

SUMMARY

ARIF DZULFIKAR. Business Development Strategy of Instant Ginger Powder at Arvan Natural Group. Supervised by SITI JAHROH and MOCHAMMAD MUKTI ALI.

Business development strategy is used by company to increase the scale of business and obtain a profitable business model. One of the main factors which can influence business development is lifestyle of consumers. This consumer's lifestyle is reflected in their daily habits, such as food consumption, exercise, and daily activities. At the end of 2019, the existence of COVID-19 with a high transmission rate has major impact on human life. This virus has created a sense of urgency for consumers to change into healthy lifestyle. This can be seen from consumers who switch to consuming healthy drinks for increasing body immunity. In addition, the presence of COVID-19 also limits direct interaction between people. This makes consumers have been used digital transactions for daily activity.

Arvan Natural Group is a start-up company which engaged in the health sector, product of this company is red ginger powder. This start-up company must be able to take advantage of lifestyle opportunities and making digital marketing to become company's main strategy. However, companies also need to observe with tight competition due to incremental demand of healthy product. Competitive factors that need to be considered are threats from industry rivalry, substitutes, new entrants, buyers, and suppliers.

The objectives of this study are, firstly, to identify the existing business model that has been carried out by Arvan Natural Group. Second is to analyze the internal and external conditions of Arvan Natural Group. Third is to formulate alternative strategies and their priorities and forming a new business model of Arvan Natural Group. The data used in the study came from primary data and secondary data. Primary data were obtained through observations of business activities, expert interviews, and consumer surveys. This primary data is collected on September-December 2020. Meanwhile, the secondary data that used are data on political, economic, social and technological developments. The analytical tools used in this research are Business Model Canvas (BMC); Importance-Performance Analysis (IPA); Porter's Five Forces; Strength, Weakness, Opportunity, Threat (SWOT); Internal External Matrix (IE Matrix); and Quantitative Strategic Planning Matrix (QSPM).

This study revealed that, first, the identification of the nine business model existing blocks show opportunity to develop various strategic alternatives. Second, based on the results of IPA, the attributes belonging to quadrant I and required to be improved are product brand, size variation, product color, and promotional bonuses. Based on SWOT analysis on BMC, there are strengths in various product attributes, prices, promotional content, production technology, and services (responsiveness, reliability, and assurance). Meanwhile, the weaknesses which need to be solved are the product brand, human resource structure, raw material partnership patterns, and a marketing system which is not optimal. Based on the analysis of the Porter's Five Forces, the most threatening factors are substitute products and competition among industry rivalrly.

Third, IE matrix results show the company is in quadrant II (growth strategy) and strategy formulation produce 15 alternative strategies. Based on QSPM analysis, there are eight strategies that are classified as high urgency and can be mapped into a new business model for the business implementation. In the value propositions block, there are new product differentiation, variations in product sizes, and intense advertising and promotion activities. In the channels block, there are strategic channels locations in sport venues and tourism spots, new sales systems (product reseller), and the application of animated videos. In terms of customer relationships, there are various new bonuses to maintain customer loyalty. From the revenue streams, a new revenue model is formed in the form of membership fees and training of reseller. In terms of key partnerships, there is operational cooperation with farmers to maintain the continuity of raw materials (ginger).

Keywords: BMC, digital marketing, IPA, lifestyle, Porter's Five Forces, QSPM, SWOT

