 100.000
Isolator	
1. YBO-R/SCI Short circuit isolator base, needs SAFP755C for stand alone use	IDR 542.800
2. S/ICAP Isolator cover for wall mounting SF308HEI	IDR 43.000
Loop powered sounders & beacons	
1. YBO-BS Loop powered base sounder	IDR 1.257.000

2. YBO-BS Loop powered base sounder with beacon	IDR 1.542.800
3. CHO-WS2 Loop powered 100dB wall mounting sounder	IDR 1.197.200
4. YBO-R/3 Red isolator base	IDR 528.400
5. WS2-WPK Weatherproof kit	IDR 282.800
6. YBO- R/3 Red mounting base	IDR 62.000
7. YBO-RSCI R/3 Red isolator base	IDR 481.800
8. SI/CAP Cover for sounder /isolator	IDR 43.000
9. CHQ-AB Loop powered beacon, amber/blue	IDR 1.000.000
Loop powered interface modules & ancillaries	
1. CHQ-DSC Dual sounder controller c/w isolator	IDR 2.571.400
2. CHQ-DRC Dual relay controller c/w isolator, loop powered	IDR 2.054.200
3. CHQ-MRC Mains relay controller c/w isolator, loop powered	IDR 1.805.600
4. CHQ-Z Dual zone monitor	IDR 2.728.400
5. CHQ-SZM Single zone monitor c/w isolator, loop powered	IDR 1.557.000
6. CHQ-DIM Dual zone monitor c/w isolator, loop powered	IDR 1.494.200
7. CHQ-BOX I/O box	IDR 234.200
8. CHQ-/ARI Loop powered remote indicator	IDR 943.400
9. O/CALG/SLR Outer cover removal tool	IDR 234.200
10. TCH-B100 Hand held address programmer	IDR 2.785.600

*) 1 GPB = Rp 20.000

Table 4. PLANNING TO ADD FINGER SPOT PRODUCT

Nama	Deskripsi	Price (IDR)
FINGERSPOT Professional Series	Standalone Fingerprint with 3.000 fingerprint capacity, 100.000 Records Capacity, 3.0 inch TFT color screen, printer, internal backup battery, TCP/IP, Wall Mounted, USB Flash Disk	IDR 5.900.000
FINGERSPOT Hybrid Plus Series	Fingerprint with 1.200 Face Capacity, 3.000 Fingerprint Capacity, 100.000 Records Capacity, RS232/485 & TCP/IP Communication, USB Flash Disk Support, Photo ID, High Resolution Color & Infrared Camera, Access Control Support and Backup Battery (optional)	IDR 4.500.000
FINGERSPOT Elegant Series	Fingerprint with 8.000 Fingerprint Capacity, 50.000 Card Capacity, 500.000 Record Capacity, RS232/485 & TCP/IP Communication, Access Control Support, Up to 500 dpi Resolution, USB flash disk Support, Wall Mounted	IDR 4.100.000
FINGERSPOT Multimedia Series	Fingerprint with 50.000 Fingerprint Capacity, 500.000 Records, RS232/485 & TCP/IP Communication, RFID EM Card Reader built-in, 500dpi Resolution, Access Control Support, USB flash disk support, Photo ID, Camera, Web Server	IDR 3.600.000
FINGERSPOT FacePro 200 Plus	Face recognition with 200 Face capacity, 100.000 records capacity, TCP/IP, 3" TFT touch screen, USB flash disk supports, cheduled bell, workcode, wall mounted, Access Control Support	IDR 3.100.000
FINGERSPOT Enterprise	Standalone Fingerprint with 3.000 fingerprint	IDR 2.400.000

2000C	capacity, 100.000 Records Capacity, RS 232, RS485, TCP/IP, Wall Mounted, USB Flash Disk Support	
FINGERSPOT Elite Series	Fingerprint with 3.000 Fingerprint Capacity, 100.000 Record Capacity, RS232/485 & TCP/IP Communication, Access Control Support, USB flash disk Support, Wall Mounted	IDR 2.100.000
FINGERSPOT Premier Series	Fingerprint with 3,000 Fingerprint Capacity, 100.000 Records Capacity, 500dpi, USB Interface, RS232, RS485, TCP/IP, USB Flash Disk support, Web Server, Work Code, Short Messages, 3.0 Inch TFT Color LCD, Wall Mounted	IDR 1.950.000
FINGERSPOT Matrix Series Color	Standalone Fingerprint with 3.000 Fingerprint Capacity, 100.000 records capacity, TCP/IP, Up to 500dpi Resolution, USB flash disk support, Self query, Wall mounted	IDR 1.800.000
FINGERSPOT Logic Series	Fingerprint with 500 Fingerprint Capacity, 50.000 Transaction Capacity, 3.0 " TFT Screen, USB flash disk Support,, Wall Mounted	IDR 1.550.000
FINGERSPOT ID	Paket Aplikasi Scan Notaris dan PPAT (+ Fingerspot U.are.U 4500 sensor)	IDR 1.500.000
FINGERSPOT Power Series	Fingerprint with 500 Fingerprint Capacity, 30.000 Records, RS485 & SD Card, Time Attendance and Access Control System, Wall Mounted	IDR 1.400,000
FINGERSPOT Deskpro Series	Standalone Fingerprint with 1.000 Fingerprint Capacity, 50.000 Record Capacity, Up to 500 dpi Resolution, USB Communication Port, Internal backup battery	IDR 1.400.000
FINGERSPOT Compact Series	Standalone Fingerprint with 1.000 Fingerprint Capacity, 50.000 Record Capacity, USB Communication Port, Internal Backup Battery	IDR 1.400.000
FINGERSPOT FTM 4500	Paket Aplikasi Absensi Fingerspot FTM 4500 (free SDK) (+ Sensor sidik jari U.are.U 4500)	IDR 1.350.000
FINGERSPOT U.are.U 4500	FlexCode SDK + Fingerspot U.are.U 4500 sensor, Small sensor equipped	IDR 1.250.000

Financial Statements

The financial aspect is important for the assessment of projected profits next year. Owner of CV Alfindo Electronik can take many decisions and create a new expanssion. The owner also need to calculate the cost of expenses such as the cost of raw materials and operating costs, because all the products are only delivered via the factory distributor and accepted by the dealers and mounted to consumers who order at a price that has been negotiated.

Table 5. Earning stream from 2014 to 2017

	2014	2015	2016	2017
Total Income HPP	655.400.000	722.350.000	867.400.000	1.058.700.000

Operational Cost	390.100.000	446.044.000	570.772.000	711.454.000
Gross Profit	265.300.000	276.306.000	296.628.000	347.246.000
Business Cost				
Depreciation Cost	4.956.800	4.956.800	4.956.800	4.956.800
EBT	260.343.200	271.344.200	291.671.200	342.289.800
Tax (10%)	26.034.320	27.134.420	29.167.120	34.228.980
EAT	334.308.880	244.209.780	262.504.080	308.060.820

Investment Planning

Funding requirements of fixed assets

Table 6. Asset Position

No	Asset	Price (IDR)	
1	Building		IDR 7.000.000
2	Office Equipment		
	4 Office table	IDR 15.000.000	
	4 Office Chair	IDR 8.800.000	
	2 printer	IDR 4.800.000	
	2 Telephone	IDR 2.400.000	
	3 AC	IDR 800.000	
	9 tool set	IDR 8.400.000	
	1 car	IDR 4.500.000	
		IDR 267.500.000	
			IDR 319.200.000

Table 7. Operating Fund Needed

Description	Year 2014
Labor costs	IDR 369.600.000
Gasoline	IDR 20.500.000
Total	IDR 390.100.000

Table 8. General Fixed Costs

No.	Description	Average Cost /Month	Cost / year (IDR)
1	Salaries of permanent employees	IDR 30.800.000	IDR 369.600.000
2	Cost of Health	IDR 100.000	IDR 1.200.000
3	Security Fee	IDR 50.000	IDR 600.000
4	Office Administrative costs	IDR 100.000	IDR 1.200.000
5	Tax Effort Transport	IDR 95.833	IDR 1.150.000
Jumlah		IDR 16.162.167	IDR 193.946.000

Cash flow Plan

Table 9. Cash Flow Statement CV. Electronic Alfindo years 2014 – 2017

No	Description	2014	2015	2016	2017
1	Revenue	655.400.000	722.350.000	867.400.000	1.058.700.000
2	Depreciation	4.956.800	4.956.800	4.956.800	4.956.800
3	Increase in Cash	660.356.800	727.306.800	872.356.800	1.063.656.800

Feasibility Analysis of business

PaybackPeriod

Year	Net CF (IDR)	cumulative cash flow (IDR)
2015	234.308.880	234.308.880
2016	262.504.080	496.812.960
2017	308.060.820	804.873.780

Pay back period $= 1 + \frac{308.050.000 - 234.308.880}{478.518.660 - 234.308.880}$

$= 1 + \frac{73.741.120}{244.209.780}$

= 1 + 0.301955 year

= 1.301955 year

From the results above it can be concluded that the venture capital CV. Electronic Alfindo will be back after 1.3 years Net Present Value (NPV).

Year	Net Cash Flow	DF (8%)	Present value (PV) (IDR)
2015	234.308.880	0.926	216.970.023
2016	262.504.080	0.857	224.965.996
2017	308.060.820	0.794	244.600.291
		Total PV	IDR 686.536.310
		Initial Investment	IDR 308.050.000
		NPV	IDR 378.486.310

Because the NPV of cash flow positive value of Rp 378 486 310, where PV is greater than the initial investment of USD 686 536 310,> Rp 308.05 million, the investment is considered feasible.

Profitability Index (PI)

PI calculation : PI $= \frac{Rp\ 686.536.310}{Rp234.308.880}$ = 2.9300481911. Because PI> 1, then the investment is considered viable.

No	Metode	Result	Description
1	Payback period	11 bulan	Acceptable
2	Net present value	Rp482.394,74	Acceptable
3	Profitability index	1,2	Acceptable

Description:

1. The result of the calculation method of payback period indicates that the CV. Alfindo Electronic is feasible, due to return the initial capital require 11 months, less than the age of the business economy.
2. The results of the calculation of NPV method shows the business is feasible, due to the 8% interest per year shows NPV
3. The results of the calculation method of Profitability Index (PI) indicates the business is feasible because niliai PI> 1, so that the business investment plan is acceptable.

CONCLUSIONS AND SUGGESTIONS

Conclusion

From a comparison of the revenue stream, cost structure and analyze the payback period calculation showed that the payback period of 11 months, then the CV Alfindo Electronic is feasible. Designing a business model with tools of Business Model Canvas can describe company's business model strategy's desain so that they can find new ideas in business, especially in value propotion.

Suggestions

Based on this study, Business Model Canvas can be used to generate alternative corporate strategies on business feasibility. However, subsequent research needs to be done to make the output of the Business Model Canvas is more reliable to be used as decision makers feasibility. Previously, CV Alfindo Electronics sells services and products PABX and CCTV. Seeing the development of the construction of multi-storey buildings and offices in Surabaya, there is estimated an opportunity to sell fire alarm solution and fingerprint engine presence, fire alarm products of Hochiki and Fingerspot solution for Presence fingerprint machine.

As well as the service to consumers CV. Alfindo Elektroni is still necessary for the development of products continuously to find a suitable formula. From these two patterns of future business models planned is an open business model. Open business model is to create value through collaboration with external partners. This business model may occur from outside and inside by exploring external ideas within the company. For the production target of the future investment needs to be increased and production costs also increased, so it can be used in future studies.

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ANALISYS EFFECT OF SERVICE QUALITY, CUSTOMER SATISFACTION TO CUSTOMER LOYALTY UD.CINTA RASA

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ABSTRACT

UD Cinta Rasa sell snacks such as chips lungs. Business opportunity of selling chips lung is still wide open and it is possible to develope. Customer loyalty can be created through a quality service supported by tangible, responsiveness, assurance, reliability and empathy. Customer satisfaction can also support customer loyalty through no complaints of, feeling satisfied, and conformity with the hope or expectation. The purpose of this study was to examine: (1) service quality on customer loyalty; (2) The service quality to customer satisfaction; (3) The effect of customer satisfaction on customer loyalty. This study uses a quantitative approach with a sample of 36 respondents. Data analysis tools by using SmartPLS 2.0. Results of the study are (1) the quality of service a significant effect on customer loyalty; (2) the quality of service significantly influence customer satisfaction; (3) customer satisfaction significantly influence customer loyalty.

Keyword: Service Quality, Customer Satisfaction, Customer Loyalty, Bussiness

INTRODUCTION

Currently the food industry experiencing rapid development, this industry can survive under any circumstances, including when the crisis economies. According to data from the Central Statistics Agency (BPS, 2013) the growth of the food industry from year to year showed positive growth. Here is a Table of food industry growth:

Table 1. Number of companies the food industry micro small

Year	Scale	
	Mikro	Small
2010	881.590	48.320
2011	872.869	118.403
2012	871.898	70.712
2013	1.008.890	158.651

From Table 1 it can be seen that there is a significant increase from year to year for micro, when used in the form of a percentage, it can be seen an increase of 14.4% from the Year 2010 to the Year 2013 and the decrease in the number of small businesses in the year 2012 amounted to 40% if compared with the number of small businesses in the year 2011, but increased in the year 2013 a number of 124% compared to the year 2012.

UD Cinta Rasa is a type of business engaged in the food industry, when seen from the number of employees who currently work at UD Love Rasa currently numbering nine people, then this business can be classified on the kind of small industry. The type of food sold UD Cinta Rasa is chips lungs, chips lungs its main business, it is not apart from considerable business opportunities in Bangkalan, because the lung is widely used as a supplement in catering.

Originally chips lungs sale directly to the catering, but due to the catering orders only occurs in certain months only, then to anticipate the possibility of the absence of the order of chips lungs, then UD Cinta Rasa also sell to shop for souvenirs and also to end users , which meant the end user is the consumer who buys the lungs for their own consumption and not done resale to other parties. Here is a description of the flow of chips lung sales UD Cinta Rasa:

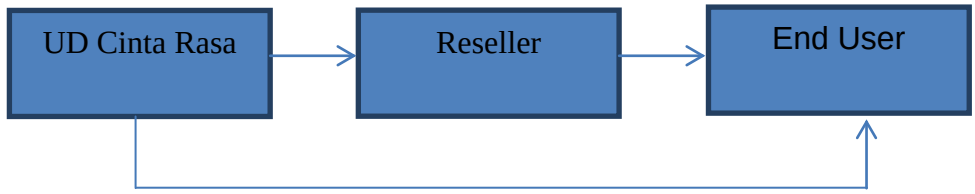

Figure 1. Flow selling chips lung UD Cinta Rasa

Decrease number of repeat order made by customers UD CInta Rasa, it is also evident from the decrease in the number of customers who make purchases back to UD Cinta Rasa. Here is Table 2 which shows the number of customers who make repeat order than once:

Table 2. Numbers of Customer Who Makes Repeat Order

Year	Customer (Overall)			Total	Costumer (More than once)			Total
	Shop	Catering	*End User*		Shop	Catering	*End User*	
2013	9	18	40	67	8	16	31	55
2014	8	15	20	43	6	12	18	36

From Table 2 it can be seen a decrease in the number of customers who make repeat order number is 19 customers. A decrease in buying interest and also a decrease in sales due to lack of customer loyalty to the UD Cinta Rasa and more interested in buying chips lungs from competitors UD Cinta Rasa. According to Oliver in Hurriyati (2010: 128) is a commitment to customer loyalty to survive in depth to re-subscribe or re-purchase of products or services that are consistently selected in the future despite the influence of the situation and marketing efforts have the potential to cause changes in behavior , Here are a number of old and new customers who make a purchase of more than one time in 2014:

Table 3. Numbers of old and new Customer Who Make Repeat Order

Year	Customer					
	Shop		Catering		End User	
	Old	New	Old	New	Old	New
2014	3	3	7	5	13	5
Total	6		12		18	

In Table 3 can be seen in the composition of a number of old and new customers who make a purchase chips lung UD Cinta rasa, more than one time, the overall number of customers decreased number of customers compared to 2013.

To creating customer loyalty , we need to evaluation of the quality of services rendered to customers love the ud .In accordance with one of the data an indicator of the quality of services that is responsive reabilitas (responsiveness and always try and respond and give information and services in accordance with diingikan by customers .The accuracy of the time in providing goods orders ud really needed by UD Cinta Rasa , for most customers who become the target is a caterer , in receiving an order from catering is very important to consider the grace period demanded by catering to ud crisps provide a sense of love in pulmonary ordered , it is associated with the main raw materials , namely lung must be purchased from surabaya , and also must consider also the availability of stock in the market , because in a particular month, really difficult found lungs . Sometimes because stocks of lungs not ready , can cause UD Cinta Rasa could not accept orders , even sometimes can only accept orders with the number of smaller than demand , this can also cause to customers move to other producers of chips lungs.

In addition to the quality of services, the next thing to be considered was customer satisfaction, for quality of services that it is not necessarily to make the customers satisfied.Customer satisfaction is a feeling from firm performance meets their expectations. But viewed from the perspective of the customer, customer satisfaction became a complex. Behavior after purchase would create an unsatisfied or satisfied to the customer, customer satisfaction is a function of the buyers for products or services to the perceived (kotler 2009, 142). One of the references that could be the creation of customer satisfaction is by seeing whether there were complaints of customer given products or the ud love a sense of service .If customer satisfaction can be taken , and by itself can create loyalty to customers , of the loyalty in the end can cause repeat order

Problem Statement

Based on the background has been discussed above , then in general the formulation of problems in this research is:

1 .Whether service quality have the effect on customer loyalty ?
2 .Whether service quality have the effect on customer satisfaction ?
3 .Whether customer satisfaction have the effect on customer loyalty ?

LITERATURE REVIEW

Service quality

Service is any activity or the benefits that can be given a party to other basically intangible and not also led the possession of something and it can be or can not pertaining to a physical product (kotler and keller , 2009: 289) .According to parasuraman in tjiptono (2011: 198) there are five service quality indicators:

1. Tangible

Tangible shown by physical facilities , pelengkapan and materials used the company , as well as the appearance of employees.

2. Reliability
Reliabilitas pertaining to the company to provide the accurate since first without making any fallacy and deliver services according to the agreed.
3. Responsiveness
Responsiveness shown by the willingness and the ability of the employees to help customers and respond to their request , as well as inform when services will be given and then provide services quickly
4. Assurance
Assurance is the employees could grow to business customers confidence and companies to create secure feeling to the customer.Collateral meant that employees always decent clarks knowledge and skill required to deal with every question or problem customers
5. Empathy
Empathy is a understand a problem its subscribers and act in the interests of customers , as well as providing personal attention to the consumers and having operational hour comforTable

Customer Satisfaction

Customer satisfaction is feeling felt by buyers from the company performance that meet their expectations.But reviewed from the perspective of customers behavior customer satisfaction later became something complex. Behavior after purchase will inflict attitude satisfied or dissatisfied to customers customer satisfaction is a function of hope buyers over a product or service with the perceived performance (kotler 2009: 142).
Satisfied or not satisfied customers is very influential on the performance of products..A variety of customer satisfaction for this research indicates that significant impact on a number of customer satisfaction (Markensis,2009: 36) :

- Repeat Order
- Customer loyalty
- Behavior complained
- Availability of customers to recommend a product or a company to another person) .

Customer Loyalty

According to oliver in hurriyati (2010: 128) loyalty means the commitment customers that survives in depth to belangganan back or do purchases in online stores repeated products or services elected consistently in the future even though the influence of the situation and marketing efforts have the potential to cause to change behavior .In other words , the consumer will be faithful to repeated do purchases in online stores is available continuously .Customers who are loyal asset is a very important for the company , it can be seen of the characteristics of which is owned by customers who are loyal .The following are characteristic of customers who are loyal (griffin in hurriyati 2010: 130):

1. Makes regular repeat order
2. Purchases across product and service lines
3. Refers other
4. Demonstrates an immunity to the full of competition

MODEL ANALYSIS

Based on the framework of conseptual model, analysis in this research which is replication of research conducted by dwi aryani (2010) can be seen in Figure 2:

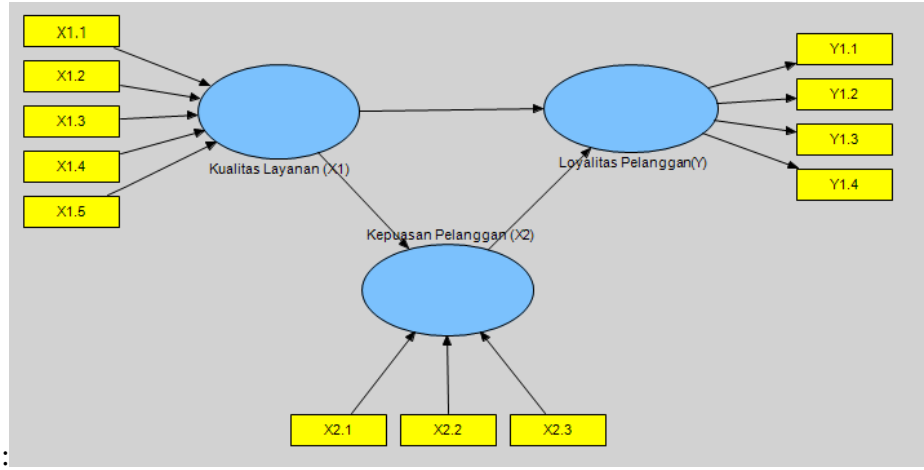

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Figure 2. Model Analysis

HYPOTHESIS

The hypothesis of research as the following proposed:
H1: the quality of services have the effect on customer loyalty
H2: the quality of services have the effect on customer satisfaction
H3: customer satisfaction has the effect on customer loyalty

RESEARCH METHODS

This research will be conducted in April 2015 – Mei 2015. Population on this research consists: reseller, shop and end user, total population is 36 respondent. Source data in this research are from primary and secondary data. Primary data is data form internal company, while secondary data is data from outside company, which collected with institution and then publish to other people. Instrument data in this research is using likert scale.
Variables can be defined as the concept of having a variation or having the concept of more than one point .Variable used in this research is:

1. Independent Variable of this research are :
   a. Service Quality consists indikator, such as : tangible, reliability, responsivemess, assurance, empathy
   b. Customer satisfaction consists 3 indicator, such as: : customer happy with the product, conformity with customers expectation, customers feel satisfied with the product.
2. Dependent Variable of this research is customer loyalty. Berikut adalah karakteristik pelanggan yang loyal pada penelitian yang dilakukan oleh Dwi Aryani (2010): refers to others, repeat order, word of mouth form customer about product, make order only in one place.

Partial Least Square developed first by wold as the common method for estimating the path with latent konstruk model that uses multiple indicators (ghozali 2014: 29). Partial Least Square is a factor indeterminacy analysis method which is powerful because it doesn't assume the data is to be with a certain scale of measurement, the number of sample is small. (Ghozali 2014:39). The steps in the analysis of PLS are as follows:

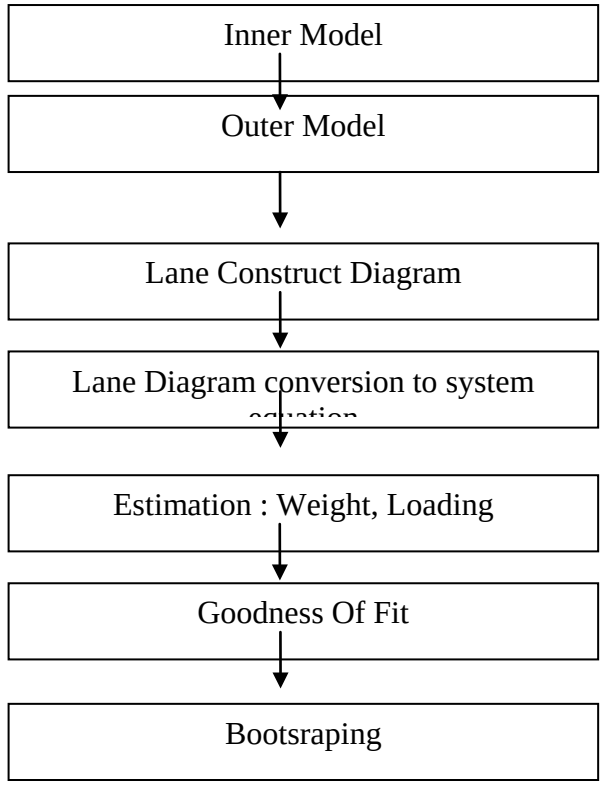

Figure 3. PLS Step Analysis

RESULT AND DISCUSSED

This chapter will be served on the data collected from the results of the survey respondents, processing data processing and analysis of the data.The results of data processing to be used in the research that hypothesis. Research will be done by using software SEM-PLS

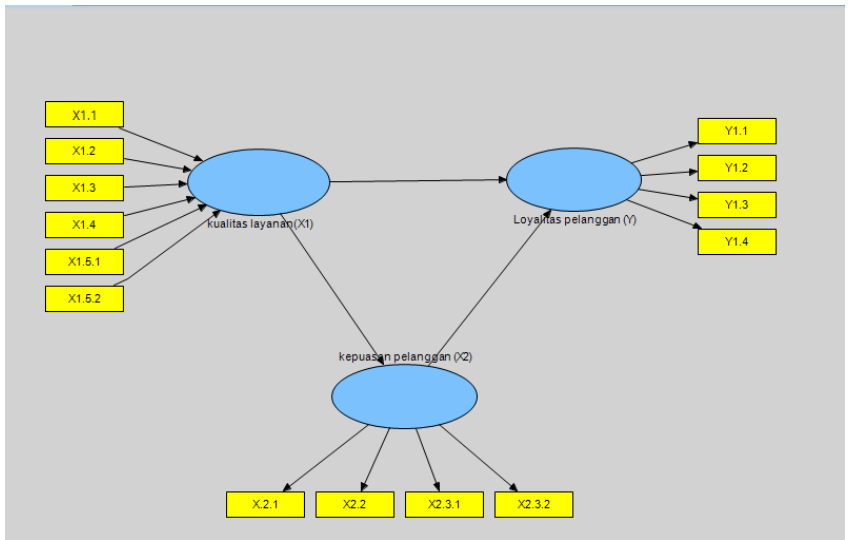

Figure 4. Inner and Outer Model

Lane Diagram Conversion to System Equation

Here is the system equations for the formative outer model by using numbers form Figure 4 Formative Outer Model (X1)

$$X_1 = 1{,}66.X_{1.1} + 1{,}783.X_{1.2} + 1{,}777.X_{1.3} + 1{,}666.X_{1.4} + 2{,}625.X_{1.5} + 1{,}852.X_{1.5.2+}\varepsilon_1$$

Here is the system of equations for the outer reflective model by using number from the Figure 5:

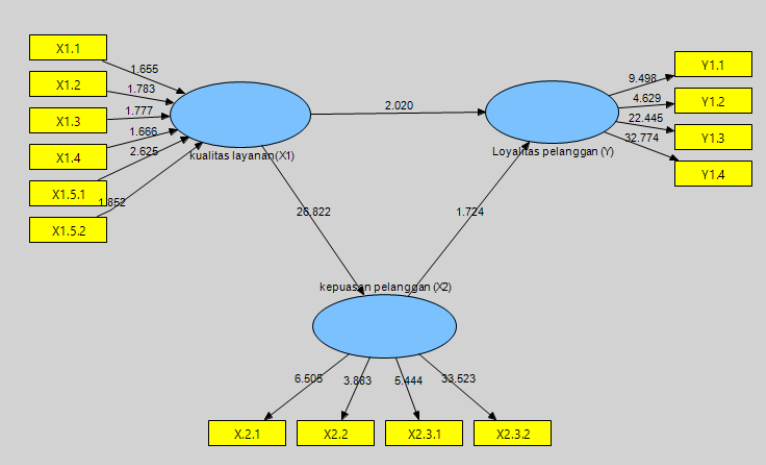

Figure 5. Reflective Outer Model

Outer Model Reflektif (X2)

$$X_{2.1} = 0{,}718.X2 + \varepsilon_2$$

$$X_{2.2} = 0{,}673.X2 + \varepsilon_3$$

$$X_{2.3} = 0{,}692.X2 + \varepsilon_4$$

$$X_{2.4} = 0{,}866.X2 + \varepsilon_5$$

Outer Model Reflektif (Y)

$$y_{1.1} = 0{,}820.Y1 + \varepsilon_6$$

$$y_{1.2} = 0{,}539.Y1 + \varepsilon_7$$

$$y_{1.3} = 0{,}864.Y1 + \varepsilon_8$$

$$y_{1.4} = 0{,}888.Y1 + \varepsilon_9$$

System equation for inner model by using number form Figure 6 is:

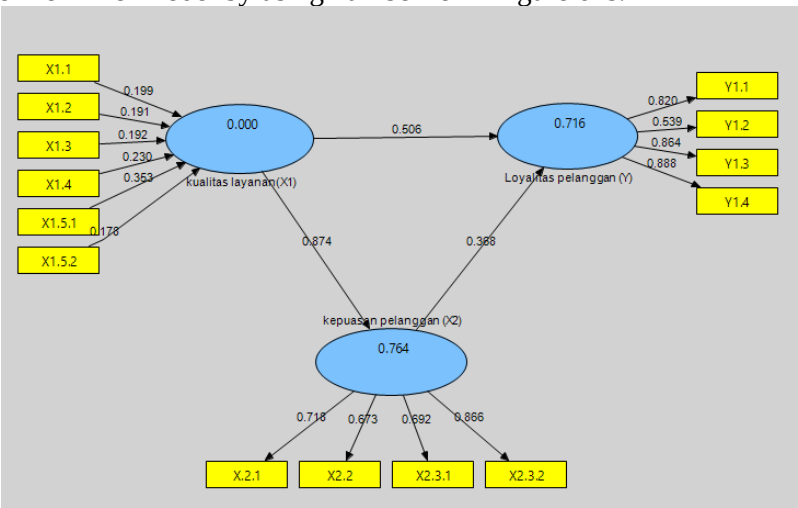

Figure 6. Formative Outer Model

$X_2 = 0{,}874.X_1 + \delta 2$

$Y = 0{,}506.X_1 + 0{,}388.X_2 + \delta 3$

The Evaluation Model (Outer Model)

Formative Outer Model

For variables with an indicator formative can't be analyzed by looking at loading of reliability and composite.Hence variable formative with an indicator that is the services quality (X1) the way of rating them is by seeing the value of the regression coefficient and significance of the regression coefficient.The following is the value of each outer weight indicators and significant value

Table 4. Outer Weight

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (|O/STERR|)	Remark
X1.1 -> service quality(X1)	0.166864	0.15626	0.100834	0.100834	1.654842	Significant
X1.2 -> service quality(X1)	0.202741	0.196707	0.113721	0.113721	1.78279	Significant
X1.3 -> service quality(X1)	0.166356	0.173482	0.093642	0.093642	1.776517	Significant
X1.4 -> service quality(X1)	0.172511	0.167724	0.103564	0.103564	1.665746	Significant
X1.5.1 -> service quality(X1)	0.441586	0.450096	0.168205	0.168205	2.625291	Significant
X1.5.2 -> service quality(X1)	0.170084	0.179418	0.091859	0.091859	1.851569	Significant

Based on measurements made on formative outer model is , then on the Table 4 obtained the results of that all variables x1.1 , x1.2 , x1.3 , x1.4 , x1.5.1 , x1.5.2 is significant because the T-statistic value is more than 1.65

Reflective Outer Model

Measurement indicator for outer model reflective analyze on this research are Customer satisfaction (X2) and Customer Loyalty (Y). For reflective indikator, researcher will describe convergent validity, that consists : loading factor, Then will be discussed discriminant validity consisting of ave to see the value of the loading each cross , after that will discuss composite reliability and also used for measuring alpha cronbach composite reliability .The following is a test of validity of research conducted by using indicators sem-pls:

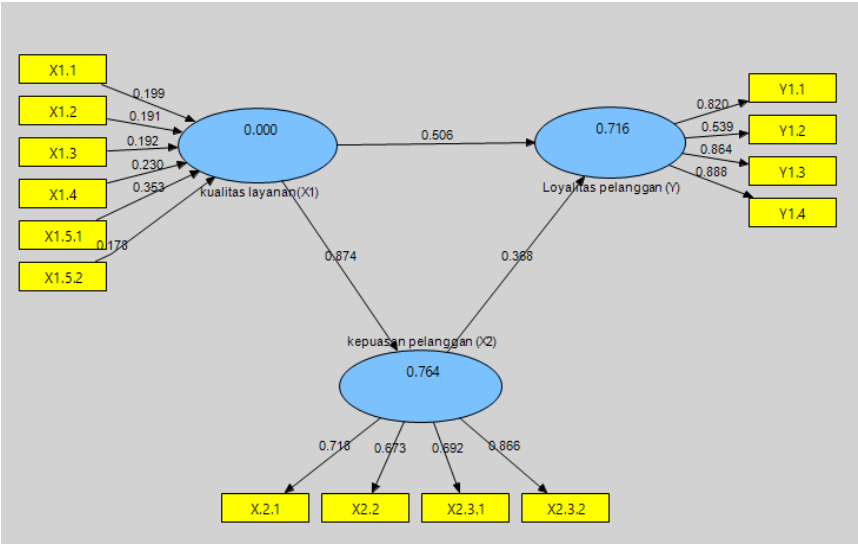

Figure 7. Factor Loading Value

Factor Loading

Factor loading is correlation indicator between variable, if the value more than 0.5, it means correlation is valid, and if T-statistic value greater than 1.645, it means the correlation is significant. The following Table 5 shown factor loading value on this research:

Table 5. Factor Loading

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (|O/STERR|)	Remark
X.2.1 <- customer satisfaction (X2)	0.741335	0.71949	0.113961	0.113961	6.505185	Valid and Significant
X2.2 <- customer satisfaction (X2)	0.647304	0.63281	0.166717	0.166717	3.882645	Valid and Significant
X2.3.1 <- customer satisfaction (X2)	0.683837	0.675723	0.125611	0.125611	5.444079	Valid and Significant
X2.3.2 <- customer satisfaction (X2)	0.887934	0.893477	0.026487	0.026487	33.52303	Valid and Significant

Continue Table 5 Factor Loading

Y1.1 <- Customer loyalty (Y)	0.786618	0.802626	0.082817	0.082817	9.49822	Valid and Significant

Y1.2 <- Customer loyalty (Y)	0.664697	0.646544	0.143587	0.143587	4.629228	Valid and Significant
Y1.3 <- Customer loyalty (Y)	0.908608	0.911981	0.040482	0.040482	22.44468	Valid and Significant
Y1.4 <- Customer loyalty (Y)	0.932826	0.937467	0.028462	0.028462	32.77448	Valid and Significant

From Table 5, get Loading Factor value is more than 0.5 and T-Statistic value greater than 1.65, it means each indivators on this variable have siginificant and valid value.

AVE

An indicator that shows a variant of ave conceived by endogen variable .An AVE convergent value greater than 0.5 shown that indicator have good validity.The following Table 5.6 that shows an ave on the research,

Table 6. AVE

Item	AVE
Customer loyalty (Y)	0.689081
customer satisfaction (X2)	0.55616

Table 6 shown AVE value for each reflective variable as a validity requirements showing that both AVE value is more than 0.5. it means both indicator is valid.

Cross Loading

Cross Loading measurement is to measure the discriminant .The output of this loading cross wants that the value of the correlation of each indicator with endogen variable must be greater than other variables.

Table 7. Cross Loading

	Customer loyalty (Y)	Customer satisfaction (X2)	Service quality(X1)
X1.1	0.489467	0.658366	0.672823
X1.2	0.550387	0.662854	0.710096
X1.3	0.558545	0.60495	0.679989
X1.4	0.563883	0.643393	0.70608
X1.5.1	0.793599	0.733205	0.890354
X1.5.2	0.577504	0.587156	0.680073
X.2.1	0.440963	0.741335	0.622545
X2.2	0.417754	0.647304	0.438468
X2.3.1	0.552805	0.683837	0.580229
X2.3.2	0.877422	0.887934	0.876589
Y1.1	0.786618	0.633383	0.621786

Y1.2	0.664697	0.532038	0.65771
Y1.3	0.908608	0.743687	0.730784
Y1.4	0.932826	0.767849	0.744106

Based on Table 7 get value of cross loading each indicators more greater if linked with endogen variable, and will be smaller if linked with another endogen variabel. It means that indicators is valid.

Composite Reliability

Composite Reliability is method to measure reliability indicators. Term indicator. The value declared reliable if value composite more than 0.7 .The following is Table 8 that is the value of composite reliability

Table 8. Composite Reliability

Item	Composite Reliability
Customer loyalty (Y)	0.897097
customer satisfaction (X2)	0.83155

From Table 8 shown customer loyalty and customer satisfaction value is more than 0.7, it means that both variable is qualified and appropriate.

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Cronbach Alpha

Cronbach alpha is a test for measure realibilty from indicators, indicator will be qualified if each value more than 0.7.

Table 9. Cronbach Alpha

Item	Cronbachs Alpha
Customer loyalty (Y)	0.842371
customer satisfaction (X2)	0.734633

From Table 9 shown customer loyalty and customer satisfaction have cronbach alpha value more than 0.7, it means customer loyalty and customer satisfaction is already qualified.

Goodness Of Fit

Test Goodness fit model for structural model can be see from the R-square value. R-square value describe influence independent value to the dependent value

Table 10. R Square

Item	R Square
Customer loyalty (Y)	0.722098
Customer satisfaction (X2)	0.773545

From the Table 10 get r-square value for variable customer loyalty is , it means customer loyalty affected by service quality and customer satisfaction by 72.20 % , while 27.80 % influenced by others variable beside customer loyalty and service quality .R-square value of customer

satisfaction is 0.7735, it means the satisfaction of customers affected by the service quality is 77.35 % , while 22.65 % influenced by other variables besides customer loyalty .

Bootstraping

Test the hypothesis done with bootsraping and t- statistic value must more than 1.65.The t-statistic value of this research is:

Table 11. Path Coeficient

Item	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (|O/STERR|)
customer satisfaction (X2) -> Customer loyalty (Y)	0.361988	0.323198	0.209921	0.209921	1.724402
service quality(X1) -> Customer loyalty (Y)	0.513747	0.600208	0.254303	0.254303	2.020217
service quality(X1) -> customer satisfaction (X2)	0.879514	0.898387	0.032791	0.032791	26.82159

From the Table 11 can be seen that the estimation of customer satisfaction and customer loyalty is 0.3619 and t-statistic is 1.7244 , thus is hypothesized research said that customer satisfaction has the effect on customer loyalty can be proven the truth

To value the estimation of the services quality against customer loyalty is 0.5137 and t-statistic is 2.0202 , thus that hypothesis which states that the services quality have influence against customer loyalty can be proven the truth

The estimation of the quality of services on customer satisfaction is 0.8795 and t-statistic 26.8215 is , thus is hypothesized that stated that the quality of services have the effect on customer satisfaction can be proven the truth.

CONCLUSION

From the research analysis of the quality of service , customer satisfaction on customer loyalty , get the following conclusions:

1. Service quality have a positive influence and significantly to customer loyalty .There are five indicators in the form of the service quality , among other: tangible, responsiveness, assurance, empathy, reliability, customer loyalty can be created with improved service quality
2. Service quality have a positive influence and significantly to customer satisfaction. There are five indicators in the form of the service quality , among other: tangible, responsiveness, assurance, empathy, reliability, customer satisfaction can be created with improved service quality.
3. Customer satisfaction have a positive influence and significantly to customer loyalty. There are three indicators in the form of customer satisfaction which are not there have been complaints , a feeling of satisfaction , conformity with expectation or your expectations `. Customer loyalty can be created with improved customer satisfaction.
4. Service quality has an effect greater than customer satisfaction to create customer loyalty .So that with the increase service quality, customer loyalty will also increase.

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INTERNAL AND EXTERNAL FACTORS AFFECTING PROSPECTIVE STUDENTS' DECISION TO CHOOSE THE PRIVATE COLLEGE IN SURABAYA (CASE STUDY OF NEW STUDENTS OF STIE MAHARDHIKA SURABAYA)

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ABSTRACT

This study aims to determine the effect of each independent variables both internal and external factors on the decision to choose STIE Mahardhika Surabaya.
The approach used in this research is quantitative research using validity and reliability test, regression analysis, t-test and F test. The research proves that the product, promotion, influence of family, culture and reference group significantly influence buying decisions. Meanwhile, price, place, and social class had no significant effect. The dominant influence is from Product and the negative influence is from promotion factors. Both internal and external factors are influencing the choosing decision of college in Surabaya.

Keywords: marketing mix, Family Influence, Social Class, Culture, Group Reference, choosing decision

INTRODUCTION

Private college has an important role in education service for the community especially student candidates who failed to enroll in state universities. The competition of higher education providers is very strong nowadays, especially in Surabaya, Indonesia. Then, every provider is facing the problem in quality to grab students. One of the ways to attract student candidates is high school visit. Beside the quality, the credibility of that college is important as well.

There are some factors affecting the student candidate to choose the campus to study such as product (campus image, system and learning concept, accreditation status and its lecturers), price (affordable price, payment requirements, scholarship), place (library, building, facilities, environment and services) and Promotion (such as alumni's success and guarantee to get jobs afterwards). Those factors are internal. While external factors can be from family influence, social class, culture and reference. All factors are marketing mix to be used by private colleges in Surabaya. In this case, all the private colleges in Surabaya have to understand the consumer behavior accurately.

This study focuses in research held in a private college in Surabaya, STIE Mahardhika Surabaya, established in 1981 with strong orientation and internationally standard. The objectives of this study is to analyze the internal and external variables and find the dominant variable that affecting student candidates to choose STIE Mahardhika Surabaya, Indonesia.

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LITERATURE REVIEW

Marketing

It is well-known that according to Kotler (2009), marketing is human's activity to fulfill the needs and wants through trade. Furthermore, Kotler and Armstrong (2012) stated that marketing is a social and managerial process to make individuals and groups get what they need and want through creation and value trade with others.

Consumer Behavior

Solomon dan Stuart (2006) stated that "*Consumer behaviour is the process individuals or groups go through to select, purchase, or use goods, ideas, or experiences to satisfy their needs dan desires*".

Factors influencing consumer behavior are: external and internal. External is factor such as family, social class, culture, strategic marketing and reference group. Internal factor is product, price, place and promotion.

Marketing Mix

Marketing mix is strategy to combine marketing activities, to create maximum combination to get the most satisfied result **(**Alma, 2009). Sumarmi and Soeprihanto (2010) explained, "Marketing mix is combination of variables and activities from marketing system, product, price, place and promotion.

Buying Decision

Buying decision is a integrating process to combine the knowledge in evaluating two or more alternative behavior and choose one of it (Nugroho, 2003). The role of buying explains the pushing factors to make decision is influenced by some people involved in the process (Hasan, 2008).

CONCEPTUAL FRAMEWORK

This study used conceptual framework as below:

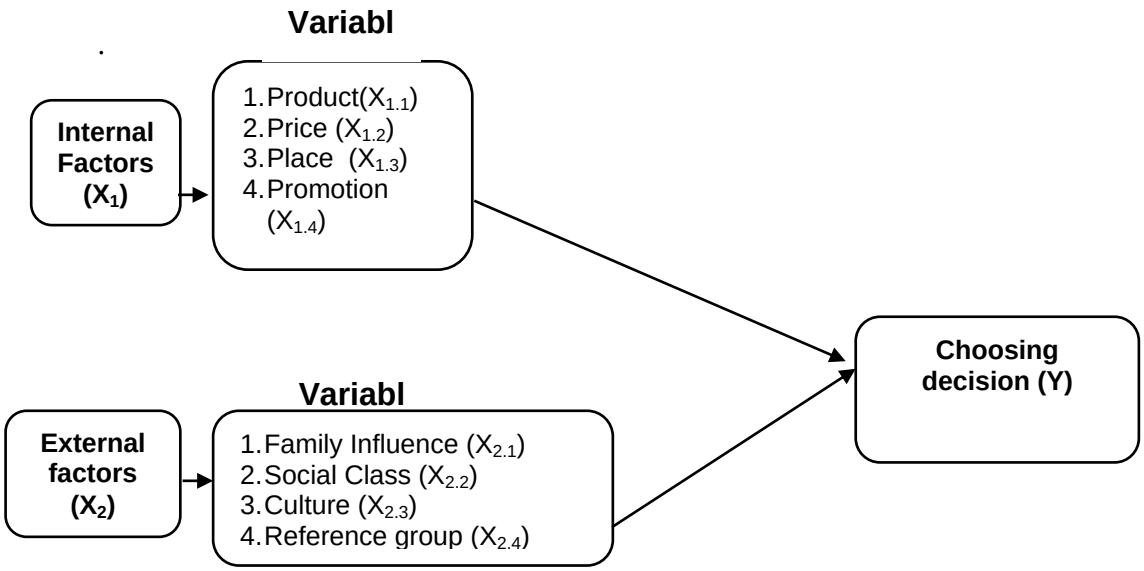

Figure 1. Conceptual Framework

RESEARCH METHODS

This study used descriptive research with the population of new class at semester 1 in Management Study Program totaled 191 students. Using slovin Formula, the sample used here is 66 respondents, drawn by non probability sampling.

The indicators of variables used in this research are as shown in Table 1.

Table 1. Research Operational Variables

No	Variables	Variables definition	Sub Variables	Variables indicators	measurements
1	Internal Factors	Internal factors are as product, price, place and promotion.	1.Product (X_1)	1. College image ($X_{1.1}$) 2. Learning system and concept ($X_{1.2}$) 3. Accreditation status ($X_{1.3}$) 4. Professional Lecturer ($X_{1.4}$)	Likert Scale 1 s.d 5
			2.Price (X_2)	5. Low price ($X_{2.1}$) 6. Terms of payment ($X_{2.2}$) 7. Discounts ($X_{2.3}$) 8. Scholarship ($X_{2.4}$)	
			3.Place (X_3)	9. Library ($X_{3.1}$) 10. Building ($X_{3.2}$) 11. Facilities ($X_{3.3}$) 12. Environments ($X_{3.4}$) 13. Campus Services ($X_{3.5}$)	
			4.promotions (X_4)	14. Alumni's success ($X_{4.1}$) 15. Guarantee to get jobs afterwards ($X_{4.2}$)	
2	External factors	External factors is about family, social class, culture, strategic marketing and reference groups.	1.Family influence (X_5)	16. Support from parents and siblings ($X_{5.1}$). 17. Own willing ($X_{5.2}$). 18. Coercion from parents ($X_{5.3}$).	Likert Scale 1 s.d 5
			2.social class (X_6)	19. Want to enhance life ($X_{6.1}$). 20. Want to get better job ($X_{6.2}$). 21. Want to increase status higher than others. ($X_{.3}$).	
			3.Culture (X_7)	22. Family tradition ($X_{7.1}$). 23. Environment influence from surroundings ($X_{7.2}$).	
			4.reference group (X_8)	24. School mates ($X_{8.1}$). 25. Friends of surroundings ($X_{8.2}$). 26. Hang-outs friends ($X_{8.3}$). 27. Family information ($X_{8.4}$).	
3	Choice decision (Y)	Buying decision as the choice decision is an integrating		1. Product ($Y_{1.1}$) 2. Price ($Y_{.2}$) 3. Place ($Y_{.3}$) 4. Promotion ($Y_{.4}$)	Likert scale 1 s.d 5

		process that combined knowledge to evaluate two or more alternative behavior and choose one of it		5. Family influence (Y_5) 6. Social class (Y_6) 7. Culture (Y_7) 8. Reference group (Y_8)	

DISCUSSION

The result of the test towards the indicators of variables shows that the multiple linear regression equation is:

$Y = 0{,}001 + 0{,}365\ X_1 + 0{,}079X_2 + 0{,}033\ X_3 - 0{,}161X_4 + 0{,}\ 237\ X_5 + 0{,}\ 098\ X_6 + 0{,}187\ X_7 + 0{,}228\ X_8$

The result shows that the biggest influence will support by variable X1 (product) and the least is place (Variable X3). But promotion (X4) will not support the choice as the value is negative. It means the additional of promotion will decrease the buying decisions. Results of the study explained that the variable product, promotion, family influence, culture and reference group significantly influence buying decisions. While the variable price, place and social class does not significantly influence the purchasing decision. However R^2 value is 0.734 or 73.4% the changes of dependent variable can be explained by these independent variables and the rest of 26.6% is affected by other variables out of this study. The dominant variable is X1 with the coefficient correlation partial value is 0.638.

Based on the result, the most important factor to influence the choice of prospective students of STIE Mahardhika Surabaya is product (X1) which are consists of some indicators such as, college image, learning system and concept, accreditation status, and professional lecturer. The other internal factors, such as price, place and promotion are not significantly influencing the choosing decision because STIE Mahardhika has set the price based on standards of college in Surabaya.

The external factors, especially family and reference groups are influencing in choosing decisions, because the enrolled students will usually recommend STIE Mahardhika to their siblings or families and even friends, to study in STIE Mahardhika. Thus, most of current students know STIE Mahardhika from their friends and families. The other external factors, such as tradition are not really influencing, but still be considered by the students. Ideally, they think that becoming college students will give more advantage than high school graduates.

STIE Mahardhika as an education service institution is normally as other campuses trying to enhance its product quality, which is education service because it is one of competitive advantage sources to survive in the education service business in Surabaya and this is what the prospective students really need when they decide to pursue higher education. However, it doesn't mean that other factors are not important or required because this sample taken from prospective students at STIE Mahardhika and if the sample is broadened, perhaps the result will be different although product and reference group are still be considered as the most important factors in choosing college in Surabaya.

CONCLUSION

Internal independent variable factor that consists of product and promotion significantly influence the decision to choose STIE Mahardhika Surabaya. The independent variable external factors consist of family influence, culture and reference group significantly also influence the choosing decisions to STIE Mahardhika Surabaya. The independent variable, product (X1), those are about campus image, professional lecturer is the dominant influence on the decision to

choose to study at STIE Mahardhika Surabaya. While from the external factors, the most important is reference groups.

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ANALYSIS OF POST SUCCESSION IN FAMILY BUSINESS AT PT. PANCARAN TIRTA KENCANA SUPPORTED BY THE IMPLEMENTATION OF CONTROL MANAGEMENT SYSTEM

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ABSTRACT

Family enterprise is a form of business that is very common in many countries. In Indonesia, a majority or 90 percent of Indonesian businessmen are executives who run the family business. To maintain and improve the long-term corporate performance is through the succession in the company. Highest reasons why a company needs to be done succession family is due to the age of the owner who enters retirement age and high busyness owner outside the company's activities. One way to support post-succession is through the implementation of management control systems. The system is a system created by the management company to plan the implementation of each activity.
In this study conducted a qualitative descriptive study aimed to mendeskriptifkan post-succession in family companies which supported the implementation of management control systems. The results showed that at the PT. Emission Tirta Kencana has done post-succession stage. There are several stages that an indicator of post-succession including the genogram, corporate structure and ownership, after the issue of succession, retirement plans, exploitation and exploration product and market, and the type of conflict within the company. While the application of management control systems include the phases of the input control, process control, and control the output.

Keywords: succesion, leadership transition, family business and control management system

INTRODUCTION

Family enterprise is a form of business that is very common in many countries. In Indonesia, a majority or 90 percent of Indonesian businessmen are executives who run the family business. There are 7 (seven) mythical family enterprise, namely:
1. The family company is unprofessional,
2. The absence of separation between corporate finance and private finance,
3. The family company is deemed unable to implement systems and procedures that are healthy,

4. The family company is only giving the opportunity for any family relatives to occupy key positions,
5. Performance is not important, but more important is the ability to build a close relationship with the owner,
6. The family company will end up in the hands of the second generation, and
7. The family company was not looking at human resources as an asset important company (Dewantoro, 2011).

In the family company, to maintain its sustainability is very important for the founders to do succession planning. Succession in family firms is the process of formation and successor planning in family firms are made in accordance with the needs of the owners, families, and companies. When succession planning has been done, it will be included in a phase called succession process (Theresa & Mustamu, 2015).

The succession require a lengthy process of planning and preparation that will then lead the company in the implementation of a smooth transition. It is important for business owners to prepare and develop a potential successor candidates and give them the opportunity to demonstrate their abilities. Prospective successor needs to be developed and prepared to be a family business leaders in the future, where it is a complex job that impact on business success and relationships within the family (Lumintan & Mustamu, 2015).

PT. Pancaran Tirta Kencana \ has been established since 1999 and the company is engaged in construction services in the sub-field specification is Groundwater Drilling, Water or Waste Piping Systems, Irrigation, Pump House Construction. PT. Pancaran Tirta Kencana rely on the ability of HR experience and ownership Drill tool capable to meet the needs of clean water in the country. For that, PT. Pancaran Tirta Kencana in cooperation with various government and private sector to become service providers in this field.

PT. Pancaran Tirta Kencana ever do work ground water drilling is almost in all regions of the Province of Indonesia both for public and private projects. Need for clean water continues to increase, the company is optimistic that it can continue to grow and compete. There is also the implementation of the implementation of the succession and development efforts include:

1. The process of succession from one generation to the second generation
2. Improving the performance of management with the implementation of management control systems.
3. Improving the existing competence of human resources at the company.
4. Strategy development to other businesses.

Some of the things that became successor challenge ahead is the successor to increase the company's employees to approach, as for how that can be done is to increase the intensity of communication for employees to know each other personally and successor more often take the initiative to learn through discussion of the technical work so intertwined two-way communication so that more senior employees feel valued and respected in position. Through communication approach is thus expected successor is able to gain the trust of the employees and FBL.

Need to be discussed regarding the success of the post-succession in PT. Pancaran Tirta Kencana because given the age of the FBL is already 63 years and the recent post-succession are still assisted with the learning process in the company. So these things need to be done as a matter of management control systems that support the smooth succession after the stage in the hopes to form a new management system that aims as:

1. The division of tasks and responsibilities are clear,
2. The use of standards, rules and regulations in accordance with needs,
3. Evaluation of performance on a regular basis.

Certainly in the early stages of the post-succession companies PT. Pancaran Tirta Kencana are many things that must be prepared in preparation for the second generation in the continuing

success of the leadership of the first generation. This is due to the lack of overall leadership transition, then after a succession of research is focused on the successful transition of leadership in the company of family and good management control system in the hope there will be an increase in the company's performance.

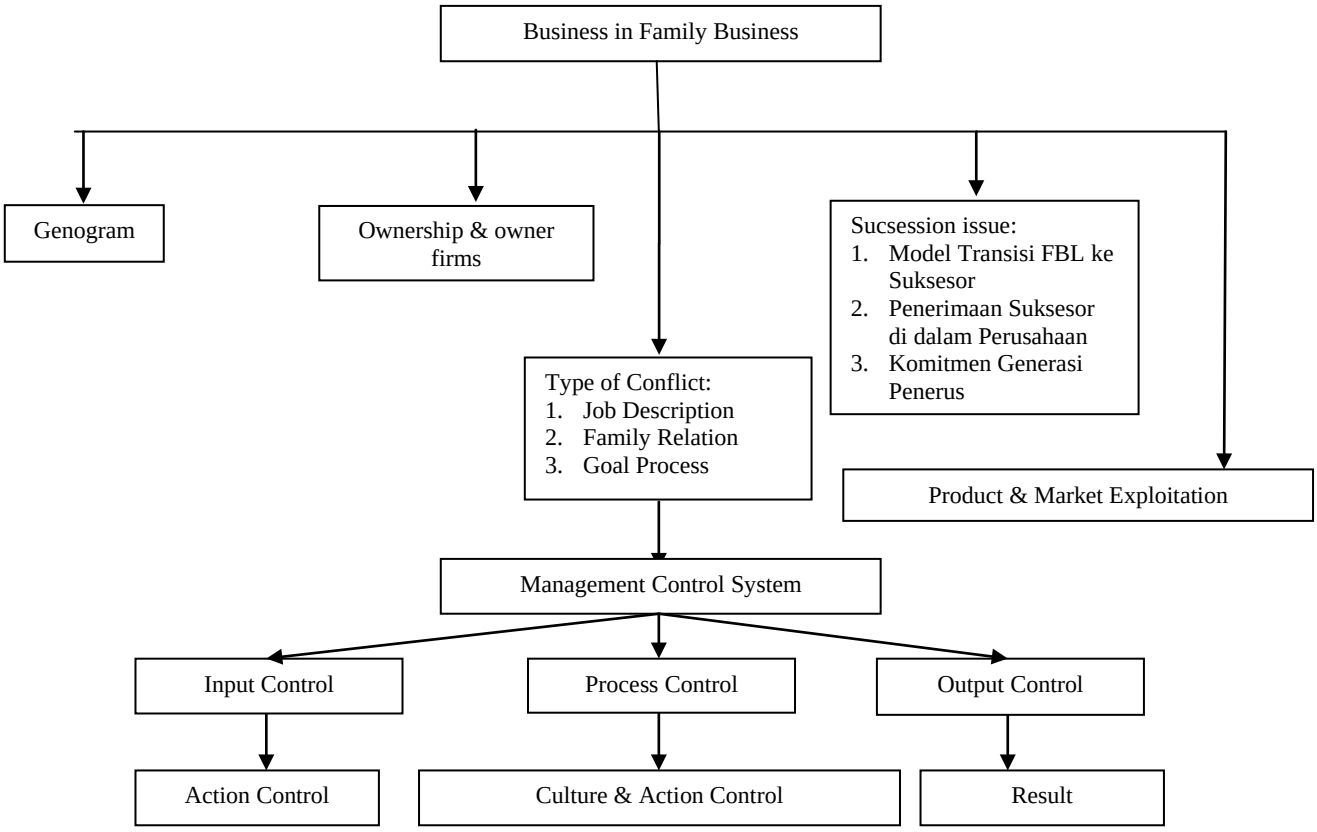

Figure 1. Business analysis model in the family company ehich supported the implementation of control management system

The goals of this study are:
a. To determine the employees' acceptance successor undertaken to ensure the smooth running of the family business after succession in PT. Pancaran Tirta Kencana.
b. To design and build a management control system that can support the success of the post-succession at. PT. Pancaran Tirta Kencana.

RESEARCH METHODS

Type of Research

This research type is descriptive qualitative research because through this method is expected to be able to get the data naturally the situation or condition that would like to study in depth, find a pattern of research and hypotheses that arise.

Data Collection Techniques

Data collection methods used in this study were interviews, which are used if researchers want to know and know things more specific than informant, communication can be used with face to face or using communication aids. The advantage of using this technique is the number of respondents who needed little.

Samples Informant Techniques
Informant used was purposive sampling technique for sampling by determining in advance the number of samples to be taken, then the sample selection is done based on certain goals and adjusted by certain specific criteria.
The informants in this case is a resource that is used to help research, consisting of three, namely:
1. Family Business Leader (FBL), because he as the owner of the company and is the father of a successor. (Age 63 years)
2. Successor, the successor involvement because it was involved directly in this study as a researcher.
3. Managers of each division at PT. Pancaran Tirta Kencana.
Data Analysis Techniques
Data analysis techniques in qualitative research conducted in conjunction with data collection at various stages include domain analysis is to obtain a thorough understanding of public and topics concerning the subject matter, the taxonomic analysis of the study determined that the attention is limited to the realm of very useful in an attempt to explain the phenomenon research objectives, namely componential analysis categorizes the difference between topics or obtained through observation and interviews selected, the analysis of cultural themes that repeatedly conducting a review of research results, give the code on an important topic, adjust the relevant literature (Sugiyono, 2012).
Validity and Reability Research
The validity of the data that is to assess the validity of the findings of qualitative research. While the reliability test in qualitative research conduct an audit of the entire research process. If the process is not carried out but the research data, the study is not reliable or dependable.

RESULT AND DISCUSSION
Stages of Business Analysis at the family company at PT. Pancaran Tirta Kencana
1. Genogram
Genogram is a visual representation of the membership conditions and family relations. Genogram on PT. Pancaran Tirta Kencana are engagement between the owner and the second generation which is the second generation of the family in the company. In addition, through a genogram can also see members of the family and the condition of the relationship between family members. In the family structure owner is aged 63 years and had no wife because died in 2009. Owner have 2 boys aged 30 and 24 years. The second child who is the successor owner in the company PT. Pancaran Tirta Kencana and relationship between his two sons are very close.

2. Analysis of Corporate Structure and Ownership Structure on PT. Pancaran Tirta Kencana
1. Structure of the Company PT. Pancaran Tirta Kencana
On the organizational structure of the company PT. Pancaran Tirta Kencana is divided into three parts. The third part is the financial part, part of the project, as well as logistics and warehouse. Each section is headed by a manager.
2. Ownership Structure PT Pancaran Tirta Kencana
Ownership structure on company PT. Pancaran Tirta Kencana are divided into two parts. Both parts are shares owned by the commissioners by 10% and the rest is owned by the directors of 90%. The division is adjusted by agreement made through amendments company authorized by the Notary.
Form a functional organizational structure is an organization in which the authority of the leadership delegated to managers who have worked on the functional position for the peaksana that have the expertise / competency in their field. The structure of the company PT. Tirta Kencana jets already share responsibilities on the basis of basic functions such as finance

companies, projects, as well as logistics and warehouse. Infer from the statement of the first generation, the organizational structure of the company PT. Tirta Kencana jets already done but the problem still occurs jobdesk details overlap with each other. In the finance and projects managed by non family members, and in the logistics and warehouse is managed by a family member who is an uncle of a successor.

Existing organizational structure at the company PT. Tirta Kencana jets still unclear about each executor jobdesk under the manager, therefore the presence of this study will be making the new organizational structure, supported the implementation of management control systems. It was also consistent with the statement given each manager that during this time they use habits in their own use in the execution of tasks within the company something.

Advantages of a company if it has a functional organization structure is communication and networking simple decision. The disadvantage is the difficulty of coordination between functional departments because often created "little kings" in each department (Kodrat, 2010).

3. Post-Succession Issues Analysis

1. Assign Ownership

In determining the ownership of the company would be given to a successor who is the second son of the owner who obtained the first interviews with informants. For the division in detail, the first generation will not give an overall feel for the owner still has extensive nationwide network that helps market the company and will become commissioner only later.

Based on the statement of the first generation to be selected pension plans are ambassadors. The selected pension plan has a sense of the first generation will lead the company to a level of success and recognize when it is time going backwards and advising when needed (Sharma *et al*, 2013).

2. Establish Criteria for a Successor

This criteria will be useful to ensure that the designated successor is already in accordance with the wishes and needs of the company owner. Some of the criteria, namely experience in the company of at least 3-4 years, knowledge and experience more and more about field conditions, improvement in the relationship with the distributor of spare parts, good relationships dengankostumer or colleagues.

In the company established a good relationship between the successor to the employee, indicating that the successor has the ability to adapt and be able to become a good leader (Collins *et al*, 2010).

The statement is supported by other research that suggests that a person who is able to do his job is to feel comfortable in the work (Pandergast, Ward & Pontet, 2011).

In fact the new successor has experience in the company for 1.5 years and have a good assessment of the owner of the operation and administration of the company. Through the interview with the owner also can be concluded that the successor has the willingness to learn and a good relationship.

3. Development of Skills and Performance Successor

Development of the successor is to participate in the company. Successor began to be authorized, with the aim to be seen to what extent the responsibility of the authority given. The fact is the owner admitted that the successor already has a good performance regarding operational and corporate administration. Successor was now beginning often invited to meet with clients and introduced to the distributor of spare parts for repairs and modifications to the engine.

In the process of skill development and performance successor must be supported by several factors such as formal education, training and knowledge transfer between generations. Formal education program is tiered education acquired at school regularly and storied. Formal education is generally known by school level is elementary, junior high, high school and then continued with the level of the course. End of formal education levels will be an important provision in the plunge in the company (Glance, 2011).

Transfer of knowledge is the knowledge transmission process carried out by one person to another. Knowledge that was delivered was varied as required. Transfer of knowledge is the knowledge given by the founder to the successor as teaching or science in running the company, family values are applied in the company and how to behave properly in the company. Transfer of knowledge can also be obtained from non-founders, namely of existing employees in the company since their first dive and experienced in the company (Theresa & Mustamu, 2015).

The fact successor is now in the process of completion of study in S-2, follow the activities in the preparation and implementation of the project. The advantages of developing a successor is a successor will know about problems that occur in the field and can solve problems in the future. This is consistent with the results of interviews with the owner who stated that the successor has a willingness to learn, interest and participation, and passion to improve the experience in the company. Only now the successor is still in the process of completion of formal education so that time owned successor is divided, but owner optimistic because of the collaboration between formal education and experience in the company of an equally run, then after the completion of formal education a successor is believed to be able to more quickly in learning and improve their ability in the company.

4. Establish Timeline for Transfer of Management and Responsibility Ownership

In determining the timeline for migration management and also the responsibility of ownership in this company, the first generation concluded that it would make an assessment that is not explained in detail about the exact time. The first generation will see the performance and the performance of a successor in advance during his tenure in the company, after which it can decide the right time to leave the company.

However, the system desired by the first generation is gradual or progressive. Advantages of this process is a potential successor gaining experience and learning gradually, use the time to absorb the learning of leadership. With fewer responsibilities than the leader, the leader can use the transition period to mengeksploriasi options for the next stage of life.

Meanwhile, the shortcomings of this process is that there are more opportunities for conflict, as authorities submitted on one task and one time, there may be differences over how his successors manage any new responsibilities. As a young generation eager to find more leadership responsibilities and incumbent as if he is being pushed out.

Through the interview with the owner it can be concluded that the owner wants their vision of equality between the two because of the differences in character between older and younger generations in analyzing and acting, for the owner wants an increase in intense communication between them and the owner hopes that the leadership transition can take place 3 -4 years for the successor in the company.

5. Successor Acceptance in Company's

In the family enterprise sustainability depends on how readiness to prepare successors older generation and the next generation is ready and willing to continue the company's leadership in the family. It will be the successor candidate grip to plunge in the company, although later after a succession company's vision will become policy (Soedibyo, 2012).

The rules of succession becomes very important in the phase of succession, because it tends to regulate that a successor candidate will receive support or agreement from the other family members as well as inside the company. It is emphasized that in order when a successor will not

receive opposition from other family members or employees in the company. This can greatly affect the success and the smooth succession planning.
Broadly speaking, it is the successor has gained acceptance both family and non-family, only according to the owner is the successor still have to improve their ability in the company both internally and externally. Another informant that the managers also have pretty high expectations on the successor through his career in the company and invite the successor to want to learn with them and be involved in the overall activity of the company.
6. Setting Retirement Plan
Based on statements from the first generation to be selected pension plans are ambassadors. The selected pension plan has a sense of the first generation will lead the company to a level of success and recognize when it is time going backwards and advising when needed (Sharma *et al*, 2013).
7. Commitment Successor
There are four reasons were found to encourage the next generation's decision to pursue a career in the family firm. The reason is in the form of a commitment to run the family company.
Statement from the first generation successor to the commitment is first successor should be confident, strong motivation and with increasingly engage in any activities of the successor companies to accelerate the transition of leadership. This is in accordance with the wishes of the successor who want to work and continue the company kelurga. In accordance with the theory of affective commitment is based on the strong belief in the acceptance of corporate objectives, confidence, and a desire to contribute to these objectives, and the theory of normative commitment that has feelings for berkewajian pursue a career in the family business to build and maintain good relationships with parents people they care not for its own sake. (Sharma *et al*, 2013).

4. Exploitation and Exploration Product and Market
Company family that can last more than three generations of involvement in various levels of innovation, the innovation level is kefokusan about what strategies will be done for the future of the company (Sharma *et a*l, 2013).
Based on the statement of the first generation and the desire of the successor that the company would focus on incremental innovation and radical innovation. Incremental innovation is focused on increasing the efficiency of the market and enhance current products or services. While radical innovation is focused on entering new markets opening or expansion of business into new areas of business.
Implications of incremental innovation in the enterprise is because companies using a modification tool in the repair and operation of the drilling machine, it is expected to continue to improve efficiency in its operations. On the improvement of the market, the company is confident of clean water is the need is increasing every year, just how the company to expand its marketing network.
While radical innovation in accordance with the results of interviews with the wishes of the owner and successor that the successor must focus on maintaining the performance of the company's career is currently on its way and in a successor given permission by the owner to enter into a new business field with requirement availability of funds for investment into new fields and There are experiences associated studies.

5. Conflict Types
There are several types of conflicts are conflicts division of tasks, objectives and processes in family relationships. Statement from the first generation showed that among the first generation with the successor must have the same vision, because the tendency is to want the younger generation more quickly in the act while older ones tend to take time and play safe.

Task and process conflict revolves around issues of temporary work assignments conflict focused on the differences of opinion within the group on target or goal to pursue or achieve, conflict processes with regard to how to achieve the agreed objectives. Disagreements between family businesses, family in the family business, a business in a joint family business tasks or processes to help improve the performance and discuss alternative courses of action leads to the right decision. Instead, the conflict is not related to any relationship and how the business operational issues. Instead, it's based on negative emotions or negative feelings, rivalry, hostility or hatred ushered family members. Type of dysfunctional conflict prevents family members to work effectively and lead to a negative performance (Sharma *et al*, 2013).

Facts on the ground indicate that the first generation wants successor to truly understand and master the company with existing fields, while the successor wants while remaining within the existing learning in the field and want to do their business field expansion as successor saw an opportunity there and with the consideration that the company has facilities means to enter the field. Then the division of duties conflict, the successor wants to reform the jobdesk per person but the first generation are more concerned with maximizing power efficiency per person, although ultimately they are overlapping in doing the work of each person.

Analysis Application Management Control Systems at PT. Pancaran Tirta Kencana

Management control system is basically a system that is used by management to develop the company's future. To realize the vision of the company, through missions have been, we need a system of planning and controlling activities of the company. Management control system is a system for planning activities to realize the vision of the organization. Through the mission that has been selected and implemented as well as monitoring the implementation of action plans (Sripeni, 2013).

Through the results of interviews conducted at manager level and that in the company's vision and mission have not been there either orally or in writing, then there are still weaknesses in the initial coordination between the project manager, estimator and field staff that led to the frequent occurrence of lack of work or overheating in spending project.

PT. Pancaran Tirta Kencana will implement a management control system, through the three stages of the process therein that the input control, process control and output control.

Oriented management control system input is measurable actions by the company prior to the implementation of the activity. Input control system includes strategic planning, and all forms of allocation of resources. Management control system or a process-oriented behavior is a kind of management control systems are being made to influence the means of achieving the desired end. Management control system oriented output is a type of control system management is done by setting workplace standards, monitor, and evaluate the results (Dewantoro, 2011).

Researchers apply a management control system associated with some activity in the company of them are making procedures concerning Purchasing Order (PO) of goods for the purposes of project and maintenance of equipment, project preparation and implementation procedures, procedures regarding stock system outgoing and incoming goods. In each procedure investigators identified certain indicators that have been discussed with the owner and manager respectively, while the indicator is jobdesk and targets on the input control, SOP in process control and monitoring and evaluation of the control output. Researchers also apply control measures in it to support the determination of jobdesk and the target company. Control measures is to ensure employees perform certain actions that can benefit the company assessed. On the application of SOP in process control, researchers applied in determining the SOP control personnel in the company. Mentoring and evaluation is an indicator on the control of output, in determining the policy in the process of cultural researchers applied control and control of the results. Control cultures are created in order to establish norms of behavior and the company encourages employees to monitor and influence among employees. Meanwhile,

control proceeds normally used to control the behavior of employees at various levels in the company structure. Implementation of control results involves four stages, namely, defining the dimensions of the desired results, measures the performance of the dimensions that have been, determine employee performance targets for each measure of achievement, and provide rewards for achieving the target.

CONCLUSION & SUGGESTION

Conclusion Research

In succession after the analysis is done at the family company at PT. Tirta Kencana jets that supported the implementation of management control systems, it can be deduced that:

a. The Company has conducted post-succession although in the implementation successor is still in the process of learning, mentoring, and evaluation of its performance by the owner, because the legal successor has served as a director of the company.

b. In this study is the number of successor there is only one candidate, therefore the owner is very supportive in the process of knowledge transfer and assistance to the successor.

c. After the succession has so far been running well, because some of the desired criteria is in itself a successor owner and the leadership transition process desired by the owner is gradual.

d. Successor get a good reception in the company. It is very helpful in the smooth post-succession in the company.

e. In the discussion of the conflict in the company, with the successor can also help in conflict division of tasks by implementing management control systems within the company. f. This system is basically a system that formed the company before implementing any form of activity in the hope of creating efficiency and effectiveness in the activities of the company through a correlation between targets in the control input with the results on the control output.

Suggestions Research

Suggestions can be given after doing research on the company and conduct interviews with all the speakers from the company are as follows:

a. Succession is one of the form to maintain and improve company performance. Surely successor is chosen successor in accordance with the criteria and the owner had gone through the stages of succession, such as succession planning, pre succession, and the succession process in the company with each indicator in it.

b. Understanding and discussion of the genogram, the structure of the company, after the issue of succession, exploitation and exploration of products and markets, types of conflict greatly assist the smooth and successful career post-succession stages in the company.

c. Management control system is one way to improve the internal management of the company. The hope with the implementation of the management control system will be able to maintain and improve the performance of the company to better results in the future by developing the company's activities more detailed, so as to improve control in every division of the company and reduce costs to maximize profitability.

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