CONFERENCE BOOK
PREFACE

The world has entered the era of digital economy. As much as in developed countries, emerging markets have challenges in adjusting to the digital economy. On the one hand, businesses in these countries or economies can find opportunities to grow. On the other hand, they face challenges arising from uncertainties of how businesses integrate digital innovation for sustainability. The challenges could arguably be even more uncertain for emerging markets. Businesses across fields – e.g. healthcare, transportation and banking – have massively increased their investments in order to adopt the digital integration. For example, businesses develop a wide range of projects to create new digital services for customers. Despite these significant investments, many businesses have a lack of strategic clarity or focus in utilizing them. With the growth of digital integration in business, it is still debatable whether it will support business sustainability. Therefore, there is an urgent need for academics and scholars to participate in providing solutions and ideas for businesses, governments, and investors on how to best manage uncertainties in emerging countries. Hence, the School of Business and Management, Institut Teknologi Bandung (SBM ITB), in cooperation with partner universities, is organizing International Conference on Management in Emerging Markets (ICMEM) with a theme “Managing Business in Digital Disruption Era”. This year, we are delighted to present the joint conference of The 4th International Conference on Management in Emerging Markets (ICMEM 2019) and The 11th Indonesia International Conference on Innovation, Entrepreneurship and Small Business (IICIES 2019) organized by the School of Business and Management-Institut Teknologi Bandung (SBM ITB). ICMEM-IICIES 2019 is also in conjunction with the International Symposium for Asian MOT Education (ISAME), International Graduates Colloquium 2019 (IGC), ASEAN University Network for Business and Economics (AUN-BE) Annual General Meeting 2019, Swiss Innovation Challenge 2019.

Bandung, August 2019

Chairman of ICMEM 2019

Yulianto Suharto, PhD(c)
# ICMEM & IICIES 2019
## CONFERENCE PROGRAM

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Prof. Matsuura Yoshiyuki  
International Symposium for Asian MOT Education Prof.  
Sudarso Kaderi Wiryono  
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| 10.00 – 10.30 | Keynote Speech
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Dr. Mohammad Ali Tareq  
Malaysia - Japan International Institute of Technology  
Prof. Dieter Boegenhold  
Alpen Adria University, Austria  
Dr. Leo Aldianto  
School of Business and Management ITB  
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| 12.30 – 13.30 | Lunch Break                                                          | DONBIU Restaurant             |
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Swiss Innovation Challenge Final Judging Event will be held at Amherstia Room from 08.00 – 16.30
SPEAKERS’ PROFILES

Prof. Arie Hans Verkuil

Head of Institute of Management, School of Business, University of Applied Sciences and Arts Northwestern Switzerland FHNW

Education

• Studies of Theology and Business Administration at the Universities of Basel, Zurich and Fribourg
• Doctoral thesis at the University of Zurich

Professional focus

• Consultant in the field of company development
• Training and Coaching in Leadership
• Know-how and service provider for FHNW’s knowledge and technology transfer

Core competencies

• Review of business plans for start-ups and operations
• Evaluation of business cases for the implementation of innovation and internationalization projects in existing enterprises
• Assessment of student projects with a public interest
Dr. Dieter Bögenhold

*Dr. Dieter Bögenhold* is a university professor. He obtained his academic degrees (Diploma 1979, Ph.D. 1984, habilitation 1993) at Bielefeld University, Germany, and he has taught and carried out research at different universities in a variety of countries, currently professor in the Faculty of Economics at the Alpen-Adria-University at Klagenfurt, Austria, Head of the Department of Sociology, and Head of the university research cluster entrepreneurship. Research in the areas of general socioeconomics, interdisciplinary studies, economic sociology, history of economic thought, economic development, entrepreneurship, management, innovation, consumption and life-styles, globalization, social stratification and inequality. Member of the board of diverse associations and journals. Teaching in faculties of economics, business administration and sociology. He has published more than 200 contributions including numerous books, book editions and papers in refereed journals.

Reza Ashari Nasution Ph.D

Reza is an associate professor at SBM-ITB and the cahirman of the interest group of Business Strategy and Marketing of the School. Reza holds a PhD in International Management and business Information Systems from University of Twente, The Netherlands. His fields of interests are business strategy, marketing, branding customer experience, and digital transformation. He has published scientific papers in these fields and has been invited to give lectures, workshops and training about these subjects. Reza is a member of the Business Strategy and Marketing research group in the School of Business and Management. He also serves the business community by providing practical research and consultation. Some of the companies are Russell Consulting International, POSCO, PT Pertamina (Persero), PT Telkom, PT Timah, PT Semen Gresik, Bank of Indonesia and Badan Pengkajian dan Penerapan Teknologi (Agency for The Assessment and Application of Technology). He has also worked with government ministries and agencies such as the Ministry of Finance, the Ministry of Trade and the Australia-Indonesia Partnership for Economic and Governance.
Prof. Ian O. Williamson

Professor Ian O. Williamson is Pro Vice-Chancellor and Dean of Commerce at Victoria Business School (Faculty of Commerce), Victoria University of Wellington. Prior to joining Victoria University in 2017, he served on the faculties of the Melbourne Business School (Australia), Rutgers Business School (USA), the Zurich Institute of Business Education (Switzerland), the Robert H. Smith School of Business at the University of Maryland and Institut Teknologi Bandung (Indonesia). He received his PhD from the University of North Carolina at Chapel Hill (USA) and a bachelor’s degree in business from Miami University (Oxford, Ohio USA). Ian is a globally recognised expert in the area of human resource management. His research examines the impact of "talent pipelines" on organisational and community outcomes. In particular, his research focuses on how human and social capital influences firm operational and financial outcomes, talent management in the context of new ventures and growth-oriented firms, the role of human resource practices in driving firm innovation and the impact of social issues on firm outcomes. Ian’s research has been published in leading academic journals (e.g. Academy of Management Journal, MIT Sloan Management Review, Organization Science, Journal of Applied Psychology) and has been covered by leading media outlets across the world. A passionate educator, Ian has been recognised for his innovative approaches to business education.

Prof. Siriwut Buranapin

Prof. Siriwut Buranapin is the Dean of Faculty of Business Administration and an associate professor of strategic management at Chiang Mai University. He received his doctoral degree in organizational behavior from Graduate School of Management, Boston University. He obtained Master of Sciences from Sloan School of Management, Massachusetts Institute of Technology (MIT). His paper on the Theory of Quality of the Mind was nominated for the best paper of the year award at Academy of Management Annual Conference. His recent intellectual contributions for the previous 4 years include The Mindfulness Spectrum: Merging Eastern and Western Perspectives on Mindfulness, The 2016 Academy of Management Conference; A Critical Incident Analysis form Experiences of Executives on Organizational Resilience, Chulalongkorn Business Review; Philosophy of Sufficiency Economy and Business Sustainability: A Framework for Operational Implications. Journal of Business and Behavior Sciences; Frontline Employees' Cognitive Appraisals and Well-Being in the Face of Customer
Aggression in an Eastern, Collectivist Culture. *Journal of Services Marketing; and 2 additional papers regarding Business corruption in the Asia Pacific region in Asia Pacific Business Review.*

**Dr. Leo Aldianto**

Obtained a Master degree in Aerospace engineering from Delft University of Technology – the Netherlands (1993), a MBA from TSM Business School – the Netherlands (2000), and a Doctoral degree from ITB, he has the working experience in the technical as well as in the management area in Aerospace and ICT industry. Starting as a structure engineer in Indonesia’s N250 aircraft project, then project engineer in N2130 aircraft project, he has got a re-education to enter the management side of the industry. During 2000 until 2002 he has been a Project Manager at Telkomsel, the biggest cellular company in Indonesia, guiding the implementation of the Interconnection billing. After a short period at Sandz Solution, where he sold Silicon Graphic Solutions and Storage Solutions, Leo joined a French company -GECI Indonesia- as a Marketing and Sales Manager. He was responsible to introduce and sell the 19-passenger turboprop aircraft called SKYLANDER. In the period of July 2006 – March 2007 Leo was back into the project management, he was a Project Manager at the Indonesian Ministry of Finance in a project to build a Data Collaboration System. Leo is a member of the Interest Group of Entrepreneurship and Technology Management at ITB’s School of Business and Management (SBM) since April 2007.

**Dr. Mohammad Ali Tareq**

Dr Tareq has established the Yamaguchi University-MJIIT International Joint Intellectual Property Laboratory (IJIPL) in November 2016 and currently the Lab. He is leading the Innovation Management research group in UTM. He was the Head of the Management of Technology (MOT) department of Malaysia Japan International Institute of Technology (MJIIT), Universiti Teknologi Malaysia (UTM) until May 2018. Dr Tareq is one of the trainers for AUN-SEED Net Intensive MOT Program funded by AUNSEED-Net since 2015. Before joining UTM, Dr. Tareq taught at Independent University Bangladesh (IUB), BRAC University and American International University, Bangladesh (AIUB). He was a visiting faculty member of University of Development Alternative (UoDA) in Bangladesh. He is a Finance major, and used to teach different courses at the undergraduate and master levels. Dr Tareq attended University of Dhaka for the BBA in Finance & Banking, and also for the MBA in Finance. He has earned his MPhil in Real Estate Finance from Cambridge University, UK in 2005. He then went to obtain his PhD in Finance from Shiga University, Japan in 2013. He has worked as a student intern in Heidelberg
Cement Group of Germany (ScanCement BD in Bangladesh) in 2001. He worked at Siemens Bangladesh Ltd. in 2003 and conducted an audit on internal order processing for the Bangladesh subsidiary. Dr Tareq was one of the consultants to Japan Garden City Ltd. in Bangladesh. Dr Tareq’s major research interests include, but not limited to, Innovation Management, Finance (Asset-Pricing, Shareholder Privileges, and Valuation), Accounting (Cash Flows, Financial Planning), Real Estate Finance, Real Estate Investment Trusts (REITs) and Socio-economic development. Besides, he is planning to offer consultancy for financial planning, project development, cost-benefit as well as project sustainability analysis and the development of SMEs.

Dr. Agung Wicaksono

Graduated from Institut Teknologi Bandung in 2000 majoring in industrial engineering, then served his alma mater since 2008 as a lecturer at School of Business and Management. He obtained his Ph.D. in International Management from University of St. Gallen, Switzerland on governance of state-owned enterprises. Worked as Special Assistant to the Head of Presidential Delivery Unit for Development Monitoring and Oversight (UKP4, 2009-2014) during President Yudhoyono, then continued serving as Deputy Chair of Program Management Office for 35000 MW Electricity Projects (UP3KN, 2014-2016) at Ministry of Energy and Mineral Resources. Prior to his duty as President Director of Transjakarta, he was Director of Operation and Maintenance at PT MRT Jakarta from October 2016 to October 2018 to deliver the first MRT in Indonesia.

Yuko Hayashi, Ph.D.

Yuko Hayashi, Ph.D. is a Professor of Graduate School of Innovation and Technology Management at Yamaguchi University, an Outside director of JCR Pharmaceuticals Co., Ltd., and a Member of the Science Council of Japan. She earned her Bachelor degree from School of Medicine, Health Sciences at University of Tokyo, followed by a Master of Science in Technology and Policy Program from Massachusetts Institute of Technology (MIT), and Ph.D. in Interdisciplinary Engineering from University of Tokyo in October 2006. Her research interests are based on management of technology including policy making in science and technology fields focusing on mediating functions between scientists and policy makers, innovation in advanced medical technology and innovation for solving social problems related to SDGs. She has given more than 50 educational and popular talks at scientific seminars and colloquia. In addition, she has received research grants from Japan. Society for the Promotion of Science (JSPS) Grant-in-Aid for Scientific Research (A), and Grant-in-Aid for challenging Exploratory Research as well as Research Institute of Science and Technology for Society (RISTEX). Her prominent social contributions are an Expert member of Gender Equality Promoting Liaison Committee in Cabinet Office, Director...
Mr. Yose Rizal has been a member of the Board of Commissioner of Telkomsel since May 2017. He is the founder of PoliticaWave.com and also serves as CEO of MediaWave Analytics and MediaWave Interactive since 2010, and Head of Research and Measurement in Indonesia Digital Association since 2014. Prior to this, he served as Business Director of Snoop Mobile Media (2008 – 2010), Director of Azka Megah Dirgantara (2003 – 2008), and Director of Bandung Information Technology (2000 -2004). He is an extraordinary lecturer and business mentor at Master of Business Administration program, School of Business and Management, Bandung Institute of Technology.
HOTEL ROOMS MAP

FLOOR PLAN MEETING ROOM GROUND FLOOR

FLOOR PLAN MEETING ROOM 1ST FLOOR
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Akbar Adhiutama, Noorhan Firdaus Pambudi, Layung Anindya Prasetyanti, Sudarso
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Abstract

As a world-class energy company, Badak LNG continuously develops the Corporate Social Responsibility (CSR) program in order to maximize the company’s role among the stakeholders. Badak LNG has known as the oil and gas company which puts high attention in developing the CSR or community development program in line with its main business activities. Currently, Badak LNG has 23 CSR programs which consists of 44 CSR groups with the total CSR communities of 847 people due to inadequate organization to support CSR programs, Badak LNG only routinely monitor the CSR flagship programs in each year. As a consequence, the community satisfaction index of the CSR team is low in term of the discipline criteria and speed of service. The aim of this research is to develop new effective strategy in developing CSR programs in Badak LNG. The evaluation is performed by using High Performance Work System (HPWS) concept. This concept is used to align the organization and its environment. The concept is the right combination of people, technology, and organizational structure to fully utilize the resources and opportunities in achieving the organizational goals. Based on the analysis using HPWS concept, it is found that the new strategy of CSR development program should be created due to the problems of ineffective current CSR organization, unsuitable leadership style in the CSR organization, and no utilization of technology in CSR monitoring system. In order to solve these problems, the strategies proposed are to redesign CSR organization, change the leadership style to the appropriate leadership style, and develop integrated IT system for CSR program monitoring.

Keywords: CSR, Leadership, Organization, Strategy
Abstract

Indonesia can step to the next level of economic growth by going digital. Telecommunication is a good way to reach the next level of economic growth through digital way. As the biggest telecommunication company in Indonesia, Telkomsel can maximize the performance because it is really impact to Indonesia telecommunication sector and it can impact the economic potential too. Brand equity is really important for Telkomsel because it is affected to firm performance of Telkomsel. This study aimed to find the empirical evidence relationship between brand equity and firm performance. Keller’s CBBE approach is used and measured using questionnaire developed from scaled. This study is using SEM SmartPLS as the methodology. As a result, it has been seen that the component of Keller’s CBBE positively affect firm performance of Telkomsel.

Keywords: Family Ownership, Audit Fee, Abnormal Audit Fee.
ICMEM

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Paper ID. 9 Problem Based Learning for effective Executive Development Program – a bridge between business and academics: A report on business competence and achievement

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Abstract

This research is intended to analyze the role of Problem Based Learning as the powerful model in training and development program. The increasing demand for training and development was triggered by the need of companies to grow and sustain in emerging market. The increasing budget for people development must be proven by the improvement of people competency as well as the measured impact experienced by the company. This action based research is based on the implementation of designed Problem Based Learning in multi national company and local private company in Indonesia. Problems were identified at the first stage of the Management and Leadership Program, and continued by related topics for problem solving that were guided by academics. Projects for problem solving were discussed among executives development program with mentor (supervised by senior managers in the related companies) and coach from academic field. The approved projects were then implemented for 6 – 8 months and at the end of the program, result reports were made. Before the development program began, all participants participated in an online 360 Competency element questionnaire that was constructed based on the Company Core Competency. SBM ITB EQ Based Plus was used to get Pre Course Competency Assessment. All topics - material as well as delivery method - were based on problems gathered in earlier stage. The company is involved in giving approval to projects that contain problem solving with specific targets such as increasing business performance (increasing sales , increasing efficiency , increasing image, or new ideas). All projects were set in specific, measurable, achievable, result oriented - in term of outcomes - and timely. Projects implemented were presented to top management of the company. The effectiveness of Executive Development Programme was measured by participants’ perception about impact of the programme to the development of their competence, and the achievement of all projects compared to the projects’ target. This longitudinal action research confirmed that Problem Based Learning is an effective Executive Development model. It confirmed that PBL gives impact on competency development and also the the measurable impact to business performance

Keywords: Problem based learning, Executive development program, SBM ITB EQ Based Plus BA, Competency Development

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Abstract

The proliferation of strategic decision research offers new opportunities for small and medium-sized enterprises (SMEs) to develop their strategic decision-making process into a new approach to the decision-making process and its effect on performance. However, in order to exploit these advantages as a new perspective, the SME needs to adopt a new approach for a decision with entirely different context which can enable it to deploy a new short and simple decision-making process, in this case, project decision. This study develops a structural model linking new perspectives toward decision-making process and its influence toward SME project performance. A study of 156 SME Papan firms shows that firm characteristic, environment characteristic, and indigenous characteristics, have major influence toward SME decision process and its contribution for SME project performance. This is the first SME study to evaluate indigenous context as a new approach for decision making process and the first research that prove the significances of heuristic decision making process in SME decision making. The model suggests that small and medium firms need to alter the cue, from indigenous, environment, and firm characteristics, before taking any project.

Keywords: Indigenous characteristic; firms characteristics; environment characteristics; institutional characteristic; project performance; strategic decision-making
Abstract

The increase in the infrastructure budget is based on the fact that infrastructure in Indonesia (Asia's 4th best economic country) is not evenly distributed with the quality of existing infrastructure can still be said to be lacking. Specifically, the impact of Indonesia's infrastructure development is strongly felt by one of the cement companies in Indonesia, namely PT Indocement Tunggal Prakarsa Tbk which will then be referred to as INTP. Based on INTP’s annual financial report, INTP revenue and profit continue to decline from year to year. However, with the condition of INTP which continues to decline, the price of shares that INTP currently has is 18,500 rupiah per September 30, 2018 (Finance.yahoo, 2018). Some investors consider that INTP is not feasible or said to be overvalued with its current condition. The data process is divided into 2 parts. The first process of data for the company's financial performance, in this section the author prepares the financial ratios needed for analysis. Second is valuation, namely discounted cash flow valuation. The author also prepares the cost of equity, cost of debt, cost of capital, FCFF Projection, growth rate, and terminal value for discounted cash flow valuation. The author also provide recommendation for INTP regarding the current situation. 1) INTP better to adjust the business strategy with current and future or forecasted trend in order to make the firm still relatable with market. 2) be more cautious in making investment decision, because their financial health is not in good enough condition.

Keywords: Infrastructure Sector, Financial Performance, Relative Valuation, Discounted Cash Flow Valuation
The presence of labor strikes in the mining environment impact severely on the financial performance of the organization. This study is based on the historical information and financial statements of several mining companies in Indonesia. Pearson Correlation (significant level 0.01) is used to analyze the relationship between strikes occurrences with the operating profit (EBIT) generated by the organization. The results showed a strong correlation relationship between the impact of labor strikes on operating profit (EBIT) of the company. We therefore continued the analysis to study the negative impact on other financial indicators through comparative analysis of historical financial information from two different mining companies operating in Indonesia. In a condition where one company has gone through labor strikes while the other has not. The company suffered from the strikes has slightly lower financial performance in terms of trend growth, short-term liquidity and long-term liquidity.

**Keywords**: Labor Strikes; Financial Performance Impact; Indonesian Mining Activities

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Abstract
This study investigates the Fama and French Three Factor Model that is applied in the Indonesian Stock Exchange or known by the Indonesian as the Indeks Harga Saham Gabungan (IHSG). This research focuses on finding secondary information, or evidence from previous paper that support or oppose the use of the said model within the mentioned scope. The main objective of this study is to provide evidence that will contribute to explain the Three Factors of the Fama and French Models in IHSG as one of an emerging markets. As a multi-beta factor of the earlier model called Capital Asset Pricing Model (CAPM) which only utilizes the systematic risk, Fama and French added two new factors which are the size factor that derives from the firm size and value factor which is measured in book to market value. Overall, we can conclude that there are market risk premium, size premium, and value premium which can elaborate the excess return in Indonesia, Fama and French is also proven to be a superior model than CAPM. Although there are several findings that considers other factors to further enhance the result.

Keywords: Fama and French Three Factor Model; CAPM; IHSG; Market risk premium; Size premium; Value Premium
Abstract

This thesis aims to analyse non-financial factors that affect a company’s financial performance, focusing on the levels of companies’ ESG (Environment, Social and Governance) disclosure. Nowadays, investors are continually looking for more factors to consider when predicting the financial performance of an organization. More investors try their best to avoid risk, while at the same time want the highest return for the lowest level of risk. Investors not only analyse the financial information but also non-financial, such as ESG performance as a risk measurement. There have been lots of research based on the connection between the organisation CSR/ESG disclosure and their financial performance. However these have found mixed result that warranted further research. We choose to make a research on companies in the real estate sector since they long-term nature of investment which is aligned with long-term ESG and CSR goals. Moreover, since there is a high concern of disclosing CSR information in developed countries, the data will be collected from a group of countries with the seven largest IMF-described advanced economies in the world, called the G7 (Canada, France, Germany, Italy, Japan, United Kingdom, and the United States). We will be first of all focusing on reviewing the literature on ESG, voluntary disclosure, and firm performance both in accounting-based and market-based. From the literature, we will try to build a hypothesis that reflects the interstice in the previous research. The financial performance ratios or the dependent variables are ROA, ROE, ROC, NPM, Stock Price, and P/E. The independent variables are the ESG disclosure score as well as the ESG individual factors (Environmental, Social and Governance). The methodology will define how the research was performed, including the regression models, analysis tools and methods used in the research. The results will then be showing the connections between the variable whether it will support my hypothesis or not. After that, I will summarise the conclusion of the research, recommendations for further research.

Keywords: Environmental, Social and Governance (ESG), real estate sector, G7 countries, financial performance
Abstract

This In 2018, in report that has been published by Ministry of Public Works and Public Housing in Global Competitiveness Index 2017 shows that infrastructure competitiveness index of Indonesia is rising. There are several industry that has been impacted from this condition especially cement industry. Indonesia cement association noted the increase in sales in 2017, domestic and export sales rises by 9.7% from the year before (Santoso, 2018). All of this cement production companies affected by oversupply cement products that occurred in Indonesia and from year to year there was decrease in profit for each of these companies and each of these companies has to arrange several strategies to escape from this condition because if this continues, the company will continue to lose its profits and even can lead into bankruptcy. This research is aim to give a clear image of how healthy the company is and from this performance condition, it can be found what actually happened within and the management will need to increase the performance and fix aspect that is still lacking. The information used in this research is in the form of secondary data that obtained from PT. Holcim Indonesia, PT. Semen Indonesia, PT. Indocement, and PT. Semen Baturaja.

Keywords: Profitability, Liquidity, Altman Z-Score, Debt, Capital Structure
The paper examines the effect of negative publicity has on brand attitude, brand image, and purchase intention in the context of Luxury Brand in Indonesia, by seeing the influence of negative publicity has on both brand attitude and brand image, which later on correlated with purchase intention to see the relationship purchase intention has on brand attitude and brand image. Additional variable on racism awareness and concern were added to see the existence of relationship with purchase intention after being exposed to negative publicity. This variable is chosen due to the higher tendency of sensitivity of call-out culture in fashion and beauty industry. The study use quantitative approach in which 104 responses were gathered from the questionnaire, and analyzed using Wilcoxon Signed Rank Test and Spearman Correlation test. The result of the analysis shows that negative publicity has negative influence towards brand attitude and brand image. The findings also shown the strong positive relationship is existed between brand attitude & purchase intention, and brand image & purchase intention. On the other hand, the correlation also existed between racism awareness and concern, and purchase intention after negative publicity exposure, only that it is very weak.

*Keywords*: Negative Publicity, Brand Attitude, Brand Image, Purchase Intention, Racism Awareness and Concern

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The number of airplane user increased year by year that makes airlines industry can be considered as a profitable business. Garuda Indonesia has been admitted to become the Best Regional Airline in the World by Skytrax, The Best Economy Class Airlines in the World, and Airline with the Best Cabin Crew in the World by Skytrax. Garuda Indonesia is a company that is quite strong and even being the one of the best airlines in the world, but its share price continues to decline and even in 2017 Garuda Indonesia earned the negative earnings. This research aims to estimate the value per share of PT Garuda Indonesia as a comparison value to the market share price and to determine whether the market share price were overvalued or undervalued. The information used in this research is in the form of secondary data from PT Garuda Indonesia’s financial reports from 2013 to 2017. Based on Free Cash Flow to the Firm (FCFF) method the intrinsic value per share of PT Garuda Indonesia is IDR275, while the market share price at January 2019 was IDR 404 per share. This shows that PT GIAA is overvalued. The market is still more optimistic towards PT GIAA. This research also aims to determine whether the market share price of PT GIAA underpriced or overpriced compared to its competitors. According to the relative valuation using Price-to-book (PBV) ratio, PT GIAA PBV is lower than its competitors. This means PT GIAA is underpriced compared to its competitors.

Keyword: Free Cash Flow to the Firm, Relative Valuation, Cost of Capital

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Factors Influencing University Student’s Preferences in Choosing E-Wallet Products in Indonesia

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Abstract

E-wallet players in Indonesia keep on increasing, followed by lots of users in Indonesia. One of the most dominating e-wallet users is university students. Considering the situation, this research is made in order to get to know university students’ preferences in choosing e-wallet in Indonesia, the significance of those factors, and to help FinTech (Financial Technology) players improve their products by giving them information regarding the preferences to suit customers’ wants better. The research is using primary data, which is collected by questionnaire. The data collected would be analyzed using logistic regression and factor analysis using SPSS. However, as the research is still on going, in this paper the author would only provide descriptive analysis of the data. Hopefully, by the completion of the full paper, this research would give real positive impact to Indonesia’s future landmark of e-wallet industry.

Keywords: university students; e-wallet; fintech; preferences; factor analysis

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Abstract

Dividends are a way for companies to please shareholders so that they will continue to invest in the company. But now, the company's payout cannot only be done with dividends. Many companies apply share repurchase as their payout. Corporate governance plays an important role for the company as a regulation that guarantees the relationship between all parties related to the company. The purpose of this study is to analyze the effect of corporate governance on payout policies in Indonesia which focused on Kompas 100 companies that carried out corporate actions in 2012-2017. Since this study has not been conducted yet, so benchmark is done from the previous study. The previous study shows the strong evidence of the significant role of corporate ownership structure and board characteristics in explaining the behavior of dividend policy. While dividend policy in firms with CEO quality and firms without CEO, do not depend on the same set of factors.

Keywords: Corporate Governance, Payout Policy, Dividend, Share Repurchse
Abstract

Indonesia has a great potential in natural resources in term of coal resources. The average ratio of the nation’s coal production being exported from 2000 to 2014 is 75.4%. With a high ratio of national coal production being exported rather than for domestic market, Indonesia is currently leading the global coal exporters with a total contribution to global coal exports of 28.59%. In March 2018 the government are issuing the DMO price policy written in Government Regulation No. 8/2018 and Ministry of Energy and Mineral Resources Regulation No. 19/2018 related to guidance of the determination of the coal price for electricity that is supplied in the public interest protect domestic market needs. This research aims to obtain empirical evidence about the differential in the financial performance of Indonesian Public Listed Coal Companies before and after the Domestic Market Obligation price policy. This research will be using difference-in-difference method with Return on Asset ratio using 2 period of event window which was 2 quarter before and after the regulation was issued. The analysis indicates that the short term effect of the Domestic Market Obligation price policy issued by the government did not give a significant impact towards the financial performance of Indonesian Public Listed Coal Companies

Keywords: Financial Performance, Coal Industry, Profitability Ratio, Difference -in-Difference

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Abstract

Education has become crucial thing not only for Indonesia but also for every country in the world, thus it were in Sustainable Development Goals Number 4. Education is the key that will allow many other Sustainable Development Goals (SDGs) achieved. When people are able to get quality education, they can break from the cycle of poverty. However, Education in development country especially in Indonesia fuels concerns. Indonesia rank in 62 out 70 countries in Program for International Student Assessment (PISA) 2015-2016 in term of mathematics, science and reading (PISA, 2015), furthermore in 2016 there are 2.5 mio students dropped-out where 47% are coming from Java island. This circumstances could happens because Indonesia is a country that is marked by the presence of population problems such as high levels of unemployment in countries. in 2017 unemployment increased by 10 thousand people, from a total of 121.02 million people who worked (increased by 2.51 million from August 2016). Education in Indonesia is certainly very related to the human quality of a person and business is an economic support in a country. Thus education and economy would never be separated part indeed. Therefore, not only to help children education but also we have to empower parent to increase income and help financial stability is important. In this research there is organization namely Mataharikecil Indonesia Foundation (MIF) that realized those problems, hence they come up with solution to build free-school for underprivileged student who got dropped out, moreover they empower student’s parents business through business incubator. This research using participant observation within 6 months observation with the client, this methodology is the process enabling researchers to learn about the activities of the people under study in the natural setting through observing and participating in those activities. It provides the context for development of sampling guidelines and interview guides (Dewalt, 2002). Ethnography or participant observation is the work of describing a culture. The central aim of ethnography is to understand another way of life from the native point of view. The goal of ethnography, as Malinowski put it, is "to grasp the native's point of view, his relation to life, to realize his vision of his world" (1922:25). As the result of the research, MIF has developed strategy to empower underprivilege family, MIF developed strategy to approaching them until create a proper program for targeted middle-low client, since 6 months applied this strategy, the client monthly income has increased by 17%.

Keywords: Social Entrepreneur, Education, Business Incubator, Participant Observation, Sustainability

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Paper ID. 73 Challenges and Development of Small Islands Tourism in Indonesia: Study on Four Indonesia’s Island Destinations

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Abstract

The Indonesian government places the tourism sector as one of the five priority development sectors. This has been proven by the foreign exchange earnings of this sector. If in 2015 this sector is ranked fourth under the oil & gas, coal, and crude palm oil with a value of approximately 11 USD billion, then from 2018 to 2019 was ranked first with foreign exchange value of around 20 USD billion. Indonesia consists of 17,000 large and small islands, located at coordinates 6° N - 11° 08' LS and from 95° ' BT - 141 ° 45' BT. With these conditions the choice of small islands tourism development is very critical. Provinces that have sea and islands mostly make their islands to be tourist destinations. This study aiming at identifying existing problems and providing marketing strategic recommendations to develop these islands tourism. The research method used is a qualitative and descriptive method, through focus group discussions, interview, and in-depth discussions with various stakeholders as well as distributed questionnaires to respondents who visited and stayed at the tourist destination. Four of the island's tourist sites studied were the Anambas Islands in Kepulauan Riau Province, Ora Beach in Maluku Province, Wakatobi in Southeast Sulawesi Province, and the Banyuwangi’s Red Island in East Java Province. Based on the analysis, the factors that become challenges in island tourism are accessibility to tourist areas, supporting infrastructure such as telecommunications facilities, packaging of unique tourist destinations to be able to show differences and advantages in each tourist destination. Some recommendations are offered for developing island tourism in Indonesia, including marketing strategy.

Keywords: small island tourism, tourist destination, strategic marketing, eco-tourism

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Abstract

Almost everything becomes digital after the emergence of industrial 4.0, which resulted in the emergence of financial technology. Financial technology in payment products in this journal are e-money and e-wallet that can shift user behavior in using payment products. User starts to use e-payment besides cash. This paper aims to analyze user preferences in using payment method, especially in online and offline payment among university students in Indonesia because they tend to follow the trend of technological development. Not only that, this paper also analyze the factors that influencing user to use certain payment method and the products that is preferred more by the respondents.

Keywords: Financial technology, Online payment, Offline payment, User preference, User behavior
Analysis of Changes in The Production Sharing Contract Policy to The Gross Split Scheme, Quality, and Price of Decisions on The Purchase of Domestic Operating Goods at PT. PHE ONWJ

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Abstract

The Indonesian Government has committed to creating a conducive investment climate in the oil and gas sub-sector to maintain domestic energy supply. However, the global challenge of reducing world oil prices has a direct impact on the decline in investment flows in the oil and gas sub-sector. In the past three years, upstream investment in the oil and gas sector has always been below the target. Beginning in 2017, Production Sharing Contracts between the Government and the Cooperation Contract Contractors (KKKS) that initially used the Cost Recovery scheme switched to the Gross Split scheme. The Gross Split scheme is expected to be able to make cashflow and contractor economics more attractive, so that it will encourage investment in the oil and gas sub-sector. In managing operating costs, KKKS with the Gross Split scheme will tend to be more careful and efficient in making decisions on purchasing operational goods because all operating costs incurred will be borne by the KKKS. The existence of information related to the quality and price of domestic operating goods that are less competitive is thought to be one of the factors that influence purchasing decisions, especially for KKKS with the Gross Split scheme.

Keywords: investment; gross split; quality; price; decision

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Abstract

Today, a large demand of Halal market which dominated by Muslim-majority countries are mostly catered by Muslim-minority countries. Trading in the global Halal market becomes a refreshing business option for the enterprises, particularly those in Muslim-minority country. However, there is limited existing literatures that focus on this topic. Thus, this study was designated to investigate Halal industry development based on a case in Taiwan. It aims to examine the characteristics found in Halal-certified firms in Taiwan. Further, we also conduct a comparison of characteristics (i.e. internal condition, external pressure, innovation orientation, and perceived Halal attributes) between Halal and non-Halal firms and analyzed it with a statistical method. A survey with conveying the questionnaire to 35 Halal and non-Halal firms in Taiwan. It yields two interesting findings. First, there were significant differences in the means of external pressure, perceived Halal attributes, and innovation orientation from both groups. Halal firms exhibited stronger awareness upon external pressure on Halal matter, better perception of Halal attributes, and a higher tendency on innovation. Secondly, only the internal condition was found not significantly different in both groups, either Halal or non-Halal firm had a favorable internal condition.

Keywords: Halal business, Halal certification, Halal firms, Taiwan, Muslim-minority country
Abstract

Santuy is a street food company which sells satay. Santuy has a problem with perishable inventory. The main objective of this research is to reach the best optimum supply quantity and the optimum service level in future for perishable ingredients where most of the customers can meet their demand while the restaurant itself still have the very least food waste. For this research, researcher uses historical sales and inventory data of Santuy from October 2018 until February 2019. The data will be processed with single-period inventory model. From the analysis, researcher discovered that the restaurant has the potential of obtaining 30.08% more possible profit then before. The restaurant also discovered the cost of shortage from each menu to know the cost Santuy will put out if there is a certain amount of order that cannot be fulfilled. By calculating the cost of overage the restaurant knows the cost that will be put out if there is a certain amount of menu portion that is not sold in a certain period. The restaurant discovered the optimum stock for each menu to fulfill customers demand while still minimizing the waste of perishable food inventory. In the end researcher found the optimum supply quantity and using the sensitivity analysis, researcher found the optimum service level for the future.

Keywords: Inventory Control, Inventory Management, Restaurant, Perishable Inventory, Perishable Food Waste, Sensitivity Analysis
Evaluating Performance Appraisal System to Improve Employee Performance in Maja House Indonesia  

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Abstract

The objective of this research was to redesign an effective performance appraisal system in the hospitality industry in Bandung. The study specifically investigated the case of Maja House Indonesia. Primary data was collected using a questionnaire which was distributed to a population constituting of 41 employees in each department. Data were analyzed using descriptive statistical techniques and qualitative with the interview human resource manager of Maja House. Descriptive statistical analysis technique was used to explain the construct of the variables in the study. The variable used to analyze the current system is strategic congruence, viability, reliability, acceptability, and specificity. The current performance appraisal system in Maja House is not using ideal criteria and tend to subjective in appraise employee performance. The system cannot increase employee performance and productivity because the company does not have clear criteria to appraise employee performance. The output of this research is giving a recommendation to Maja House to improve their performance appraisal system such as: develop new criteria of appraisal, develop appraisal mechanism, identify skill gaps and develop required competencies.

Keywords: Performance appraisal, Reliability, Specificity, Strategic Congruence, Validity, Specificity

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Abstract

At the end of 2018, Infrastructure Assurance Unit (IAS), one of the many units under PT Telkom Indonesia, faced with an urge to revise their tariff formulation. Previously, IAS is not too concerned about tariff because as a support-oriented unit, funding is borne by the investment committee of the main company and IAS’s revenue is enough to cover all of the expenses. But, there is an issue that makes IAS to become more aware of the tariff charged. After further analysis, it was found that IAS could make improvements to the formulation by using activity-based costing, which calculates the costs fairly based on the resources used, human labors, and time spent by the units. To assist in designing the formulation of the tariff calculation, internal analysis is carried out by looking at the resources and capabilities possessed, and external analysis using Porter's five-forces. From the two analyzes, it was found that the Infrastructure Assurance unit has the requirement and ability to succeed in implementing a strategy to be able to revise the tariff formulation. Lastly, by using the new formulation, the most updated tariff results are obtained against 26 types of telecommunications devices.

Keywords: Activity-Based Costing; Costs Calculation; Tariff Optimization; Telecommunication Devices Testing

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Abstract

Today we live in an era where everyone could search for the information they need on the internet. All the information based on personal reviews from people experience using products or service and posted online is called eWOM. Since the beauty industry now is very growing rapidly especially in Indonesia, Femaledaily.com take this opportunity as they are becoming the biggest virtual community in Indonesia for people sharing their reviews related beauty products. Using Information Acceptance Model (IACM), this research wanted to examine the factors affecting information acceptance from eWOM in this virtual community toward its users' purchase intention. Smart PLS is used to examine the relationship between latent variables based on the survey collected from 474 respondents. Researcher added a new independent variable which is social capital and the result revealed that eWOM is not only affected by the characteristic of eWOM quality and users attitude toward information but also from the social capital on the community. The result confirms that Information Quality, Information Credibility, Needs of Information, Social Capital, Information Usefulness, Information Adoption are the factors that influence users’ purchase intention.

**Keywords:** eWOM; Information Acceptance Model; Purchase Intention; Social Capital

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Abstract

To explore differences in the way of each gender react to online marketing communication. Specifically to know the gender differences in reacting to online marketing communication, their perception of the marketing communication attempt and the implication to their intention to join workshop. The exploration was conducted using online survey. The study subjects are 18-35 years old, a group that are targeted as a workshop participants and considered to be exposed to many forms of online marketing communication.

Keywords: Marketing Communication, Workshop

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Paper ID. 138 “I Feel Like Shopping Today…”: An Analysis of External and Situational Factors toward Impulse Online Buying Decision among College-Age Customers

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Abstract

In the past few decades, technology has surely changed, especially in information technology. For instance, smartphone is now one of the most used and important electronics for people right now because people from any generations use smartphone. They use it not only for taking photos or messaging, but also for browsing or even online shopping. Because of the easiness to access everything, they are exposed to a lot of information. Customers who used to go to the mall to buy clothes, now can just easily browse the clothes from website and in several simple steps, it is on its way to the customers. This leads to a new behavior which is impulse online buying behavior. According to Dawson and Kim (2009), impulse buying is related to someone’s internal factors like affective and cognitive response to purchase on impulse. Not only that, but also the external factors like discounts (Swarnalatha and Soundhariya, 2018) and situational factors like time and money availability (Beatty and Ferrell, 1998) actually have an influence on the customers. Among all customers, Generation Y is now the biggest target market as they are currently at their productive age. Because of the shifting in this shopping behavior, the main objective of this research is to see which factors have the strongest influence on impulse online buying behavior among Generation Y or college-age customers. For this research, a survey questionnaire was administered to 400 respondents. Correlation analysis and multiple linear regression are used to analyze the data. The results show that external factors and situation factors both have influence to the online impulse buying but situational factors have stronger impact toward the online impulse buying compared to external factors. These findings might enable companies to develop an effective marketing strategy.

Keywords: impulse online buying behavior; external; cognitive; affective; situational; Generation Y; Indonesia

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Paper ID. 142 Managing Waste Level of Fresh Food Materials: A Case Study of Fast Food Restaurant in Bandung

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Abstract

Waste is a serious problem that can occur to the restaurant. Waste problem will lead to the decreasing of profit and increasing of waste cost addition. There are three types of waste in the restaurant, which are food storage (including spoiled fresh food, expired fresh food, etc), food preparation and cooking (off cuts, peelings, food ruined during the cooking process, etc), and food service (spoiled food on customer’s plate). The waste problem occurred at Restaurant X is related to the food storage, since it is related to the waste on fresh materials. This became a serious problem since it is considered as high level of waste, which is above the number of waste level limit (1.5%). This research is done to fulfil three objectives, which are to identify the factors that affect the high number of fresh materials waste at Restaurant X, to identify the appropriate forecasting model to reduce the high level of fresh materials waste at Restaurant X, and to identify the appropriate inventory management system to be implemented at Restaurant X. The scope of this project research is the fresh materials components at Restaurant X. This project research will implement the DMAIC stages of Six Sigma as the methodology and also use the classification analysis to determine the reduction number of each fresh material with the historical data from Restaurant X, depth interview result with several stakeholders of Restaurant X, and the observational activity result as the data collection.

Keywords: Restaurant X, DMAIC, Waste Management, Inventory Management

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Abstract

The rising of document fraud and identity theft, alongside with new threats such as cybercrime has led to the understandable changes in a global scale which requires a new technological solution to be implemented. Biometric authentication comes as a solution, which refers as the application of computational methods to biological features, especially with regard to the study of unique biological characteristics of human (Hopkins, 1999). It has successfully established itself as a relevant manner to identify and authenticate individuals in a reliable and fast way, by using individual’s unique biological characteristics. The use of biometric systems for personal authentication is a response to the rising issue of authentication and security. This paper aims to determine the factors that influence the user’s acceptance of using biometric authentication system that involves university students in Indonesia. To examine the user’s acceptance of using biometric authentication system, this paper integrates the advanced version of Technology Acceptance Model (TAM) and analyze the data using Statistical Package for Social Science (SPSS). The results indicate that all factors are significantly affecting the user’s acceptance of using biometric authentication system as a better security measure to customers.

Keywords: Biometric Authentication System, Biometrics; Security; User’s Acceptance; Technology Acceptance Model

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Abstract

Restaurants play a significant role in humans’ daily activity as it is providing one of the basic physiological needs that are vital to human survival. However, the food-service industry is very competitive as thousands of restaurants exist. Therefore, a restaurant should be making an appropriate branding strategy to attract its targeted market by focusing on the experience that customers get when purchasing its products or services. This research will examine the role of brand experience on restaurants and measure its influence on customer loyalty by comparing two restaurants in Bandung (Gormeteria and Ambrogio Patisserie) using customer journey maps. The customer journey maps used to measure the brand experience from sensorial and emotional perspective from 30 respondents that had ever been to Gormeteria and Ambrogio Patisserie. These findings provide a better insight to help restaurants create a better branding strategy by focusing on the experience on the service scape.

Keywords: Financial Performance; Coal Industry; Profitability Ratio; Difference-in-Difference

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The Role of Model Business in Digital Era

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Abstract

A business model is a method used to simplify the planning process of a business and describe how a company can manage its business. From a business model, people can analyze how the processes that occur in the company and how the position of a business company. The business model can be used as a way for companies to analyze faster to achieve the business objectives they want to achieve. This study is carried out by conducting a literature review. This study was conducted on five different types of digitalization applying changes in business models to companies. The five types of digitalization studied in this study were Industry 4.0, Open Source Software, Urban Smartization, Sustainable business model, and internet of things. Business model innovation is a must in the digital era like today to survive against existing competitors and with very dynamic changes.

Keywords: Business model, digitalization, innovation

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Abstract

Reflecting to the rapid growth in the number of expatriate that work in Bekasi regency and the residential that close to the workplace is preferably for them, PT XYZ one of the property developer in Bekasi regency have an idea to increase their income source by develop a new residential property in the form of high-rise building with an international standard design to satisfy the need of expatriate to work, live, do business, and enjoying their life in the same area. Since the company need a large of fund to finance this project, the company need to conduct a feasibility analysis of this project to recognize is this new investment project worth doing or not for the future investment. Throughout the paper, the author want to assess the feasibility study based on financial aspect using capital budgeting techniques which are Net Present Value, Internal Rate of Return, Payback Period, and Profitability Index. In addition, the author also establish the risk assessment using the Sensitivity Analysis and Monte Carlo Simulation. The result from this research is the project is worth doing as a future investment

Keywords: Feasibility Study; Apartment; Property; Investment Project; Capital Budgeting
Paper ID. 197 Assessing Financial Feasibility of Joint Venture Creation in Agricultural Sector on The Basis of Available Facilities of Pt Mitra Kerinci For Stevia Production

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Abstract

The healthy food and behaviour trends have mushroomed in recent years, along with the increase in diabetes patients in Indonesia. PT Mitra Kerinci, a private company in the agriculture industry, aims to supersize the business segments and increasing profit, see a significant opportunity to produce and sell dried stevia leaves through joint venture creation along with the available facilities of 300 Ha land plantation. The lack of knowledge, technology advancement and experience of stevia plantation has driven the management consideration to combining the required resources with another party, PT ABC, in the form of the limited liability company of PT XYZ. The research conducts financial feasibility of PT XYZ and investment feasibility for PT Mitra Kerinci to determine the ability of the project in meet PT Mitra Kerinci’s current goals, given that the project potentially incurs huge investment and perform under the profit sharing. The result of investment feasibility for PT Mitra Kerinci through joint venture project will be the most persuasive factor in determining the firm decision to implement the project. The project is expected to generate the Net Present Value of IDR 104,531,609,271, which is two times more than the initial investment while PT Mitra Kerinci profitability ratio is slightly lower than the project. Moreover, the study also involved the risk assessment using the Sensitivity Analysis and Monte Carlo Simulation. The result from the study shows the project is financially feasible for PT Mitra Kerinci with the consideration of critical risks in the production process will be faced by the firm that implies the firm should draw much attention regarding the input and the process of plantation. Notwithstanding, there is 7.74% probability of generating the negative return, the project still meets the level of acceptance set by PT Mitra Kerinci.

Keywords: Agricultural Sector; Dried Stevia Leaves; Financial Feasibility; Joint Venture; Capital Budgeting; Critical risks in Production Process

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Abstract

Micro small medium enterprises (MSMEs) has important role in the economy of a country, including in Indonesia. But based on Financial Service Authority (OJK) 70% of total MSMEs not yet gotten access and bank financing. Financing problem also happen in Cibaduyut Shoes Industry, which has potential internationally. There are two types of financing, which are equity and debt. There is new alternative financing source in Indonesia which is P2P lending which has growing rapidly. P2P lending has faster process, less cost and less complex requirement than credit bank. Thus, this research is conducted to find out the preferences of the owner of Cibaduyut shoes factory in choosing financing source to solve the financing problem. Then this research aims to know the perceptions and preferences of Cibaduyut shoe factory owner about P2P lending and the intention of them in using P2P lending as financing source alternatives. According to Saini (2016) and Rosavina, Rahadi, Kitri, Nuraeni, & Mayangsari (2019), factors that considered by MSMEs to use P2P lending as financing sources is loan process, interest rate, process cost, amount of loan, loan application flexibility, and alternative payment scheme. These factors adopted to be framework for semi structured interview to the owner of Cibaduyut shoes factory. Based on interview result, using qualitative analysis, 4 of 6 respondent tend to use equity as financing source in solving their financing problem. Then, the all factors mentioned in framework are considered by the owner of Cibaduyut shoes factory in using P2P lending. There is also original findings from this research which the owner of Cibaduyut shoes factory consider Security and Privacy in using P2P lending, since the P2P lending use online process. Last, 5 of 10 respondent are interested to use P2P lending as an alternative financing source.

Keywords: MSMEs; Financing; Cibaduyut Shoes Industry; P2P Lending
Does job involvement influence psychological empowerment and innovative behaviour?

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Abstract

Innovative behaviour is essential to maintain and improve an organization’s competitiveness. Earlier studies on innovative behaviour contend that psychological empowerment influences innovative behaviour. As psychological empowerment is a multi-dimensional construct, it is necessary to investigate the link between each of its dimensions with innovative behaviour. This research also includes the role of job involvement as a mediator. There is a notion that dimensions of psychological empowerment may differ across cultures, industries, and jobs. Hence, this paper enlarges previous research because it was conducted in Indonesia in the business setting. The respondents were 75 supervisors at a wheat flour company. Partial Least Square was used to examine the research model. Results of the study show partial mediation for the meaning and impact dimensions and complete mediation for self-determination. Competence has no direct effect on innovative behaviour.

Keywords: job involvement, psychological empowerment, innovative behaviour

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Abstract

PT Labitta Benderang Usaha is a footwear company in Indonesia. On one of the brands, Lamonty, PT LBU often experiences the mismatch between production and demand because the company only uses naive approach to their forecasting method. To deal with high predicted demand, PT LBU uses overtime as their aggregate planning strategy. But the company still experience production shortages. However, the company is required to increase efficiency in production sector. So, the most optimal demand forecasting method and aggregate planning strategy are needed. Forecasting method used is time-series forecasting method that using Simple Moving Average, Single Exponential Smoothing, Holt's model, and Winter's model. The error of these methods will be compared with 3 parameters; Mean Squared Error, Mean Absolute Deviation, and Mean Absolute Percentage Error. From the error evaluation, the Winter's Model has the smallest MAD, MSE, MAPE which is 105.33, 21813.9, and 4.72%. This result can be used to calculate the aggregate planning strategy. There are 4 strategies that were practiced, which are company strategy, chase strategy, level strategy, and linear programming. Linear programming strategy has the smallest production cost which is IDR 463,092,586. This strategy can minimize the cost from company strategy up to IDR 169,147,414.

Keywords: footwear industry; demand forecasting; aggregate planning; production cost
The 4th International Conference on Management in Emerging Markets

The Implementation of Demand Forecasting and Aggregate Planning in Small Medium Enterprises of Furniture Products in Jepara City, Central Java Province, Indonesia.

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Abstract

Struggling with the advancement of competition in furniture industry in recent years, local small medium enterprises in Jepara has difficulties in managing demand that deliver to oversupply and undersupply condition which influenced directly to its production cost and indirectly to its competitive advantage in a global furniture market. This research aims to find the most suitable demand forecasting and aggregate planning that can give the optimum result to the company’s demand forecast and the production planning. Time series forecasting will be used in this research. For the aggregate planning method author compare level strategy, chase strategy, and linear programming strategy to find the optimum production cost. The result of this research shows that the most optimum demand forecast for the company is Winter’s Model, this method shows the smallest error among the others method. This method also can decrease the excess stock loss value by IDR 564,487,762. With this new method in forecasting the demand, author continue to calculate to find the optimum aggregate planning for the company, the result shows that linear programming strategy is the optimum aggregate planning for the company. This strategy can decrease production cost in 2018 to IDR 139,975,000 worth of improvement in production cost.

Keywords: Furniture Industry; Local; Demand Forecasting; Aggregate Planning; Production Cost

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Do People Aware of How Distinct E-Wallet Products Are?: Case of Indonesia University Students’ Perspectives

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Abstract

In Indonesia, financial technology industry has been growing rapidly, including e-wallet. Currently, there are listed 36 e-wallet issuers which indicates tight competition. This study aims to determine university students’ choice pattern on e-wallet products, create function to classify their preferences in choosing e-wallet products and to derive proper strategy for the e-wallet issuers. This research was conducted using questionnaire through convenience sampling. The number of respondents used was 455. The data were analyzed using Independent T-Test and Discriminant Analysis. Author used only GoPay and OVO in the analysis since those products are dominating. It is found that both genders and people living in DKI Jakarta and West Java prefer GoPay to OVO. However, people from Social Field prefer OVO to GoPay. It also shows that GoPay users are more digital savvy compared to OVO’s. The discriminant function created has a weak discriminatory ability. Lastly, it is recommended for e-wallet players to follow GoPay in creating broader environment for its usage, benchmarking with OVO to capture users from social studies background, and create product differentiation. Further research could be conducted by adding business model as an independent variable and done when there are more apparent differentiation within e-wallet products in Indonesia.

Keywords: financial technology; e-wallet; university students; preference; discriminant analysis

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Abstract

SME in Indonesia is the backbone of the country, it accounted for 90% of employment and enterprises. It is found that in developing countries, debt is the most common financing method for SMEs to attain business operation needs. However, it is found that SMEs lack of strategic planning which causes them to have an unstable growth. Beside that, government regulation also plays an influential role in SMEs growth. This paper identifies and critically analyse the different set of strategies applied by Indonesian SMEs and government roles towards SMEs growth. Using the sample from SMEs that operates in manufacturing, advertising, fashion, construction, and health. The data is obtained through an extended interview, which the result is being translated into thematic coding analysis in order to derive the data analysis. The result indicates a slight difference between the theoretical framework and empirical framework, yet there are not any significant differences. Instead, Indonesian SME should adapt to the framework model discussed in this paper, and adjust the strategies or framework where it is necessary. In the meantime, Indonesian government is required to do an improvement to have a more favorable regulation toward SMEs growth. It is essential for SMEs to achieve growth with the influence of government. This paper presents factors and aspects from both internal and external that influence and foster the growth.

Keywords: SMEs, Indonesia SME, Growth, Financing, Strategies, Government influence

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Paper ID. 239 Assessment of Marketing Capability of Exhibitors in Trade Expo: 3 Types of Exhibition in Indonesia

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Abstract

Export are trading by issuing goods from inside to outside the Indonesian customs area and fulfill the provisions applicable. For the development of the Indonesian economy, export-import transaction is an important economic activity. The export activity is the B2B transaction because the business transaction do between one business entity with other business entities. Therefore, in export activity uses exhibition as marketing communication. Export barriers have prevented export performance. The one of internal barrier that influence low exports might be the lack ability of exhibitors / exporters in marketing capability. There are many kind of exhibitions for doing export. In every exhibition there are differences on it. This research aims to study more about what and how exactly the marketing capability of exhibitors in selling export product in trade expo and the differentiation of exhibitors capability in three categories of exhibition. The respondents are exhibitors in 3 type of exhibitions which are Trade Expo Indonesia, Indonesia Modern Agriculture Expo and Indonesia Food Exhibition. The result showed that the marketing capability in TEI has higher score than IMAE and IFE. There are significant differences in the average marketing capability based on the three types of exhibitions and each of exhibitions don't have similarity of marketing capabilities. The capabilities that should be fixed and improved by exhibitors in TEI are management of stores abroad and pricing. IMAE exhibitors should fix and improve the e-commerce marketing. Moreover, the capability that exhibitors in IFE should fix and improve is transformation of marketing channels in time. It can be an evaluation for exhibitors itself to improve those capability more better and also for the government who has responsibility in export activity to make the training and consultation for the exhibitors who do export.

Keywords: Marketing capability, Export Exhibition, International Trade, International Marketing

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Abstract

Academics’ are an important element in developing higher education with their role on knowledge development through research. To realise excellent results of research, we need academics whose strong engagement on it. This research measures level of academics’ engagement on research in Institut Teknologi Bandung, an outstanding research university in Indonesia. The results show that level of the academics’ engagement is high with the highest score is dedication aspect. This engagement can be reflected in various outputs such as scientific publication, innovation in teaching method, and social empowerment like new product development, consultancy, project with institution or industry, creating popular book, and developing social business. High passion and self-motivation are factors that make academics have directed research by concerning in certain output. From this research, it can be recommended two things. First, it is important for policy makers in particular institution to be aware with various concern of academics so that they can propose proper policy to switch from research quantity into quality. Second, requirement for promotion with emphasis on publication should be evaluated by considering another research outputs.

Keywords: academics’ engagement, research behaviour
Business Model
Male grooming product is a potential industry in Indonesia, it is always be related with feminineness, but since some years ago, male grooming market growing rapidly in western countries and developing countries. Even male grooming always seen controvert with value of masculinity, the growth of market in this industry is increasing. The development of start-ups business also impact the male grooming business. It comes with some differentiation using subscription model. This study intends to analyse the factor influencing the acceptance of subscription model for male grooming product in Indonesia. This study using Technology Readiness (TR) and Technology Acceptance Model (TAM) as the framework and using PLS-SEM to process and analyse the data. The result is both perceived ease of use and perceived usefulness has positive relationship toward intention to use. From TR, optimism and innovativeness has positive relationship toward perceived ease of use. Responsiveness and smartness has positive relationship toward perceived usefulness.

**Keywords**: subscription model, Technology Readiness, Technology Acceptance Model
Abstract

The rise of new digital industrial technology called by Industry 4.0 has transformed how enterprises are enabling faster, more flexible, and even more efficient process. There are many examples of industries which applied digital platform, such as e-commerce and digital platform. Financial technology is one of product that combine financial and technology services which transform unbanked people to be able reach financial support. However, due to the new principal, people are still looking for the suitable business model that combines property business with digital platform. The study conducts case study from one of digital start-up platform called InvesProperti.id which their businesses are focusing in property investment using digital platform. In the beginning of this paper, it discusses regarding the landscape of digital platform ecosystem, including financial technology, and property industry in Indonesia along with the trend that will affect them. Benchmarking with the proper examples from developed countries of how business model in combining those two systems is one of the method which is being used in this study. This study also examines how sharia principle can be applied in the business model. The paper consists of findings and analysis in the market condition, the current applied business model, the best practices, and choose which model that can be applied in the new business model. The final result of this study is finding the best solution and suitable business model, in terms of digital business, for property industry in Indonesia.

Keywords: Digital Platform, Financial Technology, Property Industry, Business Model, Sharia Principle
Abstract

Many farmers have problems of lacking access for funding because they are categorized as un-bankable. While demand for food keeps increasing, the demand for funding in agriculture sector keeps increasing, too. Considering that the majority of Indonesian farmers are Moslems, PT. ABC as a new startup develops an Islamic crowdfunding platform with *aqd mudarabah muqayyadah* as an alternative to conventional financing for farmers, thus making financing in agriculture more accessible for them by utilizing the power of digital technology while complying to sharia law. A business model design for this financial product is necessary to enable the company to create, deliver, and capture values for the customers, which are the funders and farmers. The steps in this research include customer profiling, SWOT analysis, value proposition design, followed by developing the business model canvas. The value proposed in this business model is a view that an investment is not only about the return, but it is also about the impact on society with fair sharing as a principle to make these investments worth their money and time. Another vital aspect is risk mitigation, these can be achieved by doing farmers and land profiling, supervising, and mentorship to farmers.

*Keywords*: Business Model, Business Model Canvas; Agriculture; Islamic Financing; financial technology; Mudarabah Muqayyadah;

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Abstract

The number of café in Jakarta is estimated to reached 1,500 and it keeps on growing at 10% and the competition for café industry is very intense. Slatan Coffee, Tea and Chocolate is a brand of Kolega Group that sells coffee, tea, chocolate drinks, small bite food located in Kemang Selatan, Jakarta since June 2017. The brand has a positioning of a quick meeting point. Slatan has a decline in sales by 20% in Q1 2018 onwards. To find the root cause of the issue, business situation analysis consisting of external environment and internal environment analysis are used; Strategy Diamond Framework is used to develop strategy alternatives and find business solution. Based on the business situation analysis, the decrease of sales is caused by several factors: poor brand awareness, high competition, low commitment from owners/directors and poor service and store ambiance. The business strategy alternatives for Slatan are either to increase the market share or divest and quit from the market entirely. The author proposes several business solutions, which are: have a written commitment document that is signed by all owners, alter business model canvas, improve marketing mix and train senior barista to be the admin for their social media.

Keywords: business model canvas; business situation analysis; business strategy development; café; coffee

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Abstract

Current industrial revolution known as Industrial 4.0 has brought a new concept of production in manufacture industry where machine and human are being integrated. This concept is characterized by utilization of Internet technology especially Internet of Things (IoT) and Cyber Physical System (CPS) to improve connectivity between factors of production. It was expected that this concept will enhance company’s efficiency, productivity, and adaptability that will improve company’s ability to create value and strengthen its competitive advantage. Following this industrial revolution, the field of quality management also recognize the term of Quality 4.0. This term represents the utilization of Internet technology on quality analysis. However, works regarding Quality 4.0 has not formally developed. Therefore, this paper aims to introduce new concept called Cloud Quality Analyzer (CQA), which represents the implementation of Industrial 4.0 in the field of quality management. This paper will overview the business model of CQA using business model canvas, and analyze its competitiveness using five forces approach and four interlocking elements approach. Utilization of Internet technology serves as backbone of the CQA business model. The basic idea of this system is to improve the efficiency and cost reduction of quality analysis by utilizing current Internet based technology through the provision of Software-as-a-Service (SaaS). Key resources to achieve efficiency improvement and cost reduction are coming from two factors. The first factor is the development and use of quality engine as the substitute of quality engineer employment. The second factor is the use of Internet-based technology to deliver the service. Hence, it can be said that technology employment serves as the backbone of CQA business model. As a technology-based and Internet-based business, CQA provider has strong competitive advantage compared to conventional quality analysis service provider, which relies heavily on the employment of quality engineer with more limited service coverage. However, it is not difficult to copy the business model and technology utilization of CQA. Without developing strong customer engagement and continually evaluate its business model, CQA will face tight competition in the future.

Keywords: Quality 4.0, Quality Analysis, Cloud Technology, Business Model

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Abstract

Congestion is one big problem in Bandung city. LRT Bandung Raya, which is planned to be built in 2019 and completed in 2021, is planned to be operated by PT Len Industri, a technology-based company. The investment needed to accomplish this project is huge, and it has consequence on the price of the ticket. PT Len Industri needs to find other alternatives of revenue streams from LRT Bandung Raya to get another revenues and lowering ticket prices. Alternatives of revenue streams can be created by building synergies between all resources of PT Len Industri by considering the trend of changes in the business environment. To make a more effective planning process, PT Len Industri needs to design a business model so it can capture values for the customers in a better way. This research aims to design the business model of PT Len Industri’s LRT business using the business model canvas framework. This research starts with customer profiling, followed by business environmental analysis. The next steps are SWOT analysis, value proposition design, and design of full business model canvas for LRT which highlights the new alternatives of revenue streams and their consequences on the other blocks and cost structure.

Keywords: Business Model; Business Model Canvas; Revenue Streams; Cost Structure; LRT; Urban Transportation
Operation and Performance Management
Abstract

PT Badak NGL is a non profit company to operate the Bontang LNG Plant in East Kalimantan, the main job is to liquify the natural feed gas to become the Liquified Natural Gas (LNG). As the operator with at cost scheme, the efficiency and effectiveness of budget utilization is one of PT Badak NGL’s performance KPI, including the efficiency of material Inventory stored in Warehouse. PT Badak NGL’s main inventory consist only the Maintenance Repair & Operation (MRO) material such as chemical and sparepart of equipment.

According to the 2017 benchmarking result, Inventory performance of PT Badak NGL is below the average, especially on the Inventory Value aspect. Last 5 years data shows that total Inventory Value is around US$ 35 Million, but 73% of them is classified as the Potential Dead Stock (PDS); materials that more than 5 years stay in the warehouse. The Turnover Ratio is around 70% which means, only 70% come out (utilized) while the remaining 30% stays in warehouse, this happen every years and makes contribution to the PDS. According to this condition, the business problem in this paper is “Inefficient MRO Inventory due to large PDS Materials over the years in PT Badak NGL.

Using the Ishikawa (fishbone) Diagram and Focus Group Discussion, the main contributor of the problem is the Inventory Method and Policies. Several alternative solutions have been developed and using Kepner-Tregoe Decision Analysis there are two solutions that should be conducted immediately to reduce the PDS; Apply Impairment Method and Recategorize Materials. Potential Problem Analysis is also conducted for those two solutions to anticipate any potential problem occurred and the choice of contingency plans. The implementation plan has also developed with the target can be finished by six months.

Keywords: inventory, Kepner-Tregoe, MRO, PT Badak NGL, LNG, Potential Dead Stock.
Abstract

Health is a very valuable thing and should be the right of all citizens. To guarantee the quality of service and patient satisfaction, the government creates the minimum service standards as provisions on the type and quality of basic services which are mandatory area that every citizen has the right to obtain at a minimum. This paper is aimed to determine whether hospital in Indonesia has implemented and achieved the mission of the government, and the hospital that will be the object of research is Dr. Hasan Sadikin Hospital Bandung. Primary data was collected to verify the issue and supported by secondary data as well. The data will be transformed into a model that will then be analyzed for finding the root cause that cause the waiting time to exceed the determined limit with business process modelling, process simulation, and value-added analysis. The findings could help researcher to redesigned the process to create more efficient business process that will deliver maximum value for customer by eliminating the non-value adding activity which ultimately will reduce the waiting time in the elective surgery unit process.

Keywords: Waiting time, Business Process, Value
Abstract

Fatigue is very critical in the aviation sector due to it affects many passengers’ safety. However, there is a little research on what factors are associated with fatigue in short-haul pilots. The purpose of this study is to analyze factors that affect airline pilots of Boeing 737 fleet of Garuda Indonesia, which fly domestic and regional flights. Fatigue is defined as physical decline. Online survey by using questionnaires reached 234 returned samples. The results of this study show that pilot fatigue is affected by duty assignment, working environment, unresolved stress, and illness. These findings can contribute to reducing and managing pilot fatigue.

Keywords: Fatigue, Physical Decline, Airline Pilot, Risk Management, Operation, Human Management
Abstract

Forecasting demand is a crucial tool for every business to achieve efficiency in planning the operation management plans especially in fashion industry. The fashion trend which rapidly changing every period is one of the factors that influenced the demand of the product to be uncertain. In order to maximize the profit, every company should avoid the lost sales by having good forecasting demand system. Rahina Indonesia as a Small Medium Enterprise in Bandung has no proper forecasting method that suit with the actual demand. The company currently using qualitative forecasting method which using the CEO of Rahina Indonesia’s judgement. High amount of lost sales became the biggest problem for the company and it occurred the most especially to voal hijab type which considered as the biggest contributor for company’s sales. The company losing the potential profit for every number of items that lost sales. Analysis using 6 months past demand was used to determine the forecasting method. It turns out the most suitable forecasting demand for Black, Navy, and Maroon voal hijab is time decomposition multiplicative method which the method has the lowest MAPE, MAD, and MSD. The new forecasting method reduce the amount of lost sales. On black hijab voal, it reduces the lost sales from 389 to 78, on navy it reduces from 229 to 41, and on maroon it reduces from 225 to 13. By applying this forecasting demand method, the company will reduce their lost sales which can maximize their profit and obtain more revenue. The accurate forecasting also gives the company more preparation for the inventory to face the uncertain demand in the future.

Keywords: Forecasting Demand; Fashion; Planning; Time Series Decomposition; Lost Sales

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The 4th International Conference on Management in Emerging Markets

Paper ID. 89 Total Quality Management Approach for SME’s (Study Case Fortune Catering)

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Abstract

Small, medium enterprises play an important role in improving and equitable economic community. Unlike large companies, SMEs have locations in various places. Including in areas that are far from the reach of the times. Therefore, the Indonesian government developed a policy whose function was to contribute to developing the competitiveness of small companies. In increasing the competitiveness of the company many things can be done, but in the most basic aspect is to pay attention to the quality of the company itself, of course by using the science of quality management. Total Quality Management is an integrated approach to obtain and maintain high-quality output, focus on maintenance, repairs sustainable and prevention of failure at all levels and functions of the company, in order to meet or exceed consumer expectations and also Total Quality Management is made by a company to boost the company's excellence through meeting customer needs and improving quality through continuous improvement. Successful small companies must instill the value of the TQM concept in the implementation of their business to build competitive advantage. This research aims to describe how small companies in Fortune Catering Company implemented TQM with the aim of becoming a superior and successful company.

Keywords: Total Quality Management, small industry, competitiveness

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Abstract

The garment industry is part of the third largest manufacturing sector in Indonesia and is one of the sectors that absorb the most labor. PT AG (Amanah Garment) is one of the leading garment companies in Bandung, West Java. The employees in a company commonly have diversity, either by ages, by gender, by marriage, by experience, and others. The major of employees in the garment industry are female. This study aims to investigate the performance differences of the female employee based on marital status in order to be used by Human Resource Development in creating the policy that supported the married female employees’ performance. Finally, this study indicates that the ability of married employees to maintain performance is far lower than that of single employees. This study also found that the performance of married female employees and unmarried female employees at PT AG still has overlapping work and are not in accordance with the company’ SOP.

Keywords: Garment Industry, Female Labor, Marital Status, Performance Differences

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People Knowledge and Management
Abstract

Textile and garment industry is one of several industries that have a big contribution for Indonesia GDP in 2018. Textile and garment industry in Indonesia is a promising business because the demand is still high. However, the rapid growth of the industry does not always have a good impact on the company. Based on preliminary research, Devi Khusus revenue growth in the last five years has decreased due to unsatisfied employees with existing compensation systems. This research aims to design a new compensation system that can be applied in Devi Khusus to overcome the problem that occurs. This research using mix methods, which are qualitative method and quantitative method. Job analysis consisting of job descriptions and improved job specifications is used in this study as a basis for creating a new compensation system. In improving job analysis, competencies will be used to calculate salaries using job-based structures and point methods as a calculation process. After that, an interview with the owner of the Devi Khusus was conducted to validate the data and ensure that the aspects were in accordance with the company. The result of this study is a new compensation system that can solve the problem in Devi Khusus.

Keywords: Compensation, Job Analysis, Job Evaluation
Assessing Employee Engagement in Local Government: Mojokerto City Government Case

Aditya Wibisono Wachid, Aria Bayu Pangestu

Abstract

Employee engagement is an issue that is widely discussed in the context of organizational management, including government organizations. Mojokerto City Government is one of the local governments that has a vision as a service city. To achieve optimal employee performance, Mojokerto City Government requires employees who are engaged and competent. This study aims to help Mojokerto City Government understand the conditions of employee engagement by conducting employee engagement assessment on Mojokerto City Government employees. This study uses a questionnaire to determine the aspects of employee engagement. With a total sample of 97 employees, this research was conducted in four Local Government Agencies. The results of this study indicate the percentage of employees belonging to Highly Engaged and Moderately Engaged are 62% and 36% while employees who are classified as passive is 2%. In terms of employee engagement outcome, Say has a figure of 78%, Stay at 69% and Strive at 86%. The four lowest drivers are job risk, job security, talent and staffing, and enabling infrastructure. This driver was then taken into consideration as an evaluation and development of human resource programs in Mojokerto City Government.

Keywords: Aon Hewitt; Employee Engagement; Local Government

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Identifying The Factor of Employer Branding in DIANA Financial Bank to Increase Millennial Employee Engagement

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Abstract

The workplace is now increasingly made up of the Millennial Generation, also known as "Generation Y". There are proofs suggest that millennial employees are less engaged with their job than the older generations, lack of engagement for employee may cast turnover. This condition happened in a private bank named DIANA Financial Bank, from 2016 to 2018 the trend of employee turnover is always increasing and the Generation Y’s employees have the highest number of employees who are resigned. In order to retain employee, the company should make a strategy for the employer branding. The objective of this research is to identify the most factor of employer branding that could engage the millennial employee. The researcher has collected primary data through paper-based questionnaire and secondary data source, the data analyze by using multiple linear regression. The expected result is good wages, job security, interesting work, appreciation or feeling of being involved can has positive significant effect toward employee engagement as the most factor of employer branding that could engage the millennial employee. In the end, this research will help the company to make employer branding strategy to retain current employee and minimize the number of employee turnover in DIANA Financial Bank.

Keywords: Millennial; Employee Engagement; Employee Branding

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Abstract

The need for electricity globally will increase very rapidly, so is in Indonesia. The Directorate General of Electricity (DGE) has the task of organizing the formulation and implementation of policies in the electricity sector. Yet the DGE faces challenges related to its human resources, of which almost half of the current active employees are having tenure under 10 years. Whereas employees who play a key role and have critical knowledge will end the term of service in the next 5 years. This study aims to find the knowledge management (KM) practices in DGE and measure the KM maturity level to develop KM planning at the DGE. This study utilizes APO’s framework and SECI Model from Nonaka. KM implementation strategies from APQC helps to develop KM planning in DGE. This study found that KM maturity level in DGE is in refinement level. To reduce the KM maturity gap, several factors need to be improved: (1). leadership’s support; (2). employees’ involvement; (3). organizational culture; (4). Integration of KM processes in organizational business processes; and (5). Application of technology. This study proposes: (1). formalization of KM implementation; (2). Integrated KM programs and tools; (3). Establishment of the KM team within the DGE.

Keywords: Electricity; Government Institution, Human Resources, Knowledge, Knowledge Management
Abstract

PT. Len Industri (Persero) is a state-owned enterprise engaged in the field of industrial electronics. As a System Integrator Company, LEN especially ICTN Business Unit realize that human resources are valuable assets in the company. Research is aimed to get the solution of the problems, is mainly related to quality of work in project implementation, though Knowledge Management approach. The method will used qualitative and quantitative to explore correlation between Project Management and Knowledge Management. The APO KM Assessment is used as questionnaire tool to identifies area of strength and improvement. The qualitative research is done through in-depth interview to gain empirical information from key personalities of ICTN. Based on Interview, ICTN management has implemented KM concept in their respective working units. Researcher found out that KM practice on ICTN was carried out spontaneously and not systematically. From the 7 categories of APO KM Assessment, the lowest scores in Knowledge Process category, it means knowledge management has not become part of the organization's strategy, and is only used as a tool to facilitate the implementation of work. KM Implementation plan is proposed as the business solution.

Keywords: State-owned enterprise, Project Management, Knowledge Management, APO KM Assessment
Paper ID. 217 Analyzing Unique Resources of Family Business as Strategy to Maintain and Develop Business in CV Setia Budi Jaya Bandung

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Abstract

The role of family business has been able to contribute to the economy and entrepreneurial world. However, family business is hard to maintain especially when the ownership and control is carried out by family members across generations. In order to respond, this research has the objective to analyze the unique resources and attribute of family business in order to maintain and develop the business as resources are the foundation for determining the company's long-term strategy. This study specifically analyzed in CV Setia Budi Jaya as one of family business in Indonesia. These unique resources and attribute of family business was developed by Sirmon and Hitt that consist of human capital, social capital, patient financial capital, survivability capital, and governance structure and cost. Data were later analyzed using descriptive and qualitative techniques with semi-structured interview. The descriptive analysis used to describe the characteristics of the variables.

Keywords: Family Business; Unique Resource; Human Capital; Social Capital; Financial Capital; Survivability Capital; Governance

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Paper ID. 226 The Development of Human Capital at Wendy’s Cihampelas Walk Using Competency Based Human Resource Management (CBHRM) Implementation

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Abstract

Becoming one of the developing countries in Asia, Indonesia has many potentials in its industry. The most significant industrial development is Food and Beverage. This big contribution of food and beverage industry in Indonesia leads to the increasing number of the restaurant as part of this industry. Bandung, as the capital city of West Java, is the biggest contributor to the development of the restaurant industry based on BPS statistic data 2017. According to the official website of several fast food restaurants in Bandung, there are 5 biggest fast food restaurant based on its branches distribution. Wendy’s has the fewest branch among them. In order not to lag behind others and increase the competitiveness, Wendy’s Cihampelas Walk as one of Wendy’s branch in Bandung needs to develop its human capital more using the approach called Competency Based Human Resources (CBHRM) that they already implemented. This research aims to find which aspect needs to be improved from the CBHRM implementation by using the canonical correlation analysis method. The result of this research is to know the lacking factor of CBHRM which will be expected to help the company focus on improving the aspect.

Keywords: Competency Based Human Resource Management; Human Capital Development; Competency.
The 4th International Conference on Management in Emerging Markets

Paper ID. 148 The Evaluation of MBA Outing Team Building Training on MBA-ITB students

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Abstract

This research was conducted to evaluate the effect of MBA Outing Team Building training activities in order to develop team work skill among MBA students (N = 104). Based on the first three levels of Kirkpatrick’s four-level evaluation model, evaluation was done by measuring the reaction, knowledge, behaviour that represented by the dimensions of team work before and after activities by using 180 degrees questionnaire and evaluation by mentors. The activities include 7 series of outbound games such as ‘moving bomb’, ‘zoo parade’, ‘knotty problem’, ‘hula-hoop’, ‘mine field’, ‘bentengan’, and ‘leaking pipe’. The result shows that it has significant impact in improving communication skills and leadership, and the participants become more aware and responsible on implementing MBA-ITB values. Although, the proper program timing and personal approach in counselling are suggested to be reconditioned for further training. In addition, the evaluation will measure the level of achievement of the training program undertaken so that it can provide feedback for the next training program. The participants of this study were MBA-YP (Youth Professional) students at School of Business and Management ITB (SBM-ITB). Measurements were made through questionnaires before and after training, coupled with the counselling process three months after training. There are three things measured, namely reaction, learning, and participants’ behaviour after training. The impact of this research is to produce an MBA Outing Team Building training program to always be on target and align with the needs of participants.

Keywords: Teamwork skills; Leadership skills; teams training; MBA students

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Abstract

Western influenced theories of leadership tend to be linear and Universalist in the way leadership characteristics are portrayed. That is, certain leadership characteristics are good while others are bad and these presumably are applicable across contexts. Based on a cross-ethnic exploration of leadership characteristics in an Indonesian context (involving Javanese, Sundanese, and Chinese Indonesian), we find an argument for a more contextual form of leadership characteristics. With each ethnic group having its own leadership idea or what we call as leadership myth, the same leadership myth may be perceived as desirable or undesirable depending on the behavioral details as understood by the perceivers. Here, the “Yin and Yang” principle refers not to a balanced set of characteristics but more to a balanced view of such characteristics, which are embedded not in the personal self but in the view of the others. The analytical method employed in this research affords us to understand this possibility. We also highlight the way the argument emerges as a situated and contextual form of theory building.

Keywords: Cross-Ethnic Exploration; Leadership; Theory Building; Yin-and-Yang; Abductive Approach
Abstract

Cultural Intelligence (CQ) is a type of intelligence that can affect someone performance when they work in multi-cultural context. Therefore, university should help their students in increasing their CQ. There are a lot of method that can be used in increasing students’ CQ. One of them is field trip to another country. However, to have optimal effect from this method, chose destination country is an important aspect that must be considered. This research tried to find the suitable destination country by sending students to visit three different countries which were chosen based on the level of national culture similarities based on Hofstede model. The CQ of students was measured before and after the field trip and then the result was compared. The result showed that destination country with similarities in their national culture can give more impact in increasing both students’ CQ and the cognitive aspect.

Keywords: Cultural Intelligence, Field Trip, Destination Country, Hofstede

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Paper ID 271 Leverage of Knowledge Management on Performance:
Comparison of Three Model

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Abstract

This study aims to clarify effect of knowledge management (KM) on organizational performance (OP) through innovation and intellectual capital (IC) as mediator. This research proposed 3 (three) alternative models that recommend different configuration from IC and innovation as intermediary. The method used is quantitative analysis, by stage of research literature studies to build models, and then compares predictive power from these models using Structural Equation Modeling (SEM) path modeling based on data collection from Indonesian public sector. The study found that all models respectively influenced performance, but according to empirical result, the third model which is positioning IC and innovation simultaneously as intermediary has the biggest predictive power on enhancement performance. It may help practitioners and academics to understand the importance of IC and innovation synchronously mediating role from intercourse between KM and OP (whether internal or external performance) especially in public field.

Keywords: Knowledge management; Innovation; Intellectual capital; Organizational performance.

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Business Risk and Finance
This paper unearths the interaction of financial intermediaries as financial structure and financial agent’s behaviors to shaping economic welfare given the dynamic nature of economy as a social science. The entirety of the paper acts as an intuitive walk with interconnected conclusions from one theory to another. This paper raises the issue through juxtaposing opposite economic policies (no-usury policy in ancient Greek civilization and capital market policy in modern economy) and uncanny economic outcomes of wealth inequality. It proposes the more important nature of financial structure and agent’s behavior compared to that of financial instrument in shaping welfare. Through historical overview, it shows the responsiveness of economy (acceptance and adoption of interest rate). The qualitative synthesis suggests that economic policies ought to possess complementary approaches to overcome structural (moral hazard and credit risk) and behavioral issues (agent’s speculative tendency and predictive ability). The complementary prescriptions are capital and liquidity requirements to financial intermediaries for structural issues and Tobin tax and commitment of long-run fiscal policy for behavioral ones. The reflexive nature of economy further dictates economic policies to be constantly evaluated and give a sense of security for intermediaries and agents in order to yield the most satisfactory outcomes.

Keywords: economic welfare; financial architecture; financial intermediaries; financial agents; behavioral economics
Paper ID. 18 E-money vs. E-wallet: Which is More Preferable for University Students?

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Abstract

Almost every single thing now is digital and that includes payment. One specific case here is two similar payment products e-money and e-wallet in Indonesia. These two are developing rapidly in the country. Although, the ability of consumers to distinguish both products are still doubted. That happens because the utilization of both products are not maximized yet. This research paper is an attempt to study preferences over e-money and e-wallet among university students in particular cities in Indonesia. Not only that, the underlying factors behind their payment choice are also being analyzed.

Keywords: Payment; E-money; E-wallet; Indonesia; University; Students; Preferences

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Abstract

Economic growth is always been a goal of the government in every country since it reflects the prosperity of its people. Indonesian government believe that by increasing financial inclusion, economic growth will be increased. Therefore, Indonesian government set the target to increase financial inclusion up to 75% by the end of 2019. Meanwhile, increasing financial inclusion has to be followed by the increasing of financial literacy. Therefore, the researcher focusing on improving the financial literacy of individuals especially kids between third grade until sixth grade. The reason behind it because teaching kids is like writing on a white paper, rather than correcting negative habits that has been formed. This study uses experimental research to know the effect of financial literacy course against financial knowledge and attitudes for student in elementary school. There will be treatment group and control group to make the comparison. The result suggest that a well targeted financial literacy course can increase financial knowledge for student in elementary school. But the research indicated, those who took the course of financial literacy are not associated with the increasing of financial attitudes specifically attitudes towards saving because to change someone’s attitudes cannot be done only in a short-course.

Keywords: Financial Knowledge, Financial Attitudes, Experimental Research

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Abstract

Investment in stock market in Indonesia has become more common shown by the increasing number of investors. In 2018, the Indonesia Stock Exchange went sideways and there were only a few stocks that performed well and one of it, is the stock of PT. Erajaya Swasembada Tbk.’s stock (ticker name: ERAA). Erajaya’s stock rose by 200% in 2018 in the midst of global uncertainty. The author wants to calculate the fair intrinsic price of Erajaya’s by knowing the fact that it has soared but by also taking into account the potential it still holds. In the end, the author hopes to give a conclusion and recommendation to the investors and general public and aid their investment decision in Erajaya. The study conducted found that Erajaya still has room to grow, supported by some upcoming key events in the mobile world including the introduction of foldable smartphone and 5G network, added with the increase in market size driven by Indonesian population growth and increasing smartphone penetration. The calculation resulted that the fair value of Erajaya’s stock is Rp3,645 and implying a 65.69% potential upside compared to the closing price of December 31st, 2018 which was Rp2,200.

Keywords: Valuation; Discounted Cash Flow Method; Free Cash Flow; Erajaya Swasembada

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Abstract

Many sectors have been encompassed by technological innovation, including financial sector. Financial Technology (fintech), has disrupted the financial industry. Such fintech category that has the biggest distribution is payment (fintechnews.sg, 2018). Payment utilizes many technologies, mobile phone included. On the other hand, rapid mobile phone technology growth has taken place in Indonesia, where Recent survey in Indonesia told that 60% of Indonesian adult population use Smartphone as their own device, compared only 22% for Laptop/Computer usage (Hootsuite, 2019). Using camera as basic mobile phone feature, QR Code Payment feature came to be a payment method. This ongoing research is purposed to examine the factors of QR Code Payment adoption in Indonesian University Students, as Ameme (2015) stated that younger people’s financial technology adoption and usefulness is bigger than the older ones. As theory foundation UTAUT will be used, where Gao et al. (2018)’s recent study will be adopted as the main research model and integrated with literature on cost. With existing 795 Respondents, it was known that QR Code Payments has been well promoted in Indonesian University Students, with many of them currently often use Go – Pay as the service with Food/Beverages as main purchased product.

Keywords: Adoption, QR Code Mobile Payment, Cost, UTAUT
Abstract

Islamic Finance in Malaysia has been growing significantly for the past decades. Many finance products in Malaysia today, including but not limited to the Islamic Banking and Investment Products have adopted and inserted the Islamic law or best referred as shari’ah law in their business exercise. Shari’ah law itself defines whether an object is halal (permissible) or haram (non-permissible) based on the Holy Quran and the practice of Prophet Muhammad (Peace Be Upon Him) and the discussion of Muslim’s scholar (ijtima’). In this research the shari’ah law will be used to examine and prove on whether Islamic Equity Fund (IEF) in Malaysia complied to the shari’ah law because the compliance statement sometimes absence in the Fund’s prospectus making it vague for the investors who prefer to invest in shari’ah product to ensure the shari’ah compliance of the fund. In this research, the shari’ah screening methodology will be applied based on the respective fund’s own shari’ah screening method. However, to make it comparable among the IEFs, author will also use the Morgan Stanley Capital International (MSCI) Islamic index to assess the fund’s compliance and to see whether there is a similar result based on those two methods

Keywords: Islamic Equity Funds; Malaysia; Shari’ah Screening Method; Shari’ah Compliance
Abstract

When global crude oil price had a significant downturn over the past few years, many oilfield service companies were struggling to survive. This condition is actually a good opportunity for bigger oilfield service companies to consolidate the market by having horizontal acquisition. This may lead to a more profitable market with less competitors. One of the challenges of a firm acquisition process is having the right business valuation to estimate the fair market value of the target firm. Selecting the right business valuation method is also critical in providing the right estimates. If it is not properly assessed, it is very common the process would fail during the negotiation. As part of its expansion plan to Far East Asia region, National Petroleum Services (NPS) is trying to acquire an oil field service company which operates in Indonesia. Discounted Cash Flow method is used as the key to calculate the business valuation of the target firm to estimate the firm market value objectively.

Keyword: acquisition; oil field service company; business valuation; discounted cash flow
Abstract

The risk of a portfolio can be minimized by increasing the number of securities held in the portfolio. Some studies concluded that risk, as measured by the standard deviation of return and the number of securities held in a portfolio are inversely proportional. However, there are some limitations to this approach. First, an investor can only hold a limited amount of securities before it becomes unmanageable and not economically viable. Second, the rate of risk reduction diminishes quickly as portfolio size increases due to the nature of the relationship and therefore further increase in portfolio size will only bring minor risk reduction. In order to reduce risk while maintaining the size of the portfolio, a new approach will be needed. This paper will examine the relationship between the covariance and correlation among portfolio components and risk by using multiple linear regression, with risk as the dependent variable and covariance and correlation as the independent variable. The findings of this paper suggest that there is a relationship between risk and correlation & covariance of a portfolio components. It implies that risk reduction can be achieved without increasing portfolio size by appropriately matching correlation and covariance of the securities in a portfolio.

Keywords: Diversification, Risk Reduction, Portfolio Selection, Covariance, Correlation, Capital Market

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Feasibility Study for The Development of Bioavailability/Bioequivalent (BA/BE) Laboratory at Pharmaceutical ABC Company

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Abstract

ABC Company is one of the largest pharmaceutical companies in Indonesia. At present, ABC Company is trying to develop new services for business sector diversification because there is a related to maximizing need to solve problems within the company revenue and the existence of promising market growth opportunities and chance enter the industry of Contract Research Organization (CRO), one of the effort is through the development of Bio Availability and Bio Equivalent (BA / BE) laboratory facilities. ABC companies have a total of 58 types of products that are required to conduct a BA / BE test in accordance with the rules by BPOM that each copy of the drug must be registered and re-registered. So far, the ABC company has conducted outsourced testing that caused expenditure for each of these tests. The number of drugs in the Indonesian market around 13,666 products brands with the potential market of BA / BE test industry in Indonesia is Rp. 3.5 trillion. This has not been added with ASEAN market and international markets.

In development BA / BE testing laboratory it is necessary to pay attention to various aspects including location and environment, technological aspects, competitor aspects, and customer aspects. In addition to this aspect, there are financial aspects that are very important in determining the feasibility of developing a BA / BE test laboratory. The financial feasibility of this investment plan is carried out by looking at the Net Present Value (NPV) parameters, Internal Rate of Return (IRR), and Payback Period (PP).

Based on the positive value of net present value (NPV) of Rp. 120,120,131,785 and the internal rate of return (IRR) greater than the weighted average cost of capital (WACC) of 28.89% and the investment payback for 4.53 years, it can be concluded that the project is financially feasible to be carried and consider the risks management.

Keywords: feasibility, financial, laboratory, bioavailability; bioequivalent; investment; cost of capital; cash flow; capital budgeting analysis; risk management

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Correlation Analysis of Market Performance and Bankruptcy Risk (Case of Healthcare Subsector Companies Listed in Indonesian Stock Exchange Period 2015 - 2018)

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Abstract

Financial distress is an essential problem that would cause some bad effects for the companies. The companies’ management might not expect the risk earlier since their companies are in a good performance. However, financial distress can be happened to both of the good performance company and the bad performance company. Healthcare companies must focus on how they could attract more investors to be ready for the bankruptcy threat. Within the tough competition between companies, investors are also looking for the best company they could invest in and one of the perspectives in doing such decision is by observing the market performance. To solve the problem faced by both companies and investors, this study aims to develop the Altman’s Z-score model as the depiction of bankruptcy probability by observing its relationship with companies’ market performance using the correlation analysis by having stock price, share return and trading volume as the variables. The subject companies studied are Indonesian healthcare companies listed in Indonesian Stock Exchange from the period 2014 – 2018 which are Mitra Keluarga Karyasehat Tbk (MIKA), Sarana Meditama Metropolitan Tbk (SAME), Siloam International Hospitals Tbk (SILO) and Sejahteraraya Anugerahjaya Tbk (SRAJ).

Keywords: Financial Distress, Bankruptcy, Healthcare, Market Performance, Altman’s Z-score, Correlation Analysis

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Abstract

This paper analyzes the use of financial derivative assets for foreign exchange rate hedging purpose and its effect on firm value using the data of Indonesia’s manufacturing companies who do export sales and conduct foreign exchange rate hedging activities using derivatives. The period of research in this paper is 2009 until 2018, capturing the trend of strengthening and weakening of Rupiah against USD. This research used the percentage of foreign exchange rate hedging towards amount of foreign account receivable in the same currency as the independent variable and Tobin’s Q ratio representing the firm value. This research used multi-linear regression and found that foreign exchange rate hedging activities with derivatives does not significantly affect the firm value in Indonesia’s manufacturing companies.

Keywords: Hedging; derivative use; firm value; Tobin’s Q
Paper ID. 116 Risk Management of Telecommunication Devices Testing Laboratory (A Case Study of Telkom Infrastructure Assurance Unit Bandung)

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Abstract

Telkom Indonesia, precisely Infrastructure Assurance (IAS) unit has role in the development of infrastructure that supports industrial revolution 4.0 precisely in the telecommunication sector. To maintain service quality and customer satisfaction, companies must follow ISO 17025:2017 which contains General Requirements for Competence in Testing and Calibration Laboratories with a risk-based thinking approach. IAS unit must implement risk management to anticipate risks that can disrupt the stability of business.

The concept used is the adoption of ISO 31000:2009. Risk identification process is carried out from SWOT Analysis, Brainstorming, and other research. Risk analysis using AHP is done using BPMSG Software which then searches for their respective weights, and then obtaining the results of risk evaluation by mapping the risks. The final step is make the risk mitigation. Based the risk analysis, there are 29 risk factors from 7 different types of risks. Risks that have a critical level of risk are 1 risk, risks that have a high risk level are 15 risks, and risks that have a moderate risk level of 8 risks and those with a low risk level are 5 risks. These risks that has a level of critical and high risk become priority for mitigation plan.

Keywords: Risk Management, ISO 17025:2017, Analytical Hierarchy Process (AHP), Telecommunication Device Testing, BPMSG Online Software
Paper ID. 123 The Empirical Study Towards The Acceptance of Robo-Advisory for Digital Wealth Advisor: An Indonesian University Student Perspective

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Abstract

Increased volatility of oil price and the shift of oil and gas field to frontier location such in offshore deep water has made it more important for investment decision shall reflect understanding of all risks to economic value. Capital budgeting valuation method using Discounted Cash Flow (DCF) which performed under rigid assumptions underestimate the extent of uncertainty and flexibility in project alternatives. Real Options method which acknowledge the value of uncertainty and flexibility has been introduced to complement DCF to sufficiently provide references for investment decision making. This study utilizes DCF and Real Options approach for valuation of offshore deep water gas field development in Indonesia under production sharing contract fiscal term to extent the degree of project development alternatives evaluation. Analysis conducted using quantitative modelling and simulation utilize Monte Carlo and Real Options binomial method. Initially, under static DCF approach, analysis suggested that no other alternatives more compelling than initial alternative of built new FPU (Floating Production Unit). However, by incorporating managerial flexibility and uncertainties using Real Options, the results advise different alternative to be pursued under different considered scenarios and also indicate that approval of production period extension is crucial factor to overall profitability of the project.

Keywords: Acceptance, Robo-advisory, Innovation, Wealth Management, University Student

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Abstract

Culinary industry in Indonesia has been growing over the past years. It is the largest market for the food service industry in the ASEAN region. One of the major risks for food service businesses is food price fluctuations. It can reduce profitability and even threaten survivability. With Muslims as the majority of Indonesian citizen, Islamic calendar effect ensures seasonal demand increase for food. This research forecast food prices by using ARIMA model. The forecast model is developed for each food commodity by considering Islamic calendar seasonality parameter. The result is pretty accurate. Therefore, the forecast result can be used for food service business in Bandung better anticipate food prices fluctuation.

Keywords: Food Service Businesses; Food Commodity Price; Forecast; Islamic Calendar Effect
Abstract

Construction of infrastructure in Indonesia is one of the main developments in the reign of Jokowi. Encouraged by government encouragement and industrial revolution, many companies required additional capital for its development. It changed capital structure and might make it not optimal. Companies should adjust its capital structure toward its optimal target in order to maximize company value as the goal of the firm. Infrastructure sector has the most companies with high current capital expenditure. So, this research is aimed to analyze determinants capital structure, the existence of capital structure target, the speed of adjustment, and determinants of target capital structure of infrastructure companies. The population is all companies in infrastructure, utilities, and transportation sector listed in Indonesia Stock Exchange. This research used secondary data from 2009 to 2018 to be analyzed using unbalanced panel data regression. The model used are static and dynamic capital structure. In static model, profitability, asset tangibility, and dividend payout ratio have significant effect to capital structure, Whereas, in dynamic model, the determinants of capital structure are profitability, asset tangibility, and growth opportunities. Dynamic model also shows that there is optimal target of capital structure in infrastructure companies that is being adjusted with adjustment speed of 28%.

Keywords: static capital structure; dynamic capital structure; speed of adjustments; infrastructure
Abstract

Business cycle is a natural economy phenomenon that will continuously occur as long as the economy exist. Recent study has developed that business cycle have impact that construct different behavior on firm decision making towards corporate finance, especially working capital management and measure firm performance through profitability. Moreover, there always trade-off between profitability and risk in working capital decision making. This research intentionally measures working capital management during different business cycle on firm value and it essential to know for corporate decision making. Previous research shows different characteristic on working capital management in different country. Using 140 manufacture firms that listed on Indonesia Stock Exchange for 10-year period from 2008 until 2018, this paper intentionally present working capital management during different business cycle. Using panel regression analysis with quarterly data, it expected that company have higher firm value use more conservative working capital management during the recession. In particular, different characteristic of firm affect different behavior on working capital management.

Keywords: Working Capital Management, Firm Value, Business Cycle

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Abstract

PT AEI (Andalan Energy Indonesia) as oil company have been working under PSC Indonesia and reaching near contract expiration in 2021. To meet obligation as Contractor to deliver agreed oil production, PT AEI shall find a “way” to maintain or to reduce declining oil production rate by adding oil reserves but still generating profit to the company. Near expiration of contract, corporate economic hurdle requirement, and need for oil production obligation are main issues to be resolved in current PT AEI business condition. One of alternative which likely suits to PT AEI situation is a project to convert idle injector well to become oil producer well on “X” field. Comprehensive investment analysis should be developed to prove that the project sufficiently profitable comparing to other competing projects. Cross function decision makers are involved in approval process for the project to be proceeded or not. It consists of Asset team management, Drilling and Completion team management, and Facility team management. Extended decision makers may be added as required.

Keywords:
Abstract

The total growth Indonesian Islamic banking assets consisting of BUS, UUS, and BPRS which reached 15.11% CAGR far exceeded the global growth of 5% CAGR. Unfortunately, despite having high asset growth, market share has only reached 5.78% in 2017, which is still below BAPPENAS expectation on the 2015 AKSI Masterplan of 8.3%. One of the difficulties is due to the relatively low business scale. The discourse to merge three state-owned Islamic commercial banks (BSM, BRIS, and BNIS) has been raised for years. Mergers will create a larger business scale, expected synergies, and higher asset growth, that will support the market share growth acceleration. The objectives of the study are to estimate the potential of synergy value and asset growth increases. Financial data for the 2014-2018 period and seven-year multi-scenario projections are used in this quantitative study that applies DCF-FCFE valuation model and PBV. The study resulted in a potential synergy value of IDR 7.76 trillion with a higher PBV ratio of 1.95x and a higher potential asset growth of 13.12% CAGR with an upward trend. These positive results should be followed up by the government as their ultimate shareholder, to support accelerating the Indonesian Islamic banking assets growth.

Keywords: Bank Valuation, DCF-FCFE, Islamic, Bank Merger, Synergy

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PT. XYZ specialize in fish processing which includes collection until the whole cleaning process and trading activities. In order to support Indonesian government goals to enlarge export of Indonesia fisheries product in 2019, PT. XYZ supports all applicable processes and regulation set by the Indonesian government. To obtained one of the requirements, that is Hazard Analysis Critical Control Points (HACCP) certificates, PT. XYZ needs to have its own fish processing factory. However, the company need to asses the feasibility of this investment project, develop a new fish processing factory which requires a huge investment. The aim of this paper is to analyze the economic feasibility using capital budgeting method which will evaluate by Net Present Value, Internal Rate of Return, Payback Period, and Discounted Payback Period. The result of this result will be the feasibility analysis of the investment project whether the project is feasible to be executed or not and recommendation for the company as a consideration in deciding the investment project.

**Keywords**: Economic Feasibility; Capital Budgeting; Net Present Value, Internal Rate of Return, Payback Period, FCFF
Abstract

PT Wijaya Karya (Persero) Tbk. is a state-owned company in the construction sector. WIKA business pillars consist of industry, infrastructure and building, energy and industrial plant, realty and property and investment. WIKA current condition is showing the decreasing in stock price and Return on Equity (ROE), while its Account Receivable (AR) and Average Collection Period (ACP) is continue to increase. This indicates that the Company does not manage its working capital optimally. The objective of this researches is to give the best alternative solution to reduce Company average collection period by doing working capital management especially account receivable management. Account receivable management that used in this research are cash discount period, change on credit period, customers selection, combination between cash discount period and change on credit period, and combination of all those 3 (three) method. The results of this study is by using several technique of account receivable management, WIKA can reduce its average collection period, thus, it will reduce the investment on working capital, so, the Company could invest their money on the more productive assets and also distribute the additional profit gained as dividends to shareholder, so WIKA can turn back its share price. The Company can reduce its Account Receivable and get the biggest additional profit outright by apply cash discount period 2.96/60 net 229,4.

Keywords: Working Capital; Construction; Account Receivable Management; Average Collection Period; Cash Discount
Abstract

As largest heavy oil field in Indonesia, XYZ field is important portfolio to National Oil Company (NOC) as they will operate the field (as part of ABC Block) starting August 202. NOC will manage ABC Block under new form of PSC, the Gross-Split PSC that just established in 2017, changing from current model of Cost Recovery PSC that has been implemented in ABC Block for more than 20 years. This research aims to assess the investment analysis of XYZ field. Result from strategic approach show that ABC Block, especially XYZ field has a competitive advantage therefore NOC should maximize its investment in ABC Block. For investment evaluation, there are three alternatives of investment that author proposed in this research: (1) Current Area Development Program, (2) New Area Development Program, and (3) Combination. The results of economic evaluation are; Alternative-1: NPV USD 504.7MM and IRR 10.4%, Alternative-2: NPV USD 795.8MM and IRR 15.0%, and Alternative-3: NPV USD 1,386.0MM and IRR 31.0%. The risk analysis using Coefficient of Variance (CV) show CV values of 0.91, 0.62, and 0.43 for Alternative-1 to Alternative-3 respectively. Thus, it can be concluded that Alternative-3 is best alternative due to highest NPV value and lowest CV value.

Keywords: Investment; Heavy Oil; Gross Split; Production Sharing Contract
Creating a Superior Portfolio Using Markowitz Modern Portfolio Theory: Indexing LQ45 Components as Benchmark

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Abstract

Investing, one among the sources of financial gain is currently becoming crucial publicly eyes. The right decision of investment could possibly lead to a significantly higher income than keeping money aside. However, this type of income is uncertain and requires more volatility to gain good returns. As there are many risk-averse investors who tend to be more cautious and most of the time does not satisfy with the results, a modern portfolio theory has emerged and become the bridge between safer investment and good returns. The theory is called Optimal Modern Portfolio found by Harry Markowitz, which combines the assets with possible low correlations to reduce the similarity across the components which then also decrease the amount of standard deviations. Constructing a portfolio sometimes can be done by indexing an existing market to be used as the benchmark, but somehow the cost of investing in market index is incredibly expensive. In this study, a portfolio will be constructed by indexing the LQ45 market with less number of stocks and possibly smaller amount of costs. The result is expected to become the alternative for investors to make an investment in a portfolio consisting part of components in LQ45 with a lower cost than the market.

Keywords: Index, Portfolio, LQ45, Markowitz, Capital Market

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The Effect of Religiosity and Sharia Financial Literacy Towards the Usage of Sharia Investments

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Abstract

Investment is one of the muamalah activities that aims to increase the value of assets owned at this time which will be used for future interests. As a country that has the most Muslim population in the world the Indonesian government has seriously worked on a system where Muslim communities can invest comfortably, but this is contrary to the facts in the field. The level of inclusion of Islamic investment products is still very low, and the managed funds of Indonesian Sharia investments are still far behind Malaysia and Saudi Arabia, which have fewer Muslim populations than Indonesia. In view of this, the potential use of Sharia investment in increasing its market share is still large and wide open considering that the Muslim population in Indonesia is the largest in the world. There are many factors that influence the use of a product, especially investment. This study aims to determine whether the level of community religiosity and the level of Islamic financial literacy influence the use of Islamic investment products. This study uses a quantitative approach involving 429 respondents from the Indonesian muslim population. The sampling technique in this study used Purposive Sampling Technique. This research is based on primary data in the form of a questionnaire filled in by all respondents involved. Data analysis method uses Binary Logistic Regression analysis. Research divided into 5 model where the dependant variable is dummy variable. Whereas in testing the instrument variable this study uses validity test, reliability test. And for the hypotheses testing author using Binary Logistic Regression with Hosmer and Lemeshow, F-Test, Wald Test, and Nagelkerke R2 test as the tools. The result of this research is religiosity variable is not significantly affecting the usage of sharia investment, but sharia financial literacy significantly affecting the usage of sharia investment.

Keywords: Religiosity, Financial Literacy, Sharia, Investment, Sharia Investment, Bonds, Mutual Funds, Stocks

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Abstract

The topic of optimal capital structure has been the subject of many studies. This research is aim to find out what is the composite of the capital structure in banking companies listed in Indonesia Stock Exchange and identify the optimal capital structure of each companies and also examines whether the actual capital structure implement by the companies has reach the optimal point. The scope for this research is only focuses on the banking companies that listed in Indonesia Stock Exchange (IDX) with the range of time from 2013 to 2017. The main methodology will be used to calculate the optimal capital structure is by using cost of capital approach that will consider the Weight Average Cost of Capital (WACC). The findings will be providing the current capital structure of baking companies and also the optimal capital structure for each banking companies.

Keywords: Optimal Capital Structure; Banking Company; Cost of Capital; Indonesia.

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Abstract

Banking is an industry which handles cash, credit, and other financial transactions. People use it to have savings accounts, deposit wealth, even to borrow money. By using banks, people will have a safe place to deposit their excess cash, and also to have a facility to lend them extra cash. Innovation, technology-led disruption, convergence and data and analytics are reshaping the banking industry. The findings of this study will help the banking industry in developing strategic plans to promote digital banking products and services in future. The author specified on Jenius and Digibank because they are the only banks which are legally listed as digital banks in Indonesia. This research is also limited to the factors why consumers use – or not – digital banking. This research does not focus on how the digital banks compete with conventional banks. The method used in this research is multiple linear regression with the data from questionnaires referencing the previous research on DOI and TAM in the Digital Banking industries to analyse the factors influencing the adoption of digital banking in Indonesia.

Keywords: adoption, digital banking, factors
Abstract

This research is peer-to-peer lending platform perspective based in which the pre-loan risk assessment and post-loan risk assessment impact against the trust model of peer-to-peer lending platform are examined. The research is meant to analyse factors P2P platforms could maximize to enhance their performance to positively impact lending intentions. Several aspects such as risk management during pre-loan and post-loan process along with risk factors will be discussed. The pre-loan and post-loan process will be essential to determine whether the platform’s quality and service are enough to enhance lenders’ trusts in which would affect their willingness to lend.

Keywords: Peer-to-peer lending; trust model; pre loan risk assessment; post loan risk assessment
Paper ID. 118 Determinants of Dividend Payout Policy: A Case Study of LQ 45 Companies

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Abstract

Dividend payout policy is an important decision both for investor and corporation. There are several different theories and opinions related with dividend payout policy. Therefore, this research aims to find the determinant factors of dividend payout policy for firms listed in LQ 45 Index February – July 2019 period. This research belongs to quantitative research. Panel data regression is employed as the method to analyze the data. The sample consists of 28 companies from year 2014-2018 and taken using purposive sampling method. This research expected to reach the result that there is significant relationship between dividend payout ratio to leverage as proxied by debt to asset ratio, liquidity as proxied by current ratio, profitability as proxied by return on equity, and firm size as proxied by total asset.

Keywords: Dividend Payout Ratio; Debt to Asset Ratio; Current Ratio; Return on Equity; Total Asset; Panel Data Regression Analysis

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Abstract

This study aims to investigate the effect of corporate governance on the cost of debt of non-financial firms in the ASEAN-5 using panel data regression. This study classifies result into three groups namely, based on the corporate governance categories, the country law system, and the structure of the company board. The result of this study finds that there is significant effect of corporate governance on the cost of debt in ASEAN-5 in poor category firms. Corporate governance also has a negative and significant effect on both the one-tier and two-tier board structure. Each corporate governance sub-indices, also has an impact on cost of debt in ASEAN-5. Likewise other factors such as firm age, size, performance, and inflation rate, are also considered as important factors that affect cost of debt by debtholders in ASEAN-5 countries. This study contributes in a sense about the impact of corporate governance and each of the sub-indices on the cost of debt in ASEAN-5 countries.

Keywords: Corporate Governance, Cost of Debt, Disclosure, Investor Protection
The 4th International Conference on Management in Emerging Markets

Paper ID. 229 The effect of sharia financing and non-performing financing ratio toward profitability level of Islamic banking in Indonesia

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Abstract

This study is aimed to show the relationship of Sharia financing products including Murabaha, Mudaraba, and Musharaka, and also the Non-Performing Financing Ratio (NPF) toward profitability level of Islamic commercial banking in Indonesia. A quantitative approach is used by collecting secondary data from the quarterly financial report of six Islamic commercial banks in Indonesia with the period of Q2 2015 and Q1 2019. The independent variables which includes Murabaha, Mudaraba, Musharaka, and NPF-gross will be examined with the ROA as the dependent variable. A multiple linear regression is used with fulfilling the five classical assumptions before.

According to this study, it can be found that Murabaha financing has a positive and significant effect on ROA. Whereas Musharaka financing, and the gross of NPF ratio have a negative and significant relationship on ROA. However, Mudaraba financing does not affect significantly to the ROA. Musharaka financing becomes the most influential factor that can contribute to the level of profitability of Islamic banking

Keywords: banking, Murabaha financing, Mudaraba financing, Musharaka financing, NPF, ROA

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Paper ID. 233 Do Family Firms Tend to Issue Share-Based Payment Due to Better Governance than Non-Family Firms?

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\textbf{Abstract}

The objective of this study is to explain and provide comparison regarding the issuance of share-based compensation in form of Employee Stock Option Plan (ESOP) in publicly listed family and non-family firms in Indonesia. Previous research regarding the issuance of ESOPs proved that strong corporate governance influences the firm to issue compensation in order to mitigate agency conflict which often occurs in firms with dispersed ownership. However, in a concentrated ownership such as family-owned firms with family members in board members or even family CEO already have their interests aligned. Therefore, issuance of ESOP in family firms may fall to two purposes: rent extraction or long-term value maximizing. A collection of companies listed in Indonesian Stock Exchange issued ESOP during 2013-2018 period is taken as sample. Using panel data regression, the expected result in this research is that corporate governance positively affect issuance of ESOPs.

\textbf{Keywords}: Corporate, Governance, ESOP, Family Firms

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Abstract

The experiences of Asian economies such as Japan and Korea point to the fact that infrastructure development is a key driver of economic development (Kim, 2006, cited in Isaac & Olayide, 2018). This states that the main key in a country's economic development is supported by how well the country's infrastructure develops in other words the economy and infrastructure should have a reciprocal relationship. Specifically, the impact of Indonesia's infrastructure development is felt by one of the cement companies in Indonesia, PT Indocement Tunggal Prakarsa Tbk, which will be referred to as INTP.

The strategy made by the INTP was apparently not enough to bring great profits to INTP. Some investors consider that INTP is not feasible or is said to be overvalued with its current conditions based on Bloomberg consensus, of the 20 analysts who cover INTP shares, there are 13 analysts who provide hold recommendations, 12 sell recommendations and 5 buy recommendations. So from that the purpose of this study is to find out what is the appropriate value for INTP for investors with the economic conditions described earlier.

To find out the intrinsic value of INTP, the author uses the DCF Valuation method, which is a discounted cash flow assessment. The author also prepares equity costs, debt costs, capital costs, FCFE projections, growth rates, and terminal values for discounted cash flow assessments. The results of this study state that INTP intrinsic value is overvalued compared to market value. This study can provide recommendations to investors and also PT Indocement Tunggal Prakarsa Tbk.

Keywords: Infrastructure Sector, Financial Performance, Relative Valuation, Discounted Cash Flow Valuation
Paper ID. 249 Determinants of Capital Structure and Capital Structure Target of Indonesian Infrastructure Companies

Raissa Refita Pramudi\textsuperscript{a*}, Subiakto Sukarno\textsuperscript{b}

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Abstract

Construction of infrastructure in Indonesia was one of the main developments in the reign of Jokowi, period 2015-2019. Encouraged by the government and industrial revolution, many companies required additional capital for its development. It changed capital structure and might disturb the optimality of capital structure. Companies in the infrastructure sector had higher current capital expenditure compared to other sectors. Managers had to put more attention on the capital structure of infrastructure companies because it has to be managed properly in order to maximize company value as a company goal. This research aimed to analyze determinants of capital structure, determinants of capital structure target, and the speed of adjustment of infrastructure companies. The population is all companies in infrastructure, utilities, and transportation sector listed in Indonesia Stock Exchange. This research used secondary data from audited company reports to be analyzed using unbalanced panel data regression with GLS estimators. The models used are static and dynamic capital structure based on the trade-off theory. Determinants of capital structure based on static model is profitability, tangibility, and growth. Profitability and tangibility have positive significant effect on leverage ratio, while growth has negative significant effect. Determinant of capital structure target based on dynamic model is profitability. It has negative significant effect on leverage ratio target. Regression of dynamic model showed that there was an optimal target of capital structure in infrastructure companies that was being adjusted with adjustment speed of 49\% per year. It also indicated that infrastructure companies need 6 years 10 month to close the gap between current and optimal target of capital structure. Findings of this research are expected to help manager in financing management and enrich financial literature.

Keywords: static capital structure; dynamic capital structure; speed of adjustments; infrastructure

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Abstract

This study explored the tools used in curbing the bullwhip effect. The paper is dedicated for small to medium enterprises to grow and thrive in their business using the most effective method that is in their capacity and capability. This qualitative research is followed by a case study on a company whose Chief Executive Officer was interviewed thus contributing data to this research. Though any method of forecasting or management will not avoid the bullwhip effect where order-up-to replenishment policy is instituted, this paper seeks to provide the most optimized way to minimize the bullwhip effect that any small to medium enterprise may adapt without having capital-extensive investment in which they may not yet have nor acquired.

Keywords: Supply Chain Management; Lean Supply Chain; Agile Supply Chain; Supplier Relationship Management; Vendor Managed Inventory; Bullwhip Effect; Total Quality Management; Small to Medium Enterprises
Paper ID. 101 Growth Strategy Formulation For Small And Medium Enterprise In Kampung Inggris Indonesia (Case Study in Test English School)

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Abstract

The growth of alternative English study learning in Indonesia can be determined by signally developing of Kampung Inggris Indonesia, in East Java. The small district located in Pare (East Java) known as Kampung Inggris, mostly people are speaking English in daily activities on the location made the awareness of people come and study there, estimating more than thousands people in a month. Kampung Inggris is an alternative solution for learning English in Indonesia, with a learning framework that applies dormitory system and behavioral approach. This paper will analyze the factors needed in developing a strategy for small business in this case by using Test English School where business operation located in Kampung Inggris. The problem faced by Test English School at the moment is a significant decrease in revenue and management is seeking a proper strategy for the company. The strategy proposed utilizes the analysis of internal and external factors from the company by using Porter's five forces, Resource and capability, SWOT analysis, and Root cause analysis. Alternative strategies will be built to get sustainability strategy and followed by implementation plan.

Keywords: Strategy, Small Business, SWOT, Kampung Inggris

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Abstract

Startups creation is an indication of the growing number of entrepreneurs which ultimately burgeon the employment number. Currently, the government and private sector seek to engage in generating entrepreneurs who conceivably could improving the economic conditions of the nation. One of the ways to do this is by creating an incubator. An incubator ideally should have a performance appraisal guidance as a self-assessment. This study attempts to fill in the literature gap that scantily exploring the performance indicators through comparison of the university-based incubators with the private incubators. This research employs a qualitative approach through an in-depth interview with the main actors that directly supervise and manage the incubator. The results show that the success indicator of incubator generally based on the purpose of the incubator. The distinguishable feature between the two is that the private business incubator more likely to be more optimal in ensuring the start-up becomes independent and achieving fast-growth. Meanwhile, the university-based incubator concerned on how the incubation process being carried out in order to provide entrepreneurial learning. The implications are for incubator managers and policymakers to look at the evaluation for a status quo analysis as well as a solid basis for the incubator improvement

Keywords: key performance indicator; university-based incubator; private business incubator
Abstract

The development of SMEs in commercializing their products not only affects SMEs independently, but also has an impact on the surrounding environment. Pojok Cimahi appeals to the research team’s attractiveness to further explore the potentials and factors affecting the commercialization of chips products in this cluster. The commercialization stage includes the stages of market launch, product training and introduction, and sales support. Respondents from this study are the SMEs in this cluster. Hopefully, from this study can be useful for the development of clusters in Pojok Cimahi itself or similar clusters in other areas, and useful as well as a policy matter for the government and as a reference for further research. From early studies concluded that the process of commercialization in clusters of chips in Pojok Cimahi is on the production side where they want to innovate on the advice of the customer, as well as each SME has a pattern of product commercialization of its own, especially each SME has a raw material supplier of fixed and customers fixed, and they foster good relations with their own way, so that the process of commercialization of the product can continue to grow even without doing other promotions process

Keywords: commercialization; swot analysis; cluster chips; Pojok Cimahi
Abstract

The world is moving toward the digitization due to the factor of Industry 4.0 which allows businesses to digitization. Adapting with this digital transformation, Pt. Telkom Indonesia (Telkom) is moving forward with digital transformation by building the digital business. According to Telkom (2016), the one way to build the digital business is by cooperating with startup to generate new ideas for digital innovation in Indonesia. In order to accomplish Telkom’s goal, Telkom designed Indigo Creative Nation (Indigo) program in 2009 to grow startup seed. Kubu is the one of startup in crowdsourced security industry who under the supervision of Indigo. Currently, Kubu is in the business model validation stage which before continue to the next stage or market validation stage, they need valuation as the supported information to negotiate the funding amount with Indigo as investor and preventing the undervalue occurred. The research aims to estimate the Kubu.in startup value by using 3 startup valuation methods that are chosen according to the startup circumstances, namely Berkus, Risk Factor Summation, and Scorecard. The result of range value from all those methods are Rp 3,786,057,692 – Rp 9,375,000,000. However, all methods specify that Kubu lead in aspect of product, competition, strategic relationship.

Keywords: Startup Valuation, Seed Stage, Digital Business, Cyber Security, Indonesia
Abstract

Clusters are the most ideal place for SMEs to compete and work with one another. Therefore, competitive cluster environment will create a positive competitive atmosphere because resources are already available in the cluster. The purpose of this study was to analyze the performance of SMEs in the cluster, so that the results of this study will be known how the performance conditions of SMEs in clusters in developing countries, such as Indonesia. This study uses a case study research, the largest footwear cluster in Indonesia, named Cibaduyut cluster. This study involved primary and secondary data, where primary data obtained from unstructured interviews and observation and secondary data were obtained from literature reviews from various article journals. The results show, there are 4 performance categories of SMEs in the cluster, namely high growth domestic and export performance, high growth export performance high growth domestic performance, and low performance.

Keywords: SMEs performance; cluster performance; SMEs growth; cluster’s growth
Abstract

The promising prospect in stationery industry encourages people to compete in this market, so there are plenty stationery store popped up. One of them is 999 Stationery. 999 Stationery is one of stationery located in Purbalingga. There are several problem faced by 999 Stationary one of them is high cost incurred due to shortage and overstock. This study was aimed to solve the problem by proposed new inventory management policy for 999 Stationery which include reorder point, safety stock, order amount and cost analysis for selected product. This study will use MRP simulation for current and proposed stratgey to help generate the cost analysis. Data needed for this study are obtained from company historical data and also interview with the owner, manager, and staff of 999 Stationery. The data analysis for this study will be the cost comparison between the current and the proposed inventory management policy. The result of this study will be the proposed inventory management policy that include reorder point, safety stock that calculated using probabilistic model, order quantity that calculated using EOQ formula, and the cost analysis. This study can be references for other similar study to generate new inventory management policy using MRP simulation.

Keywords: Stationery, Inventory Management Policy, Reorder Point, Safety Stock, Order Quantity
Proposed Marketing Strategy to Attract and Educate the Market of Healthy Products (Case Study: Toomat Brand)

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Abstract

Toomat is SME’s who takes a part and participate in the healthy industry. This research aim is to identify the factors affecting customer attraction and the suitable marketing communication strategy for Toomat. Internal and external analysis are used in order to determine the cause of product’s lack of demand. Internal analysis that is used are Value Proposition Canvas and Marketing Mix. While, external analysis used in this research are Five Porter’s Model and Benchmarking. Based on those methods the solution of the problems is identified with TOWS Matrix. This research is using Business Model Canvas and Integrated Marketing Communication for proposed strategy. In order to formulate a proper marketing communication, this research is conducted through qualitative research by using in-depth interview with healthy communities to design marketing communication strategy. The results show that the effective communication channel is advertisement in online media. Beginning with identifying the target audience and determining the communication objectives. Toomat would prepare communication content which had strong, positive, and appealing content about healthy lifestyle. Online Marketing, Sales Promotion, and Event Marketing were chosen as proposed IMC. Proposed strategy should increase product sales and reduce the amount of loss in the future.

Keywords: Benchmarking, Business Model Canvas, Healthy Industry, Integrated Marketing Communication, SME’s

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Simulation in Business, Management and Social Context
Abstract

Government have three concerned issues related to: increasing oil import, CO2 emission reduction, and current account deficit. One of solution is to reduce oil consumption which will impact to improve those three concerned issues. For automotive, Government have established roadmap of alternative fuel: bio-diesel B30, bio-gasohol E20, CNG. Government also have developed LCEV program to motivate car maker to produce low carbon emission vehicle that more economical fuel. For this reason, Government already declared market share target of electrified vehicle 20% by 2025. Objective of LCEV program is for harmonization of vehicle luxury tax based on level of exhaust CO2 emission. Lower CO2 emission will have lower vehicle luxury tax. Industry must support LCEV program to contribute to solve three concerned issues by developing new technology of electrified vehicle. One of most popular electrified vehicle is hybrid electric vehicle. It is important to confirm customer’s acceptance level, whether Government incentive is sufficient to cover the additional cost due to new technology adoption. Therefore, automotive makers need to analyse carefully and set an appropriate action plan to be able to set up vehicle price that meet customer’s acceptance level in order to support government target of electrified vehicle 20% by 2025.

Keywords: customer acceptance, Government incentive, hybrid electric vehicle, state deficit, vehicle price
Abstract

This research aims to study the root cause of unsafe acts in Aircraft Maintenance Personnel using Human Factors Analysis and Classification (HFACS) Framework. Using PLS-SEM to exploratory the positive impact from each External Environment, Organization Influence, Unsafe Supervisor, and Precondition of unsafe acts to unsafe acts of Aircraft Maintenance Personnel. The result of this study, precondition of unsafe acts has the greatest impact to unsafe acts. Therefor to decrease the unsafe acts, the company should have adequate planning for job assignment and recruitment, provide better working environment, improve maintenance technology and routine team briefing before starting the work.

Keywords: Aircraft Maintenance Personnel; Human Factor; HFACS; unsafe acts; PLS-SEM
The Role of IT/IS (Information Technology/Information Systems) in Business and Management
Abstract

This article investigates the impact of digital progress and technology in the banking industry based on a marketing perspective. The use of technology in a marketing perspective allows banks to gain a competitive advantage to introduce their products to potential customers. Multivariate regression analysis is applied to find the relationship between the use of information technology (IT) and the risk of marketing fraud related to the impact of technological and digital progress. The results of the study will provide the banking industry platform in the right marketing approach to offer their products digitally and protect customers from the risk of marketing fraud.

Keywords: Digital marketing; Banking product; Technological advancement, Marketing fraud risk
Abstract

The world has entered a brand new industrial revolution so-called the Industry 4.0 where new technology such as Internet of Things starts to play a crucial role in many business activities. However, the possibility to utilize the Internet of Things have not been fully investigated, especially in the European automotive industry where they have the most complex supply chains compared to other industries. This research paper aims to study the impact of IoT in improving the supply chain efficiency of the European automotive industry. Additionally, the implementation and the possible challenges of IoT within the industry are also being analyzed.

Keywords: Internet of Things; Supply Chain; Automotive; European
Paper ID. 34 From Fingerprint to Footprint: Using Point of Interest (POI) recommendation system in marketing applications

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Abstract

Companies should be willing to adopt new technologies and business models to be able to stay competitive in the changing world, both regionally and globally. However, the US forest products industry seems to be lagging behind when it comes to implementing digital technologies. This study assesses the application of Point of Interest (POI) recommendation system to enhance the marketing practices in the forest industry. We used wood furniture stores as POI. The application of wood furniture store recommendation based on POI can assist potential customers to find store locations based on other users’ preferences history.

Keywords: Digitalization; location-based social networks; user based collaborative filtering; K-Means+ clustering; forest industry; forest sector companies

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Paper ID. 55 Exploring the Impact of National Culture on Mobile Payment Acceptance

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Abstract

There is a shift of payment favorability in Indonesia, from cash to mobile payment. However, the people who utilize the mobile payment is only 14\% hence there is a need to understand the market acceptance towards the technology. This paper combines the extended unified theory of acceptance and use of technology (UTAUT2) of Venkatesh, Thong, and Xu (2012) with a cultural dimension which is power distance from Hofstede (1980). That creates a new perspective of how the culture can affect technology acceptance. The model will be tested with structural equation modelling (SEM), in a quantitative study conducts in Indonesia’s big cities. The results predict that factors, such as performance expectancy, hedonic motivation, habit, facilitating condition, and price value have positive effects towards the acceptance. The strongest predictors for mobile payment acceptance are facilitating condition and price value. The power distance is also found to be significant to moderate the effect of behavioural intention and use on mobile payment.

Keywords: mobile payment, technology acceptance; UTAUT; cultural dimension

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Abstract

In this technology era, smartphone and internet are two things that could not be separated from human’s daily activity. According to APJII (Asosiasi Penyelenggara Jasa Internet Indonesia), smartphone penetration in Indonesia is 43% with nearly 64 million Indonesian people who use their smartphones on their daily basis. M-Commerce in Indonesia also shows a significant growth with two biggest players in Online Transportation are GO-JEK and Grab. Based on the research from Qingfei and Shaobo (2008), as m-commerce companies, both GO-JEK and Grab should keep on developing its features and experiences to match the market’s taste. This research intends to analyze the positive influence of User Interface to E-Loyalty and identify whether User Experience moderates the positive influence of User Interface to E-Loyalty or not. This research would utilize Structural Equation Modelling to analyze the framework. Since this research is still an on-going research, the researcher expects that the result would not reject the Hypotheses. Hence, the conclusion expected from this research would be User Interface influences positively to E-Loyalty and User Experience moderates between User Interface and E-Loyalty. The researcher then would recommend GO-JEK to invest more in User Interface Quality and improve more in User Experience for the users.

Keywords: M-Commerce ; Online Transportation ; User Interface ; User Experience ; E-Loyalty
Abstract

Financial inclusion is important as one of key elements in financial well-being concept. However, based on the financial overview of Indonesia, there is still a gap between current and the goal financial inclusion index targeted by the government. One of the main issues is intermediary facilities and distribution channel. Based on data, financial institutions still have to rely on traditional office branch that turns out costly. This research aims to find a solution to deliver financial services and products through an affordable channel. Digital banking is considered as a solution for this root causes because it provides more convenience and lower cost than opening branch offices in order to deliver financial services and products. The software prototype developed for the initial phase of digital banking software has feature for opening new savings account. Based on the software project cost estimation, the baseline estimation cost needed is as much as IDR 1,878,666,667. Compared to the cost of opening a new branch office, IDR 1,000,000,000 – 10,000,000,000, digital banking software is a more affordable alternative channel to deliver financial services and products.

Keywords: Financial Inclusion; Digital Banking; Financial Services and Products; Banking

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Paper ID. 86 Why do people continue to use gamification apps

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Abstract

There are numerous apps which have been installed on our mobile devices to proffer various services for our special needs. One type of apps, called gamification apps, is defined as an app which is developed for the application of game-design elements and game principles in non-game contexts. Gamification apps provide a strong game-like incentive to encourage users utilizing this kind of app for achieving some purposes specified by themselves or app providers. They require lots of cost to be developed by enterprises; however, users may be influenced by ads or their friends to install and use gamification apps for once and feel boring; they might discontinue to use them immediately or gradually. The result is upset for gamification providers because they are going to lose their costs and benefits. Hence, this study proposes an empirical study to explore that what reasons could make users continue to use gamification apps. If gamification providers can know how to keep users continuing usage, they can prevent to lose costs and benefits. The investigation involving 286 usable subjects to evaluate the model by using structural equation modeling. The result demonstrates that our proposed model explains 64.4% of the variance

Keywords: usage, Post-adoption study, Individual Level, Gamification app, Exercise

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Exploring Customers’ Motivation Towards Becoming A Member in Fitness Center: A Case Study of Celebrity Fitness Paris van Java

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Abstract

Motivation plays an important part in a fitness industry, motivation is what drives the customers to get a membership at the gym, there are various factors that drive those motivations. Satisfaction is also play a big role in the loyalty of the customers, the aim of this research is to find the relationship between motivations, satisfaction and loyalty in Celebrity Fitness Paris van Java. This research uses theoretical foundations from books and previous research to support the arguments of this research. This research will use exploratory research to find the factors that drive customers’ motivations and quantitative research to determine which variables have significant impact to the motivations and satisfaction of the customers. This research will link the motivation and satisfaction to the loyalty of the members of Celebrity Fitness Paris van Java. The survey will use a purposive sampling method that will be distributed to the members of Celebrity Fitness Paris van Java. The researcher will use multi-linear regression to analyse the results of the findings. The expected result of the finding is that there is a positive relationship between customers’ motivation and loyalty, also there is a positive relationship between customer’s satisfaction and loyalty and there are some variables that significantly influenced the motivations and satisfaction, a conclusion and suggestion will be provided according to the findings.

Keywords: Customers Motivations; Customer Satisfaction; Customer Loyalty; Fitness Industry

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Abstract

Many Fintech startups were established over the past few years in Indonesia. They saw the opportunity that SMEs needed them as platform to provide loans and fundings in order to run their businesses. However, in that sense, many Fintech companies were failed to satisfy its lenders because they could not gain enough borrowers to join the Fintech. As a result, they experienced increase in loan loss rate, as well as so called non-performing loans ratio. That was the one reason why many Fintech could not survive and were force to close their business. Well-performing credit risk management is one of the work that Fintech companies should do. Machine learnings have been utilized to enhance the credit risk management although they need to be improved following the development of the modern world. Some of the techniques such as AdaBoost-SVM and Genetic Algorithm will be discussed in this paper and the author will analyse the effectiveness of both techniques and discover the possibility of having them combined to generate the best outcome.

Keywords: Fintech; non-performing loans ratio; AdaBoost-SVM ; Genetic Algorithm ;credit risk assessment; machine learnings
Abstract

Digital economy emergence brings financial services to affiliate technology too. Financial services is predicted to be potential to integrate with blockchain technology. The purpose of this study is to explore the influencing factors towards blockchain adoption on financial service industry in Indonesia. This study mainly integrates the TOE (Technology-Organization-Environment) framework model to understand the issue on firm’s level as Blockchain as it is still on introduction stage in Indonesia and few instances is adopting this technology. The information for this study is collected with an exploratory qualitative research by conducting a semi-structured interviews to Financial Service industry players in Indonesia. This study aims to interview people with triangulation to ensure the data validity and reliability. The outcome for this study is that the proposed model of TOE frameworks is confirmed but in additional one factor to organizational context which is business model readiness and one factor from environmental context which is consumer readiness.

Keywords: Blockchain; adoption; TOE framework.
Abstract

The following are the advantages of Electronic Medical Records, the ability to quickly transfer patient data from one department to the next is a huge asset, reduced operational costs such as transcription services and overtime labor expenses, improved results management and patient care with a reduction in errors within medical practice, it is expected to be able to reduce the budget of the BPJS (The Indonesian National Health Insurance System). With the existence of the Personal Data Protection Act (PDP Law) which ensures patient data does not leak, the integrated system between all health services in Indonesia is very likely to be held.

Keywords: Electronic Medical Records The Indonesian National Health Insurance System, Costs
Abstract

Agriculture was one of an essential constituent for the growth of Indonesia economy. The methods of agriculture have been significantly shifted from traditional to innovative in rural areas due to the use of information technology. The technological innovations incorporated in the farming activities resulted in smart farming and having substantial in the agricultural production. The mechanism to use technology in farming activities strengthened both in rural and urban areas. The remotes, dashboards, QR code, Chip, any other technologies called as Internet of Things in agriculture resulted to improve the competence of the entire system of agriculture and enabled the farming activities to connect smartly with agricultural activities for developing an integrated agricultural networking system and management time than those that are time intensive. “Modernfarm.id” and Danone Indonesia ft Jejak.in are the farmers and the firms developed through smart farming will be capable of developing marketing strategies to sustain in the future. The development smart farming will have an immense potential to face challenges in the competitive marketing environment. An attempt has been made through this research paper to study the potential use of technology in smart farming and also to highlight the issues to leverage the technology in marketing smart farms.

Keywords: Agriculture, Information System, Farm Management, Market Penetration
Behavioural and Decision Making
Abstract

This research aims to see the factors influencing user’s continuous usage intention of mobile payment services among generation Z in Bandung City. Coming from UTAUT as research foundation. This research also adds literature on perceived risk and hedonic motivation. The research model has a sample of 123 correspondent using mobile payment services and considered as generation Z who lives in Bandung City. The result shows that performance expectancy, hedonic motivation, and social influence have significant positive impact on consumer’s continuous usage intention of mobile payment services among generation Z in Bandung City. Meanwhile, effort expectancy does not have a significant impact.

Keyword: Continuous Usage Intention; UTAUT; Perceived Risk; Hedonic Motivation; Mobile Payment Services
Validating the Youth Identity Questionnaire for Identifying Post Millennial Online Identity as the Future Talent

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Abstract

Post-millennial generation, a 72.8 million population, begins to enter the workforce and is considered entirely different in terms of how they socialize with others compared to the previous generations. This generation has been growing up in the era of technology and social media. They got an impact on identity formation because internet access provides them to communicate with people from diverse cultures, countries, societies, and religions. The aim of this study is to assess the validity of the questionnaire of youth social identity among students. There are six youth social identity, namely relational identity, occupational identity, political identity, ethnic/religious identity, stigmatized identity, and recognition identity. The research employed a quantitative method to gain data. There are 67 valid items possessing the standardized loading factor score greater than or equal to 0.50 and nine items possessing the standardized loading factor score of less than 0.50. The results of CR and VE scores indicate that every dimension of identity is reliable.

Keywords: youth identity; social media; post-millennial generation

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Abstract

Decision makers are accountable for the decision made, therefore, reliable decision making process is very essential. While logical analysis is still a common norm, the roles of intuition has been recently getting more attention in the management literature. Intuition is considered beneficial for making good decisions, particularly for those managers who sometimes are under the conditions of high uncertainties. This study investigates how and to what extent intuition involved in the process of decision making. The research presented in this paper is “a snapshot” of how intuition plays its role in the decision making process at an oil and gas company in Indonesia. In order to accomplish the aforementioned purpose, the author conducted a series of qualitative in-depth interviews with nine decision makers representing the executives, middle management and operational management. The study found that decision makers are, in fact, aware of the existences of intuition in certain cases of decision making. However, there is still hesitation to explore and formalize intuition as part of the decision making process due to some misconceptions about intuition.

Keywords: analysis; decision; maker; intuition; manager.
Abstract

This paper focuses on explaining and describing the element of beauty viral video created by social media influencers in Youtube along with behavioral decision taken by the audiences after watching it. Behavioral decisions assessed in this study are in form of viewing, liking, subscribing, and sharing suggested viral videos. Two types of sample videos were used: top 3 most viewed Youtube videos of 3 Indonesian mega-beauty influencers and top 3 most viewed Youtube videos of 3 Indonesian middle-user influencers. Research applied in this study was based on virality element framework coined by Tyler West. A video-watching experiment involving 30 samples of Youtube audiences within age 18 – 22 residing in Bandung was executed. Length-title, brevity, laughter, surprise, irony, famous people presence, music existence, youth, and talent are the foreseen elements of beauty viral video found in this study. Further, the proliferation of viewers, likers, subscribers, and those who share the viral video are expected actions taken by the Youtube audiences.

Keywords: beauty video, behavioral decision; social media influencer; viral video; virality; youtube video
Abstract

Fraud has complex and multidimensional aspects and it occurs not only because of individual factors, but also situational or contextual factors. As one type of fraud, Asset misappropriation shows a number of cases and high percentage loss but it has limited academic study. Based on Fraud Triangle and Social Learning Theory perspective, this study aims to analyze the influence of Peer influence, Opportunity, Rationalization, and Financial Pressure on Assets misappropriation tendency and to analyze the mediation effect of Peer Influence and Opportunity between Rationalization and Financial pressure on Asset misappropriation tendency. Primary Data was used using questionnaires with Purposive Sampling Method. Sample criterions are; (1) Indonesian government employees that worked in cities and regencies that got Non-WTP opinion from BPK RI; (2) worked in financial, equipment/logistics, general services field; and (3) has been worked more than 2 years. The data collected using direct surveys; post mail, and online surveys. A number of respondents used were 371 respondents. This study was analyzed using Structural Equation Model (SEM) with covariance-based AMOS. The result showed that Rationalization, Financial pressure, Peer influence, and Opportunity have a positive significant effect on Asset misappropriation tendency. Peer influence and Opportunity mediated the relationship between Rationalizations on Asset Misappropriation tendency; however, the opportunity did not mediate the relationship between Financial Pressure on Asset misappropriation tendency. The Study supports the Fraud Triangle and Social Learning Theory.

Keywords: Asset Misappropriation, Peer Influence, Social Learning Theory, Fraud Triangle JEL Classification Code, M14
International Business
Abstract

The contribution of SMEs to the national GDP is dominant, however the level of export from this business group is relatively small. Numerous factors related to internal and external factors contribute to the low SMEs participation in exporting their products to global markets. Firms undertake international activities gradually from the initiation stage to the growth stage. In the initiation stage, firms establish their intention to make internationalization. This study focuses on the initial stage because of the small number of SMEs that have made internationalization. Previous studies demonstrate that the innovation factor has a significant effect on the internationalization intention of SMEs, however the innovation is considered as a black box. The purpose of study is to uncover a black box of innovation by analyzing dimensions of innovation factor and to develop a model that explains the relationship between those dimensions and the internationalization intention. We posit that product and technological innovation as dimensions of innovation have positive influence on the internationalization intention, and technological innovation has a moderating role in the relationship of product innovation and internationalization intention. A field study by distributing questionnaires to SMEs was conducted and the collected data was used to analyze the model by Partial Leas Squares – Structural Equation Modeling (PLS-SEM). The results show that product and technological innovation have significant effect on the internationalization intention with coefficients of 0.256 and 0.573 respectively. We also find that technological innovation has a significant moderating role in the relationship of product innovation and internationalization intention.

Keywords: Innovation; Internationalization intention; Product and technological innovation; SMEs

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Innovation
Abstract

The rapid growth of start-ups in both developed and developing nations is observed due to an increase of entrepreneurship education in the curriculum of formal education institutions. In supporting a start-up’s growth in their initial stage, Corporate Accelerator (CA), as one of OI models, offers a more intensive way. In several cases, contrasting differences between start-up and big company is proven to be a challenge for arranging a partnership. CAs must maximize start-up’s incentives while creating significant profits for them (Kohler, 2016). Since the OI paradigm and how it was related to the industry and start-up partnership model is still rare, this paper tries to provide a conceptual model for an implementation of open innovation in a start-up and industry partnership, especially in Indonesian ICT industry.

Keywords: open innovation, corporate accelerator start-up and industry partnership

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Innovation is a critical key to sustainable tourism, as it plays a big part in shaping products and services to be provided in the tourism industry. It is apparent that the competition in sustainable tourism is high due to the discourse to bring positive externalities and the presence of the rent-seeking. This study aims to investigate the innovation process in sustainable tourism by employing the combination of a bibliometric method from 91 scientific publications on Web of Science (WoS) and a rigorous meta-analysis. A contemporary view of innovation economics is used to approach the analysis. Our research reveals that innovations in most scientific literatures are non-radical. Changing the business model is also essential for tourism firms to be more sustainable in the practices. There is a global trend to implement technological innovations in Information and Communication Technologies (ICTs) to pursue the sustainability concept in tourism. Also, our literature review reveals that tourism firms utilize resource-efficient technologies to help to resolve the issues of climate change. Some limitations in investigating the implementations of innovation in the sustainable tourism concept based on the aforementioned methods are also discussed. Finally, this study suggests theoretical contributions as well as methodological recommendations for future research.

**Keywords:** Sustainable, Tourism, Innovation, bibliometrics, meta-analysis
Sustainability and Business Ethics
The 4th International Conference on Management in Emerging Markets

Paper ID.61 The Sustainability of Delfi as Indonesian Chocolate Industry Leaders in The Disruption Era

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Abstract

Delfi Limited has more than 60 years of experience in serving the Southeast Asia chocolate market. The company is a network of Indonesian-Singaporean companies that listed in SGX since November 2004 with a market capitalization of 886.178 million SGD (655.31 million USD) as of 20 March 2019. Their product line consisted of B2B and B2C products from processed chocolate food, such as cocoa powder, cocoa liquor, cocoa butter, vegetable fats and fast-moving consumer goods (Delfi Ltd’s Annual Report 2017). Their leading popular brand like Delfi, Ceres, Silverqueen, Cha-Cha, Tulip, Goya, and Knick Knack have dominated Indonesia and the Philippines market. It established by Chuang’s family on the acquisition of NV Ceres in Garut, West Java, which is own by the Dutch entrepreneur, during the Japan invasion in Indonesia by Chuang with a huge discounted price in 1942. The transaction made the Chuang’s family, the third-largest chocolate manufacturer in the world, after Mars Group and Hershey (M. Ma’ruf, 2010). Today, 2019, its family business has already been 2\textsuperscript{nd} generation. They passionately in cacao industry, that the world know that cacao is challenging industry. Cacao known as its high volatility in price and low-profit margin of cacao ingredients into end products. On supply side, Indonesia is main supplier of raw materials for Delfi Limited also as world’s third largest in terms of cocoa bean production. However, based on data Central Bureau Statistics (BPS), since 2010 to 2016, from 575,000 tonnes to 350,000 tonnes. Despite of lack in supply as its decreasing over the year, chocolate has become a global commodity with such a high demand. According to World Finance, Although North America and Europe account for the lion’s share of chocolate consumption, at 71 percent of the global total, consumption in Asia and beyond is on the rise. In general, Indonesia’s cacao industry deal with lack of supply amid increasing demand from the downstream industry.

Keywords: Indonesian Chocolate, Delfi, cacao industry,

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Environmental Impacts of Changes to Indonesia’s Mining
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Abstract
Over the past ten to fifteen years, Indonesia has experienced an unprecedented coal mining boom, with coal production and exports growing 5-fold from 2000 to 2012. Despite uncontrolled growth, the coal sector makes up a mere 4\% of Indonesia’s GDP and prospects for future growth are even more limited. The coal boom has come at a cost to the national economy, to other economic sectors and livelihoods of Indonesians in the affected areas. As one of the world’s leading exporters of these minerals, any changes in mining policies & regulations by the government will likely have consequences on the local environment and might affect the global economy. Coal, as one of the famous product of mining extraction, contribute significantly to the country’s resources of power & electricity. Indonesia is a big fan of steam power plant, which comes from coal combustion process, as a solution to generate electricity all over the country. This type of powerplant are relatively cheaper to build, cheaper to operate & maintain, last quite long. In short, the steam power plant is that reliable it becomes the primary resources for the nation’s electricity. However, with all the significant benefit of the steam power plant, the negative impacts just as significant dearly. The coal combustion will produce heavy pollution to the air. As well as the waste of the powerplant can potentially damage the environment around. For now, the relationship between mining and powerplant are very much affecting one another. The Nation’s growing populations, will result in a growing demands of electricity infrastructure, resulting higher amount of coal extractions, making the mining activities to be on their peak, dig deeper, explore new areas, many players involve, competition tighter, company doing cost efficiency to face the competition, sadly one of the example is by neglecting the environment. The cycle goes on and on. We all know that it’s not just a walk in the park for the solutions. A lot of stakeholders are obviously involved from upstream all the way to the downstream. The challenge is up to us to consider, the extraction is fun and everything until we cannot extract anymore and what’s left is only spoils of the nature. Then, our grand kids will blame our generations for not preserving the mother nature.

Keywords: Mining sector, coal, power plant, environment issues

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Business Information System
Abstract

This paper covers digital transformation in general across all industries and in payment financial services industry in particular. Digital transformation had started since decade ago, many failed to identify which caused them lost or out of the business. The key drivers for digital transformation in payment financial services industries are new empowered millennial generations, significant adoption of mobile users, the rise of e-commerce, the new players including fintechs, and very large unbankable population for emerging countries like Indonesia. This paper will cover how banks and financial institutions reimagine their role as trusted broker in the new digital payment economy. The paper will include author’s own analysis and research based on publicly available materials, and in depth discussion with three key executives interviewers coming from different industries of digital payment: telco fintech, fintech payment startup, and very large bank. The paper will analyse these three different industries in the new digital payment economy transform their business to be able to compete and stay ahead the curve. digital payment transformation in payment financial services industry creates unique competition and coopetition (competition cooperation) among the players. The market is still very huge with untap potential of significant digital age and unbankable population in Indonesia. Fintechs disrupt small retail banks. Large banks do not compete with fintechs as both have very different business model. Fintechs will compete with other fintechs, large banks only competes with fintechs in small amount digital payment, while the larger amount digital payment still dominated by banks as the trusted source for financial services. Fintechs will continue to strengthen their engagements with their customers to secure more fundings and increase their market valuation. Large banks will continue to strengthen their core as payment instrument with trust as their core competencies. Cybersecurity will be key focus for banks to continue building their credibility for trust in the digital era. Last but not least, cultural transformation, championed from top level management to all level, is the most important underlying foundation for organization to be successful transforming in the digital era.

Keywords: digital transformation, financial services industry, payment, fintech,

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Abstract

The natural gas development in Indonesia has become a focus for the Government since it is the motor for economic development and to support Indonesia’s energy mix. The Government supervises the natural gas infrastructure development in order to manage the natural gas infrastructure development to be efficient. However, such supervision causes certain delay project of the natural gas infrastructure. Until today, the Government still re-works to improve the most efficient supervision of natural gas infrastructure development, so that it could be developed rapidly. This research is using the method of qualitative analysis based on literature, paper study, and interview with related experiences person. Theoretically, simplifying the permits in order to supervise the business is necessary since it is more efficient for the Natural Gas Business Company but not losing the authority for the Government to control and supervise the natural gas infrastructure development. Having analysis the problems, the best solution to improve current natural gas infrastructure development in Indonesia is by doing the simplification or specifically, making standardization and integrated system between Ministry of Energy and Mineral Resources and Downstream Regulatory Body. By making such standardization and the integrated system it is expected a simpler supervision

Keywords: Development; Infrastructure; Licenses; Regulation; Supervision

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Human Capital Management
Abstract

The study examined the relationship between empowering leadership and career success with job crafting as mediating variable. This research spread the questionnaire surveying a sample of 250 full-time employees from a set of hospitality organization. Result from partial least square that empowering leadership was positively associated with both objective and subjective indicators of career success. Job crafting resulted in higher levels of career success. Together, the findings highlight the role of empowering leadership and job crafting to facilitate career success employees, consistent using both self-report and significant other ratings of empowering leadership.

Keywords: empowering leadership; job crafting; subjective career success; objective career success
Advertising, Sales and Branding
Marketing Goes Undercover; An Experimental Study on Undercover vs. Disclose Marketing in Social Media, The Moderating Role of Advertising Source

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Abstract

This study aims to identify the effect of stealth (undercover) marketing by using a 2 (stealth marketing vs disclose marketing) x 2 (celebrity vs non-celebrity endorser) experimental research design. The results concluded that stealth marketing and advertisement that is posted by non-celebrity are less likely to activate conceptual persuasion knowledge (the recognition of content as advertising). In contrast, Disclose marketing and an ad that is posted by celebrity has a stronger effect in activating conceptual persuasion knowledge and thus leads to the use of attitudinal persuasion knowledge (distrusting belief and skeptist attitude toward the content). Furthermore, an ad that was posted by celebrity are also more likely to decreased consumers’ engagement compared to non-celebrity

Keywords: Undercover marketing; Sponsorship disclosure; Persuasion knowledge; Consumers’ engagement; Social media; Advertisement

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The Power of Nostalgia Marketing to Indonesian Millennials Customers

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Abstract

Worldwide market is seen to be following the marketing trend that inserted nostalgia to brand and selling purposes. Especially targeted to millennials, due to the fact that nostalgic feeling elicited because of digital era confusion felt by the generation. However, there's not much literature provided to Indonesian millennials customers, specifically. Therefore, it is important to explore the rightful elements to Indonesian millennials specifically, and analyse the impact of nostalgic marketing right away. The author will collect the data directly from customers with exploratory questionnaire and experimental questionnaire. Using SPSS with correlation analysis and independent-sample t-test, the result is expected to clarify Indonesian millennials relationship with nostalgia, and show a positive impact of using nostalgic cues on video advertisement as part of marketing strategy to the perception of the respondents. Eventually, this research can be used as a reference to marketing strategist on how to implement nostalgia marketing that fits the perception of Indonesian millennials as customers and can be a model to be implemented contextually.

Keywords: Nostalgia; Nostalgia Marketing; Advertising; Customer Perception; Brand Attitude; Purchase Intention; Millennials
Abstract

Fashion and accessories industry is a very competitive business. Not just having to compete with other local business, but also with so many international brands, with big or even small names. For a business to be able competing with each other and stand out from the competition, the company needs to formulate its brand positioning strategy. Brand positioning can help a business to dominate the market and ensuring that the business gives a clear message to its market. The objective of this research is to know the perception of people about a certain brands of watches and using the knowledge to help build Tribute Watch marketing strategy. Data collected through questionnaire will be analyzed using Multidimensional Scaling (MDS) to map the perception towards Tribute Watch and its competitor’s brands.

Keywords: Brand Positioning, Multidimensional Scaling, Brand Positioning Strategy, Watches, Fashion and Accessories
Abstract

Spokesperson called beauty guru on YouTube are becoming aspirational figures that have strong influence in the minds of the consumers. As the Muslim market growth significantly, the usage of Islamic symbol to sell a product has become a thing that is very considered by the brand in order to win the very large Muslims market. This paper is aimed to determine the impact of Islamic symbol, specifically hijab appeared on beauty gurus on YouTube towards purchase intention by Indonesian Muslims women. In order to evaluate the quality factors carried by hijab beauty guru, the dimensions of attractiveness and trustworthiness of the Source Credibility Model are estimated into the overall attitude of consumers to specify the impact on purchase intentions. The author has collected primary data through experimental study and secondary data sources. The results will further be processed after respondent number reached at least 150. The result expected to show that Islamic symbol; hijab appeared on beauty guru will significantly affect purchase intention. In the end, this research will encourage skin care brands to be aware and concern to the importance of Islamic symbol and imply the appearance as a new marketing strategy to win the huge Muslim market.

Keywords: Beauty Guru; Hijab; Attractiveness; Trustworthiness; Consumer Attitude; Purchase Intention
Measuring SMM Effectiveness and Comparing Customer Engagement on Facebook and Instagram: The Case Study of Ngopi UK in Birmingham

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Abstract

Social media has become a very important part in our daily life and ever since internet gets more and more easily accessible, it indirectly also expands the benefits of social media, which includes the offering of new marketing tools for businesses. As a newly established business, Ngopi UK, which is the first Indonesia coffee shop to be built in the UK, aims to implement a marketing strategy that can make them gain a large amount of profit with as minimum effort as possible. They determine to know the performances of their current social media, which are Facebook and Instagram, whether or not they have been effective in raising brand awareness and which one of them is more effective in engaging customers. We collected two types of data directly from Ngopi UK consisting of sales report and social media metrics. The result is expected to measure the overall performances of Ngopi UK’s social media so far, in terms of brand awareness and customer engagement. Eventually, this research can help the future planning of social media marketing strategy, whether it is for Ngopi UK themselves or for any other business looking forward to follow Ngopi UK’s current path.

Keywords: Brand Awareness Effectiveness; Customer Engagement; Facebook; Instagram; Ngopi UK
Abstract

Crowdfunding is a platform to create campaign and the others financing together to meet the goals as intermediaries between funders and creators utilize social media to engage the funders. To get attention from people, crowdfunding content have to be creative and persuasive. Storytelling description makes people more engage and increase donation. Therefore, it is important to analyses customer engagement as mediator between storytelling and achievement of donation. In this study, the researcher will collect the data from the Facebook of Kitabisa from June 2016 and ends in March 2019 with category and has to be completed. This study uses mediation analysis approach to see the direct and indirect effect of customer engagement to the storytelling and achievement of donation. This research shows direct effect happens that the storytelling positively influence to customer engagement ($b = 804.45, p < .00$) and achievement of donation ($b = 32.6781, p < .001$) but the higher the customer engage does not mean the campaign will achieve the donation ($b = 32.6781, p < .001$) in directly and the storytelling description that have higher customer engagement does not indicates the achievement of donation indirectly. Thus, the customer engagement is not mediating.

Keywords: crowdfunding; storytelling description; achievement of donation; customer engagement; facebook
Abstract

The increase in services must be handled, the high cost of services has the potential to shake off economic growth, according to an economic theory called Baumol's disease. Therefore, services have to become more efficient and productive. Handling service business that mostly intangible are dissimilar from product-based business. In service word of mouth (WOM) is important. This research would investigate the interaction and direct effects of tie strength which is an interpersonal force between sender and receiver of WOM and the receiver’s service purchase decision involvement which is an intrapersonal force on WOM influence. A secondary aim is to investigate how a distinctive conceptualization of perceived risk affects service purchase decision involvement. A conceptual model incorporating these constructs and associated hypotheses is developed and tested. This research is quantitative research conducted to explore the objective of the study. Researcher conduct a questionnaire to collect data. The purposeful sampling conducted on this research. PLS-SEM Analysis is used in this research for the data analysis. The expected result from this research is to demonstrate a strong interaction effect between service purchase decision involvement and tie strength. Also, results highlight the complexity of the perceived risk construct, suggesting that it is appropriately modeled.

Keywords: Service; WOM; Purchase Decision; Influence; Perceived Risk; Involvement; Tie Strength
Abstract

Indonesia has a lot of potential of natural and cultural tourism to be developed. A successful tourism activity can generate magnificent external exchanges, job creation and many opportunities for local communities. Ecotourism has a potential to improve the quality of the environment, cultural values, local community prosperity and quality of human relation in general. Ecotourism also stimulate entrepreneurship and growth of micro, small and medium-sized enterprises, include start up, which are an important driver of innovation and job creation. Ewisata as start-up was formed to develop the opportunity in ecotourism and to promote ecotourism destination in Indonesia. Ewisata has a challenge on the business and marketing strategy of promoting ecotourism destination. The analysis of this research is use external and internal analysis using Value Chain, Porter Five Forces, PESTEL and SWOT analysis. The business solution propose is implementing Innovator’s method strategy, marketing 4.0 and 12 C of New Wave marketing. And propose new Business Canvas. Ewisata should do intervention to cross the customer path to create attraction, trigger curiosity, secure commitment and build affinity. The Propose business solution will support company to be one of Ecotourism leader in Indonesia. In the era of digitalization, combination of human to human and online marketing is the way to promote ecotourism

Keywords: Ecotourism, Innovator’s method, New Wave Marketing, Business Model Canvas
The paper examines the relation between tangible dimension (direct evidence) or facilities to customer satisfaction and how the practice of digitalized facilities could increase customer experience during air travel in Indonesia. Relating tangible dimension with customer touchpoints adopted from (Glab, 1998), (Sykes and Desai, 2009), (Mattig and Hausweiler, 2017), (Barich et al., 2016) resulted to factors that create air travel experience, such as: booking process, check-in process including boarding pass and baggage handler, immigration, airport transportation, airport connectivity such as wi-fi and in-flight entertainment. Opinions from 180 passengers were gathered and analyzed with quantitative approach such as one-way Anova and Spearman’s rank correlation. The findings show that regardless the frequency of flights taken in the past year, passengers are mostly dissatisfied with the wi-fi in Indonesian airport and Indonesian airlines in-flight entertainment. Moreover, the practice of digitalized facilities of passenger’s touchpoints has a positive significant impact toward passengers’ experience. The paper also offers some suggestions that the practice of digitalization should be implemented effectively in the facilities or touchpoints examined.

**Keywords**: Customer experience; Customer satisfaction; Passenger touchpoints; Digitalization; Airports and airlines facilities; Implementation

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Marketing Consumer and Behaviour Study
Abstract

**Background:** Over the past few years, collaborative consumption became a new trend in a business world (Botsman & Rogers, 2010). The trust issues has become a problem where people let everyone has the access of their goods to stranger, and according to Bostman (2012) collaborative consumption need to conquer the trust issues through the review on the platform to maintain the trust. One of the key resources for customer consideration to make a decision is information from online review (Ahmed, 2013). Thus, this research will try to find out the impact of trust to the customer purchase decision through the usefulness of online sharing review.

**Methods:** As collaborative consumption, Airbnb was chosen as the subject of this research. The data from this research will be gained by distributing an online questionnaire to its user in Java Island. The questionnaire will involve 400 respondents and the data will be analysed using quantitative method by partial least square – structural equation modelling.

**Expected Outcome:** This research expected to show the positive correlation from trust to purchase decision with usefulness of online sharing review as intermediaries and will compare the result with the direct effects. Where the current ongoing research shows that the indirect effects from trust to purchase decision through online sharing review has higher correlation value compared with the direct effects.

**Keywords:** Collaborative consumption; Online Sharing Review; Trust; Purchase Decision
Consumer Behaviour
Abstract

During the last decades, the authors recognized intention was the critical factor to encourage people in accepting and using a technology. However, using mobile application to consume an online product or service is limited. In this paper, drawing on data from 1383 online transportation customers in Indonesia, the researcher conceptualize TAM as a multidimensional construct consisting of usefulness, ease of use and social influence, and perceived risk consisting of physical risk and psychological risk, and examine its impact on intention and behavior using mobile application. Using partial least square-structural equation modeling (PLS-SEM), the researchers find that the there are significant relationships between TAM, physical risk, intention and behavior using mobile application. Unfortunately, this study does not find the relationship between psychological risk and intention. This study also finds that the influence of intention on behavior using mobile application is dependent on TAM and physical risk rather than psychological risk, sex, age, income, experience and habits

Keywords: Technology acceptance model (TAM); social influence; perceived risk; mobile application.
Paper ID. 143 Analyzing the Impact of Fashion Influencer to Customer Impulse Buying Behavior

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Abstract

This research aims to analyze and identify the impact of fashion influencer on Instagram to customer impulsive buying behavior and related to the fashion style adopted by the online consumer using a diffusion of innovation theory. This research belongs to qualitative research with a semi-structured and in-depth interview. The sample of this research is the customer or someone who is using Instagram and follows for the fashion industry with the early adults age in the range of 18 to 22 years old in Indonesian urban area, Bandung and Jakarta. This study is expected to reach the objective of this research; first, to know and understand the factors of fashion influencer that affects the impulse buying on online customer and second, to analyze the factors that influence the adoption of online impulsive buying by drawing ideas from the theory of diffusion innovation.

\textbf{Keywords}: fashion influencer; impulsive buying behavior; online shopping; diffusion of innovation

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Abstract

Nowadays, women considered beauty as an important issue. Women try their best to enhance their appearance. Therefore, cosmetics has been a top priority for most of women, especially in Indonesia. This lead to increase the number of demand, that caused cosmetics industry as a growing sector in Indonesia. With this increase, arise various kinds of local brand new comer that will result in a very tight competition. Moreover, this competition between local brands is aggravated by the preliminary research’s result that indicate a problem of many customers easy to switch between the local brands and they all stated that they chose only with the brand they were familiar with. Therefore, this research aims to analyze and have a better understanding on which brand loyalty factors influence the intention to buy the local cosmetics brand. This research explained the overview characteristics of the local cosmetics brand market. This data is gathered from 107 women users of local cosmetics brand in Jakarta and Bandung, using quantitative method and analyzed by multiple regression analysis. This research is still on data gathering process, but with the current result of 107 sample, researcher finds that two factors of brand loyalty factors influence the purchase intention of local cosmetics brand consumers with product quality as the most accounted variable followed by the features and design.

Keywords: local cosmetics brand, brand loyalty, purchase intention
Abstract

Food waste is a worldwide problem due to its effects on carbon emission, water pollution, and arable lands. Plate waste or leftovers contributes more than a quarter of the amount of food waste. This study analyzes individual leftover by consideration of personal background (socio-demographic), social interaction (based on Theory of Planned Behavior) and environmental concern. A structural equation model is derived and empirically tested for a sample of 681 respondent. The empirical results indicated that the attitude and perceived behavioral control was significantly and positively related to the reducing leftover intention. While the relationship between subjective norm, education level, and income level to reducing leftover intention was significantly negative. Additionally, attitude, subjective norm and perceived behavioral control towards reducing leftover intention partially mediated the effects of consumers’ environmental concern on the intention.

Keywords: Food Waste; Leftovers; Environmental Concern; Theory of Planned Behavior
Abstract

The economy growth especially in the food and beverage industry had triggered the emergence of new business in this sector especially some various type of home-made and ready-to-drink products, produced by the small and medium enterprises. This study identified factors that influence the purchase intention towards the products as well as the identification of customer segmentation and characteristic. Participants completed a set of semi-structured interview and a Theory of Planned Behavior-based questionnaire. Almost all of the participants (88.83%) buy this kind of product at least once in a week and statistically demonstrated the factors of attitude (product appearance and packaging practicallity) significantly affecting purchase intention as well as perceived behavioral control (functional or health benefit) also become the antecedent factor. Other variables such as age and occupation influenced the purchase frequency, while income only affect personal habit such as social media use. In this paper, a segmentation framework was proposed using K-means clustering and the result demonstrated four groups with cluster two profiled as private company employee, appeared as a potential market with its own preference on purchase intention towards a home-made and ready-to-drink product.

Keywords: consumer behavior; purchase intention; customer segmentation
The 4th International Conference on Management in Emerging Markets

Paper ID. 230 Impact of Knowledge Sharing to Value Co-Creation in Social Media

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Abstract

This study is aimed to find the impact of knowledge sharing to value co-creation including customer learning value, social integrative value, and hedonic value. The study focused on college students aged 18 to 24 years old domiciled in Bandung city. A quantitative approach is used by collecting primary data from questionnaire. Exploratory research was conducted as the basis for the questionnaire along with theoretical frameworks. The independent variable is knowledge sharing behavior and the dependent variable is co-creation behavior including customer learning value, social integrative value, and hedonic value. A Structural Equation Modeling (SEM) is used as a statistical tool for analyzing the impact of independent variable to dependent variable. This research found that knowledge sharing behavior among college students have positive impact to co-creation behavior and enhance value co-creation, including customer learning value, social integrative value and hedonic value.

Keywords: Knowledge Sharing; Value Co-Creation; Social Media

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Paper ID. 168 Identifying men’s Purchase Behavior Towards Male Grooming Products Through Attitude Determinants, Theory of Planned Behavior (TPB), Past Experiences and Consumer Innovativeness

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Abstract

Indonesian male grooming products is growing among Indonesian personal grooming product markets. Considering the potential threat of tight competition, male grooming marketers must comprehensively understand how to design, formulate and implement appealing marketing strategies in the aspect of advertising and promotion. The only way to have sufficient capability for developing appropriate product and appealing marketing strategies is to have a deep understanding on male purchase behavior towards male grooming products. This research tries to identify the relationship between brand personality, brand credibility, price consciousness, personal values with attitude, and to examine the relationship between attitude, subjective norm, consumer innovativeness, perceived behavioral control and past experiences with purchase intention to cause purchase behavior among customers of male grooming products. This research use depth-interview with 15 respondents and online survey with 380s respondents. The method that is used is combining both qualitative through depth interview coding and quantitative through smart Partial Least Square (PLS) test. The result of preliminary research found that there is a significant relationship between the model of attitudes determinant, purchase intention using attitudes, subjective norm, perceived behavioral control, consumer innovativeness, and past purchase as the intervening variable, then finally purchase intention and purchase behavior.

Keywords: male grooming, attitudes, subjective norm, consumer innovativeness, perceived behavioral control, past experiences, purchase intention, purchase behavior

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How Consumer Behavior Affecting Online Shopping Intentions

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Abstract

Boasting a population of more than 250 million people, the 4\textsuperscript{th} largest in the world and increasing in large middle class as well as youthful population, Indonesia remains a market of a immense potential for retail sectors. Indonesian government, also doing revitalise country traditional markets and make up the traditional retail sectors while also seeking to create a supportive environment for the country growing e-commerce industry. In addition into this situation traditional retail companies in Indonesia need to change their business as usual mindset to overcome fierce competition from online shops or e-commerce. This papers examines the effects of product purchase volume, usefulness of online shopping, importance of e-tailing platforms, product innovativeness, gender, secureness, advertising analytics and income on consumer intention to shop for fashion product online. Using ordinary least square model the results was product purchase volume, usefulness of online shopping, importance of e-tailing platforms, product innovativeness and income are significantly affected on consumer intention to shop for fashion product online. This result can be used for traditional retail business to construct new business model to overcome the challenge in the future.

Keywords: Consumer Behavior, E-commerce, Online Shopping, Fashion Industry, Ordinary Least Square

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I See It, I Buy It, I Regret It: A Study of Online Post-purchase Regret Phenomena of Fashion Products

Valda Izah

Abstract

This study seeks to dig deeper into types of post-purchase regret that occurs in the context of fashion products online purchases and the factors that affect it. Further, this study aims to identify and understand the behavioral consequences following the regret. Qualitative approach of Constructivist Grounded Theory was used throughout the whole study. Open ended interview with a total of 19 purposive samples and 3 theoretical samples of early adults residing in urban areas of Indonesia (Bandung, Jakarta, and Cirebon) were conducted. Through the analysis of initial coding, focused coding, and categorizing, the finding indicates that there are two kinds of regret experiences namely Regretting the outcome and Regretting the process, with each one emerging from causal factors. This study also concludes that there are five behavioral consequences following the post-purchase regret; Anticipating regret on future purchases, Complaining, Spreading negative word of mouth, Switching to another brand, and Getting back to offline shopping.

Keywords: post-purchase regret; behavioral consequences; fashion products; online shopping

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Entrepreneurship
Proposed New Marketing Strategy For Fashion Bag Company
(A Case Study: Maika Etnik Brand)

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Abstract

Maika Etnik is a brand of fashion bag company located in Cimahi which was founded in 2006. The concept offered in this bag is the uniqueness and strong characteristics of the motifs offered and adapting to the trends in the market related to the ethnic bag. But in terms of sales, Maika Etnik experienced several problems. These problems are analyzed in this study with the aim of finding the root cause of the problems that become obstacles in the business. To overcome the problems that exist in this research, several analyzes are used, STP analysis, 7P marketing mix, SWOT and TOWS analysis, consumer analysis and competitor analysis. Maika Etnik has a problem in the low number of sales caused by several factors related to the 7P aspect of the marketing mix, some of which are the absence of scheduling of marketing activities, unorganized marketing activities, lack of innovation and attractive promotions, late in delivery of goods, having no website and offline store that has not been well organized. To be able to increase the number of sales again, then Maika Etnik needs to fix the use of marketing strategy. Improvement related to the 7P aspect of the marketing mix is an important thing, so that improvements can be made optimally by re-analyzing about the intended STP and the desires of the consumers by distributing questionnaire to 40 respondents. So the solution that can be offered is by creating a new website, using ads on instagram and facebook, and consigning to offline stores in Cimahi and its surroundings. Therefore, the design of the new marketing strategy needed to fix all the variables that can affect sales in this case is the 7P marketing mix. To be able to achieve short and long-term goals to enter a global market, an implementation plan is designed consisting of the implementation schedule, budgeting, and Key Performance Indicator (KPI).

Keywords: Fashion bags; Sales; Marketing Mix; STP; SWOT

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Proposed marketing strategy for fashion socks company to enter the global market through internet (a case study: your socks brand)

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Abstract

Your Socks brand is a wholesale socks company which focused on women's and men's socks that established since 2013 in Bandung. The brand concept is to fulfill all the needs and desires of customer and pack them in a dozen with many variations in patterns and colors. The reason why Your Socks chose socks as a product, because everyone uses socks in their daily lives, and socks are also a trend of fashion not only in Indonesia but also in the world. Besides that, socks are fast consumer goods that make people easily to buy socks. It makes Your Socks want to expand market overseas. Currently, the purpose of this research is to find solutions how to enter the global market through internet, then to find the best strategy to be applied in the following years. This research was conducted with quantitative descriptive methods and applied several concepts such as, STP (Segmenting, Targeting and Positioning), 4P Mix Marketing, Root-Cause Analysis, House of Quality and TOWS Matrix Analysis. To analyze the level of external competitors used the Porter's 5 Forces study. After further analysis, business problems faced by companies are various causes such as non-specific target markets in global markets, lack of knowledge about global markets, poor international promotion and low distribution channels. Developing a new marketing strategy is important for dealing with company problems. Using data collection from market research and improving production and promotion performance in global markets can increase brand awareness, increase sales, and more easily enter the global market. The new marketing strategy developed by the company is add value of product, new pricing by doing business intelligence before to find out competitor prices, developing new packaging, utilizing paid promotions on social media, and collaborating with international brands or programs. After finding a marketing strategy to enter international market, the business implementation was carried out with a focus on adding product value, improving packaging, conducting intelligence business, increasing production activities, conducting promotional activities such as brand collaboration, charity collaboration and developing new distribution channels in London, United Kingdom so that Your Socks products can be accepted and then succeed in the global market.

Keywords: Socks; Global Market; Marketing Mix; Internet; STP

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Business Strategy Development of PT Ihsan Solusi Informatika (ISI) in IT Industry as an Intermediary in Payment Services

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Abstract

PT Ihsan Solusi Informatika is a company in the IT industry, was established in 2001, that provides information technology solutions in the form of software and hardware development and services, as well as consulting services aimed at financial institutions both banks and non-banks. IT industry in Indonesia still showing a good opportunity for development, but it also attracts more attention for new companies to engage in. The company decided to diversify its business by becoming an intermediary in payment services so it has more value compared to other competitors. The purpose of this research is to find out the steps that need to be done by PT Ihsan Solusi Informatika to run a new business process. It is necessary to do the external and internal analysis. After that, determine the appropriate strategy for PT Ihsan Solusi Informatika by using Porter’s Generic Strategies and Diamond Framework Strategy. PT Ihsan Solusi Informatika already has a good basis in facing competition in the IT industry. In order to become an intermediary in payment services, the company should define business forms and cooperation, look for potential suppliers and clients, and continuously improve the quality of services provided by the company.

Keywords: business strategy development; services; IT industry

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Connecting the Dots – Applying Effectuation and the Lean Startup Methodology

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Abstract

For many researchers in business and management the intensifying digitalization calls for more entrepreneurial thinking and venturing in an uncertain and fast changing environment. This applies not only to startups but also to established companies. In both cases, entrepreneurial thinking and behaviour helps to develop future business opportunities and to benefit from them in relation to new products or process and business model innovation. Entrepreneurial teachings such as effectuation and the lean startup methodology have significantly improved the tool kit to assist entrepreneurs in recent years. This paper seeks to combine these two research streams in order to examine how additional insights can be gained in practice for an e-healthcare system. Specifically, this work focuses on ageing societies as a megatrend where rising costs are met by limited resources in most countries. Developing digitalized diagnostics solutions – with the help of entrepreneurial effectuation and the lean startup methodology – will enable cost-efficient home-care solutions for a growing number of elderly people.

Keywords: Entrepreneurial venturing; effectuation; lean startup; innovation; stakeholders; e-healthcare system

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A niche but growing research interest seeks to explain the effect of a country’s religious composition on its economic activity. As an extension of that, this study focuses on the relationship between Muslims and the prevalence of entrepreneurship across nations. Although Islam recognizes business earnings a main source of income, little is known in practice the extent to which Muslims venture into entrepreneurship. Integrating with institutional theory, we also consider formal and informal institutional variables as contingency factors in this milieu. Hypotheses are tested using multiple sources of data from 88 countries aggregated between year 2012 and 2014. The findings show that smaller Muslim populations and a supportive entrepreneurial culture are associated with higher rates of entrepreneurship. Furthermore, Muslims entrepreneurship is found to be driven by necessity, not opportunity. This research sheds light on the discrepancy between Islamic teachings and actual practices by Muslims in relation to doing business.

Keywords: Islam; Muslim; religion; entrepreneurship; institutional theory
A Correlational Study Between Entrepreneurs Motivation and Self-Perceived Competence

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Abstract

Entrepreneurship is a revolutionary topic. Entrepreneur is significantly giving positive impact to the country. Small and Medium Enterprises (SMEs) or called Usaha Mikro, Kecil dan Menengah (UMKM) in Indonesia is 99.99% of all businesses in Indonesia with 56.54 million business (Lembaga Pengembangan Perbankan Indonesia; Bank Indonesia, 2016). There is a Model introduced by Lewis in 1954 and Gries-Naudé in 2010 explained: The transformation from a low-income, traditional economy to a modern economy involves significant changes to production methods, a process of change where entrepreneurs provide essential roles. Entrepreneurs give benefits absolutely with drawbacks, but balanced approach in developing entrepreneurs will give positive impacts on economy and society (Dhaliwal, 2016). Government of Indonesia already gave support, in such form of policies, environment and infrastructure that support entrepreneurship (2008) (Mirzanti, Simatupang, & Larso, 2015). SBM ITB support the growth of entrepreneurs in Indonesia with high dedication on developing entrepreneurs with vision of highly-valued-innovation, SBM ITB is supporting the growth of entrepreneurs in Indonesia through education by establishing bachelor of entrepreneurship program in 2013 (Ashrawi, 2013). Preliminary study conducted by researcher has shown that in School of Business and Management Institut Teknologi Bandung (SBM ITB), there are a lot of entrepreneurs are not having a good business performance. One of the reasons why they are not performing greatly is, according to them, about their need fulfilment rather than the presence of educations and opportunities that are created by institutions and entities. The data collected would be analysed using Pearson correlation using SPSS. However, the research is still on going, in this paper author will not provide the result, but the result will be provided in the final version of this paper. This research will give positive impact for entrepreneurship development in Indonesia, especially SBM ITB.

Keywords: entrepreneurship; hierarchy of needs; performance; correlation.
Marketing and Consumer Studies
Factors Affecting Consumer Purchase Behavior towards Men Skincare Products in Indonesia

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Abstract

Skincare products has been conventionally seen as a women business. As the economy, society, and purchasing power increased, it causes a higher standard of living. The new standard of living causes a shifting behavior on men, who start to have a concern on their health and appearance. As a result, men skincare market in Indonesia is blooming lately. The shifting behavior of men causes dilemma for skincare marketer on how sell the men skincare products. This research intends to find out Indonesian men skincare consumption habits, factors affecting men purchase decision towards men skincare products, and recommendations that can be done by skincare marketers in selling the skincare products. Researcher explores factors (health concern, self-image, aging concern, physical attractiveness, and product attributes) which are adopted from related journals. This research will use PLS-SEM to analyze the relationship between the factors, attitude of using skincare, subjective norms, purchase intention, and purchase behavior. In addition, semi structured interview is conducted to gain more insights. The result indicates that aging concern, self-image, and health concern are affecting men purchase behavior towards men skincare products in Indonesia. The finding of this research is expected to enhance the skincare marketers’ knowledge about Indonesian men and can maximize the selling of men skincare products in Indonesia.

Keyword: Attitude of Using Skincare; Men Skincare Products; Purchase Behavior; Purchase Intention
Abstract

National Payment Gateway (NPG) is a system created by the government to actualize interconnection between switching and interoperability of national payment system. NPG are expected to provide convenience for Indonesian society to conduct interbank transactions. This research analyses the system, the adoption, and the challenge and future of NPG card. The analysis of NPG system shows there are similarities and differences system of NPG in several banks. For the adoption of NPG, the author uses modified Technology Acceptance Model (TAM) with four dimensions of Cashless Characteristics (Reachability, Compatibility, and Convenience), Individual Differences (NPG Knowledge and Innovativeness), Adoption Readiness (Perceived Usefulness, Perceived Ease of Use, Social Influence, and Facilitating Conditions), and Perceived Credibility Risk (Privacy Risk and Security Risk). The result calculated by PLS-SEM indicates that Compatibility and Convenience has a significant influence to Perceived Usefulness and Perceived Ease of Use, and NPG knowledge also has a significant influence to Perceived Usefulness. While, in the adoption readiness dimension, only Facilitating Conditions that is proven has a significant effect to Intention to Use and the result shows people did not really concern about the Privacy and Security Risk of NPG card because both variables Privacy Risk and Security Risk in the Perceived Credibility Risk dimension has not significant influence to the Intention to Use of NPG card. Furthermore, the challenges and future of NPG is to overcome the disadvantages and to create the easier, faster, and safer system for society.

Keywords: National Payment Gateway; Cashless Payment; Debit Card; Technological Acceptance Model

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Correlation Between Product Packaging to Purchase Intention from Neuromarketing Perspective

Case study: Social Enterprise in Cireundeu

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Abstract

During the past decade, social entrepreneurship has become emerging topics. The main purpose of social entrepreneurship is solving social problem through business approach. One of the critical aspects in keeping sustainability of social enterprises is effective marketing. The previous study find that product packaging design has a positive impact on effectiveness of marketing (such as awareness, purchase intention, brand recall, etc.). This conceptual paper explores the correlation between product packaging design and customer purchase intention with neuromarketing approach. The uniqueness of this research is the use of neuromarketing principles in designing product packaging. It is considered that the use of neuromarketing approach can reduce the bias that arises in traditional research studies, resulting in a potential increase in effectiveness and efficiency. This paper will discuss the elements contained in product packaging and how the application of the principles of neuromarketing to these elements. The result of this paper will propose a model for future research.

Keywords: design; product packaging; neuromarketing; purchase intention; social enterprise

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Demographic and Benefit Segmentation Analysis of Sharia Tourism in Lombok Island Area

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Abstract

This research aimed to determine the consumer market segmentation of sharia tourism in the tourist area of Lombok Island, Indonesia. This was a descriptive study with a population of Muslim tourists who visited this destination. The sampling was conducted by survey with non probability sampling technique using convenience and accidental approach. This study involved 300 respondents as the sample. The data analysis used descriptive statistics, chi square test and cluster analysis. The findings showed that there was no significant difference in terms of demographic segmentation of market for gender and the number of people in a group tour, but in terms of segmentation based on age, education level, occupation, average expenses, there were significant differences. Benefit Segmentation analysis showed that tourists visit a tourism site for the purpose of relaxing; relieving stress; enjoying the uniqueness and beauty of nature; selecting a place that has availability of comfortable worship facility, guarantees that the food is halal, and provides infrastructure and accommodation that comply with Islam.

Keywords: Demographic, Benefit Segmentation, Sharia Tourism, Cluster.
Abstract

Technology is now developing so fast, now the world has entered the industrial era 4.0. This era created a fast digitalisation rhythm, like in e-commerce technology. E-commerce is an option to transact business virtually. The use of social media became one of the e-commerce channels that were also in demand by sellers and buyers. The existence of e-commerce makes significant and massive changes to traditional business systems, where traditional business transactions occur in the presence of face-to-face. Therefore, this study will discuss e-commerce models in era 4.0, which are in Indonesia. The purpose of this study is to describe e-commerce activities in Indonesia and how SMEs conduct e-commerce activities. This research focuses on qualitative exploratory data by analyzing e-commerce parts in Indonesia.

Keywords: e-commerce, ecommerce 4.0, SME
Factors Influencing Generation Z’s Customer Loyalty in Foreign Fast Food Restaurant in Bandung

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Abstract

In the recent years, the competition in fast food industry has become more competitive and intense. This in result, drives fast food brand to gain competitive advantage. One of the main concern is customer loyalty, specifically the customer loyalty of younger generation which is a big portion for fast food brand customer segment. It become even more significant as the Generation Z put less commitment on fast food brand. As several studies implied that in an intense business competition, it is necessary to create and maintain customer loyalty. This research aims to research to understand the factors affecting customer satisfaction of Generation Z customers in fast food restaurant and to identify the factors influencing customer loyalty among Generation Z customers in selecting fast food restaurant. The author has analyzed the relationship between related variables which adapted from previous research such as Service Quality, Food Quality, Price, Promotion, Customer Satisfaction, Acculturation on Global Consumer Culture, and Customer Loyalty. The required data were collected with a survey through an online questionnaire spread to Generation Z fast food customer through social media. SmartPLS-SEM is utilized for the analysis purpose of this research, due to the research objective to find out whether or not there is a relationship among the variables. The result of this research is mean to extend the knowledge of fast food brand marketer reagarding the customer loyalty.

Keywords: Customer Loyalty; Fast Food Restaurant; Customer Satisfaction; Acculturation on Global Consumer Culture

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Abstract

Due the highly competitive industry of e-commerce and growing of potential market which is Generation Z has led the way of shopping. Especially in Indonesia, Tokopedia, Shopee and BukaLapak as the main example for the highest visited website as indicate the e-commerce e2c marketplace plays vital role in this industry. These platform act as intermediaries between the seller and the buyer. In addition, many companies focus to acquire new customer rather than customer retention. So, in this research wanted to examine the factor influencing the relationship between e-Satisfaction and e-Loyalty. Smart PLS application is used to analyze the SEM-PLS method. With 1141 respondent collected, researcher found that perceived value and convenience motivation are influencing this relationship while inertia, purchase size and trust did not due the characteristics of the Gen Z.

Keywords: e-Satisfaction; e-Loyalty; Inertia; Purchase Size; Perceived Value; Trust; Convenience Motivation

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Analyzing Customer Satisfaction Towards Real Estate Online Shop Portal

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Abstract

This research aims to identify and analyse the key determinants influencing customer satisfaction of the real estate online shop portal users in Indonesia. This is one of the preliminary study dealing with customer satisfaction towards online real estate shop in Indonesia. The literature concerning major attributes of website functionality, perceived of usability, information quality and customer satisfaction in real estate online shop portal. The website functionality and perceived of usability was taken from previous research, while the scale of information quality was added and focusing on physical attribute, non-physical attribute and customer service. Data were collected from 306 respondents who used real estate online shop portal for examining the constructs. The model was empirically tested using structural equation modeling (SEM). The study reveals that perceived of usability and information quality have a significant positive impact on real estate online shop portal users’ satisfaction. In other hand, website functionality is revealed to have a positive but not significant impact on real estate online shop portal users’ satisfaction. This research will help real estate online shop portal especially real estate online shop portal to attract and motivate new customers. Online retailers with high involvement products can improve post-use satisfaction and eventually increase online customers.

Keywords: Online Real Estate; Customer Satisfaction; Website Quality;

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Abstract

Purpose. Customer advocacy is regarded as the highest level of market orientation. Adopting customer advocacy strategy will increase loyalty and decrease cost significantly. This paper examines the relationship between customer empowerment values and customer relationship’s structural bonds in regards of customer advocacy behavior in online music streaming service as a collaborative consumption platforms. It will be a major advantage for businesses to be able to understand the most fitting way of applying customer relationship bonds in order to capture the substantial customer empowerment values.

Approach. After reviewing multiple literatures and theories, quantitative approach is done by conducting a survey on advocating customers identified by Net Promoter Score. Collected data are then analyzed using PLS-SEM.

Findings. The research resulted in an understanding that all customer empowerment values have a positive relationship towards structural bonds in customer advocacy behavior, however only value for choice and value for involvement have a significant impact. This has given us a meaningful understanding that there are strong correlations between the two theories, of customer empowerment values and customer relationship. However we can also infer that although customer empowerment values do positively influence customer advocacy behavior as scholars have suggested, the significance aren’t equal.

Keywords: Customer Advocacy; Customer Relationship Bonds; Customer Empowerment Values; Collaborative Consumption; Online Music Streaming Service.

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Abstract

Jakarta Cikampek Toll Road is one of the famous toll roads in Indonesia that has been established since 1988. Unfortunately, due to the increasing number of vehicles each year, traffic congestion has begun. This traffic congestion can affect the travel time and travel cost which has been regarded as one of the most fundamental determinants of both short term and long term travel decisions. The objective of this research is to find out factors influencing consumer mode choice decision during severe traffic congestion in the toll road. We design the stated preference questionnaire with four alternative modes, car, travel shuttle, train, and bus using d-efficient design using NGENE software. The attributes for those four alternative modes are travel time, cost, congestion time, waiting time, access egress time and cost. In our questionnaire, the respondents are asked to answer their most likely chosen mode from eight possible attribute combination scenarios.

Keywords: Traffic Congestion, Consumer Travel Choice, Jakarta-Cikampek Toll
Abstract

Hotels industry is flourishing in Indonesia, especially on the heart of tourism Indonesia, which is Bali. Bali is considered as one of the most prominent tourism attraction in Indonesia thus making the hotel industry very attractive. One of many types of hotels that exist in Bali is luxury hotels. Luxury hotels are hotels that provide a more premium or luxurious aspects compared to non-luxury hotels. There is an urge to determine on how the customer experience, customer satisfaction and service quality in these hotels as there are limited literature that supports it. The researcher will focus on how these three variables correlates and provide a clearer understanding for academics and stakeholders of luxury hotels. The method that will be used is exploratory sequential and will be analyzed using PLS SEM. The researcher finds correlation between the three variables and thus and importance for luxury hotels to increase the quality of the service to create a positive experience that will lead into the customer satisfaction.

Keywords: Customer Experience, Customer Satisfaction, Luxury Hotel
Identifying Factors of Continuance Usage Intention of Collaborative Lifestyles Platform

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Abstract

Purpose: This research is aimed to understand the impact of user expectation and confirmation of the usage of an information system, which is mobile applications as the collaborative lifestyle platform, on their satisfaction and perceived usefulness, which influence the users' intention to continue using the platform by using the Expectancy Confirmation Model developed by Bhattachjee (2001) as it employed as one of theoretical basis in studies on continuance.

Design/methodology/approach: Partial Least Square – SEM is applied on minimum 200 sample collected through online questionnaire to user of Airfrov mobile as the example of collaborative lifestyle platform.

Findings: The current ongoing research shows that the variables confirmation, perceived usefulness, and satisfaction have affected the continuance usage of users in collaborative lifestyles platform as the expected outcome. However, the significance may vary and required to gather sufficient samples first before determining the conclusion.

Research limitation: Generalisability of the research may be elevated by collecting more sample and validating the model to a wider range of collaborative lifestyle mobile application.

Originality/value: The study will help the collaborative consumption platform providers by adding insights regarding how the factors available within the platform affecting the users particularly on how the findings are differ in each forms of collaborative consumption.

Keywords: Collaborative Consumption; Collaborative Lifestyles; Continuance Usage Intention; Expectancy Confirmation Model; Mobile Application

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Analysis of Factor Influencing the Usage of Personalization Features on Consumer Attitudes at GO-FOOD Users

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Abstract

\textbf{Background} – Collaborative consumption companies that are currently growing in Indonesia provide Personalization features which makes consumers are able to personalize layout or service as they like or want. Personalization can be said as a means to meet customer’s needs effectively and efficiently, making interactions faster, easier and increasing customer satisfaction. It will help them find what they need easily thus will build customer relationship and familiarity but it may not always positively generate customers’ positive attitude which can impact to the continuous of consumer’s journey.

\textbf{Objective} – The first aim is to analyse the influence of personalization features’ factors on consumer attitude and the second aim is to explain which factor that significantly influencing the consumer attitudes.

\textbf{Method} – This research will use Technology Acceptance Model (TAM) as the preeminent literature and extract perceived ease of use, perceived usefulness, and consumer’s attitudes that are adapted from it as variables that will be analyzed using Multiple Linear Regression.

\textbf{Expected Outcome} – Both perceived ease of use and perceived usefulness can influence significantly to consumer’s attitudes where the factor that most influencing it is perceived ease of use. If the consumer’s attitudes indicate positive, then it can enhance consumer’s intention to make a purchase. This research is expected to be able to provide new references to collaborative consumption company specifically online food delivery service about the influence between personalization features and attitudes that arise from it.

\textit{Keywords: Collaborative Consumption; Personalization Features; Technology Acceptance Model}

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Abstract

The boom of Peer-to-Peer Lending (P2PL) Fintech in Indonesia has attracted the attention of researchers towards one of its features, which is non-credit card installment services. This paper presents an empirical investigation to determine the drivers of user acceptance of the non-credit card installment services in Indonesia. The main purpose was to find out variables which affect the behavioral intention of people in terms of the non-credit card installment services. This research adapted a model that designed by Venkatesh, et al. which is Unified Theory of Acceptance and Use of Technology 2 (UTAUT 2). UTAUT 2 has seven key constructs (i.e., performance expectancy, effort expectancy, social influence, and facilitating conditions, hedonic motivation, price value, and habit) that influence behavioral intention to use a technology and actual usage of the technology in the context of consumers. Moreover, previous studies of technology acceptance emphasized the importance of perceived security in the acceptance of new technology context, so this study expanded the model with one more external factor, perceived security. Thus, this study considers the effects of eight variables on acceptance of non-credit card installment services. Data analysis techniques were carried out using Partial Least Square (PLS) analysis. The results that found in this study are performance expectancy, effort expectancy, hedonic motivation, price value, habit have significant effect on behavioral intention to use. While, the social influences, facilitating conditions, and perceived security do not have a significant effect on behavioral intention to use non-credit card installment services.

Keywords: P2PL; fintech; non-credit card installment services; behavior intention; actual use; UTAUT 2; perceived security; PLS
The Impact of Personalization Features Toward Customer Trust on Peer to Peer Lending Platform

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Abstract

Background: In the recent years, personalization become an important thing as a part of marketing strategy. Not only give a value for customer, it also give a value for the corporation which implement it. Not exception for the fintech, especially Peer-to-Peer Lending that implement personalization as a part of service quality to increase the customer trust. However, there is still no research to identify how perceived benefits of personalization implementation can affect customer trust in peer-to-peer lending platform.

Objective: The primary objective of this research is to analyze how the benefits perceived of personalization implementation within peer-to-peer lending platform impact the customer trust in intermediary.

Method: This research using quantitative method through distributed online questionnaire to the population in Bandung, in the range of age 20-24 years old with the requirement of having an Indonesian ID and bank account. After that, all collected data were analyzed using partial least square - structural equation modeling (PLS-SEM).

Expected Outcome: There will be a significance influence from instrumental personalization to trust in intermediary, both in the form of direct and indirect influence. So in the end, this research expected to provide personalization as an important factor that can increase customer trust in intermediary and in turn they will have tendency to lend a money or invest in the future.

Keywords: Peer-to-Peer Lending; Personalization Features; Customer Trust
Proposed Marketing Strategy of Wifi.id Seamless – An Additional Service for IndiHome in PT.Telkom Witel Bangka Belitung

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Abstract

Internet revenue growth of PT. Telkom Regional 1 Sumatera continues to decline since October 2018. It is important for the corporate to strengthen revenue from its additional services. Wifi.id seamless is one of many additional services for IndiHome subscriber. However, problems related to limited coverage, weak marketing strategy, and the hardest one was the trouble on registration process, are problems that need to be solved.

This research proposes marketing strategy to strengthen revenue growth of wifi.id seamless in Bangka Belitung. This research had conducted several interviews, observation, questionnaire, and analysis to collect data related to this issue. Using SWOT analysis and TOWS matrix, the alternatives strategy are proposed as solutions for the problems.

This research concluded that, eventhough Witel Bangka Belitung has resources in running wifi business, it has no sustainable competitive resources and capability to win over competitors. Additionally, technology advancement of mobile cellular and the new incoming 5G make it harder for wifi business to sustain. Nevertheless, this paper offers strategy to improve revenue performance. Strategic approach by focusing more on customers, customer education, free product trial, customer insentif, and the use of social media advertising to build brand will be the proposed solutions for Witel Bangka Belitung.

Keywords: customer education, IndiHome, marketing strategy, additional services, wifi.id seamless

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How Celebgram’s Face Appearance on Skincare Endorsement Affect Customer Engagement Intention Through Tri-component Attitude Model

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Abstract

How Celebgram’s Face Appearance on an endorsement post in Instagram. correlates strongly with the customer’s engagement intention is an important and essential research question. After summarizing findings from recent contributions to this literature, we conduct questionnaire development which questions are arranged based on the tri-component models (Schiffman & Kanuk, 2004) proceeded with data collection from 200 questionnaire respondents which will further be analyzed using Multiple Linear Regression (MLR) and the differences of the results will further be discovered using t-test. Customer engagement is crucial to determine the marketing effectiveness of and endorsement post. These analyses suggest that Celebgram’s face appearance on an endorsement post have great impact on it’s customer engagement. Estimates from the data analysis result support the hypothesis that Celebgram’s face appearance on an endorsement post is strongly correlated to increase the customer engagement.

Keywords: Engagement; Endorsement; Instagram

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Paper ID. 125 Elaboration of The Variation of Participants’ Values Within Different Crowdfunding Categories In Indonesia

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Abstract

Collaborative consumption (CC) has become one of the innovative business model that changing people behavior in consuming goods and services. CC practice applied in many form including crowdfunding, and crowdfunding has become a valuable alternative source of funding for seeking external financing. Existing empirical analyses report an impressive growing volume of money collected through crowdfunding. The objective of this research is to investigate different ways of thinking about how values may contribute to behavior of crowdfunding participation. This study will use Schwartz \textit{et al.}, (2012) value survey development to measure individual respondents value in the case of crowdfunding participation. This questionnaire will be distributed to 385 respondents and analyzed using descriptive and cluster analysis. This research is on going research, but the preliminary findings based on 300 respondents reveals that people engaging in CC practices especially crowdfunding scored higher self-transcendence and openness to change values compared with lower score in self-enhancement and conservation values. In addition to that, self direction, benevolence, and universalism represent the sample respondents main priorities. The next analysis that will be conducted is to run cluster analysis based on complete respondent data for grouping respondent crowdfunding category based on their values.

Keywords: Collaborative Consumption; Crowdfunding; Values

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Abstract

The presence of internet has brought convenience in many aspects, one of which is transportation service that is now offered through online media. Nowadays, online transportation business has become bigger, everyone is competing to provide the best service to the society. Therefore, an online transportation brand has to have a good brand image to stand out in the market. However, this matter become Go-Jek Bandung concern since the appearance of its competitor namely Grab. The company is trying to overcome it with different marketing approach than usual, which is Sahabat Sekolah Program. It offers Go-Jek as a transportation to commute to and from school that ensure safety and convenience as the additional benefit. This research will assess three things: customer expectation on ride hailing application brand image, suitability of the objectives of the program and the brand image expected by customer, and the suitability of the program with the target market chosen. This research is conducted qualitatively using focus group discussion with 12 ride hailing application customer. The result shows that safety is the brand image expected by ride hailing applications users, thus, the program is suitable to be implemented and the market chosen is also suitable.

Keywords: Marketing Strategy, Brand Image, Ride Hailing Application, Online Transportation
How Liberty Media can Improve Marketing Efforts for Formula 1

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Abstract

Formula has managed to keep many generations entertained throughout its existence. However in the recent years, due to many factors such as financial crisis which leads to people having no time to watch, and the owners not adapting to models of which the global market has adopted, has lead to a decrease in viewership and popularity. Furthermore, Liberty Media’s takeover on Formula 1 means that the motorsport will and has seen many paradigm shifts in the motorsport and so far, there are countless of ideas that are yet to be explored.

This paper first analyses the Formula 1 industry using Porter’s Five Forces and discusses their role(s) and how they affect or are affected by the motorsports’ current issue. The paper will then discuss about how increased efforts in esports and social media may help Liberty Media to regain lost territory and attain higher viewership count than previous years. Furthermore will be discussed, the current model of Formula 1 and how a revamping and switching to another model may just throw the motorsports into uncharted territories that has potential for growing the motorsport, and solve the motorsports’ current issue.

Keywords: Formula 1; motorsport; social media; marketing; freemium model; esports; viewership; consumerism

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Paper ID. 111 Factors Affecting Young-Adult Consumers’ Attitude On Healthy Food Consumption And Dietary Catering Purchase Intention

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Abstract

Health factors on food preference has become an important aspects on consumer motivation and impact company to develop their strategy in food industry. This trend perceived as new business opportunities in Indonesia which is dietary catering business where businesses that provide food for customers who need healthy and nutritious food for health at a remote site. However, the consumer attitude on towards food choices from expected health benefits are not uniform across individuals. Therefore, it is important analyse factors in consumer attitude and behaviour towards healthy food consumption to see the trend in food industry as a guidance to tap right target market and improve the quality needed to gain more customer. The author will collect the data directly from consumer sides with in depth interview and online questionnaire. The result is expected to identify the underlying factors of consumer attitude towards healthy food and determine the effect of consumer attitude towards healthy food on intention to purchase of dietary catering using Value Attitude Behaviour Model. Eventually, this research can help the dietary catering services on how to improve their business to fulfil their consumer needs can also be applicable for some related healthy food business.

Keywords: Healthy; Healthy Food Consumption; Customer Attitude; Value Attitude Behavior; Dietary Catering; Purchase Intention

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Abstract

Influencers have been used to promote products online. However, there has never been a program like Tokopedia’s By Me where influencers are compiled to advertise products sold online on the marketplace. Therefore, there needs to be an analysis on how the By Me campaign affects customer purchase intentions, which can be done through online data. The analysis is provided in order to aid the company to be able to communicate to the influencers on the type of advertising used.

Keywords: Influencers; Customer Purchase Intentions; Ad Awareness
Abstract

Brand “Silvermilk” has been sold in Indonesia since early 1970’s and become iconic brand since then as part of a global company. At beginning the brand positioned as family nutrition milk fulfillment, then focus on child energy and nutrition to support kids growth. In beginning of 2000’s, the competition in dairy and milk industry become tight and fierce after Nutricia joined with Danone of French and then acquisition SGM brand (one of Indonesia local brand). “Silvermilk” which focus on mass-premium segment of milk powder, slowly starting to lose market share and decreasing sales, while brand “Silvermilk” sister, “Goldenmilk” slowly get the strong position as super premium segment brand from 1990’s to early 2000’s.

This research intend to explore on what is going on with brand “Silvermilk” strategy, so Brand Silvermilk lost its market leader position to current market leader. Then we would define what strategy should “Silvermilk” has to revitalize its market position. The analyze this using several theory and management strategy tools and also using market survey also to understand consumer behavior to come out with conclusion. The nine core of marketing strategy and Seven avenue of brand revitalization analysis were used to build the analysis exploration to give us foundation to lay marketing strategy for Brand Silvermilk. From our survey, there was a change trend in market behaviour and PT Milk Jaejoo Indonesia, were too focus to its super-premium category, while mid-premium growing market is highest in Indonesia for the last couple years.

Keywords: Marketing Strategy; Dairy and Milk Industry; Nine Core of Marketing; Brand Revitalization

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Abstract

Mobile Payment is expected to be the next forefront e-payment type in Indonesia. The basis of this judgement is based on high smartphone penetration in Indonesia and generation Z population domination in Indonesia demography. Therefore, explaining their adoption intention factor of mobile payment will be highly valuable in the industry player’s eyes. The research found that the only factors that matter in influencing generation Z adoption intention are social influence and performance expectancy with 56% adjusted R-Square. Both factors show positive correlation with the adoption intention of mobile payment for Generation Z. The sample number in this extended abstract still hit 52 respondents processed with Structural Equation Modelling. The model used in explaining the adoption intention is UTAUT combined with perceived cost, perceived risk, and culture. The result shows that mobile payment industry players only need to focus on merchant quantity, transaction quality, and referral effect to have better adoption rate among generation Z in Indonesia.

Keywords: Mobile payment; adoption intention; UTAUT; Generation Z; Perceived risk; Perceived cost; and Culture
Case Study in Finance
The 4th International Conference on Management in Emerging Markets

Paper ID. 173 Analysis to Make Managerial Decision to Preserve or to Cut Off One of Core Business

(Study Case of PT Pos Indonesia)

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Abstract

Recently, the development of technology and information has been creating courier service in the country to increase each year. Indonesia Supply Chain mentioned that the big player in industry logistic sectors in the year of 2013 to 2016 was land transportation which reached high percentage each year compared with other transportations. One of land transportations is logistic service. Regarding to bataviase.co.id, the biggest market shares of logistic service in land transportation in 2015 belonged to JNE, Tiki, and PT Pos Indonesia with the percentage of 27%, 24%, and 15% respectively. In fact, JNE and Tiki are private companies which were established without being helped by government. Posindo is a state company (BUMN) which must be helped by government but somehow it was defeated by private ones. However, Posindo doesn’t lead the market. Another reason why Posindo can’t make it as leading company is because of its volatile profitability of core businesses. Thus, Posindo should take decision in order to get maximum profit so that they can be leading in the competition. Moreover, according to Posindo financial report, its core businesses do not always give net income. One of core businesses named packaged postal which had loss income for four times during the year of 2013-2017. Seen from business side, a company should cut off business segments which give negative contribution to company. However, in the reality, Posindo doesn’t cut off parcel postal business due to some reasons. Therefore, author conducts the case study to recommend various alternatives to make decision whether Posindo should cut off one of core businesses or not. The case study will estimate the new alternative for a year ahead and it is going to be valid as long as the company doesn’t have significant plans to expand.

\textit{Keyword:} pos Indonesia, Relevant cost and benefit, proforma income statement

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Paper ID. 24 Expansion Plan Assessment to Capture Market Growth

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Abstract

PT. SUN.S Indonesia as service provider that offers a full range of in-house services for rotating equipment. With plenty of opportunities in Indonesia and in South East Asia region, company expects to continue its trend of organic growth and improved profitability. However, company has been suffered with overcapacity due to company sales growth exponentially. The limitation of manpower to intensively remind and discuss technical specification that cause inappropriate engineering process and project delay. These errors created negative customer experience, reduce customer engagement and more complaint. To answer the business issue, a company strategy is to set up a workshop expansion to be able to capture the market growth. This research is aimed to see in marketing and financial perspective of workshop expansion plan in order to see how feasible the project is. The business strategies use TOWS matrix to analyze the external opportunities and threats in comparison to be the internal strengths and weaknesses. The investment financial assessment in this research use capital budgeting, sensitivity analysis using Monte Carlo simulation and risk management analysis in order to visualize the risk identification to set up the mitigation plan and how to justify the investment plan.

Keywords: business expansion, TOWS matrix, investment analysis, sensitivity analysis, Monte Carlo simulation, risk management.

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Abstract

The increase in Indonesia’s GPD per capita leads to numerous options of investment being offered to Indonesian society. Unfortunately, women in Indonesia have not efficiently utilized the investment options and women have lower financial literacy levels. Whereas, financial inclusion and financial literacy to women give various advantages toward women. Increases in women’s financial inclusion are critical as women have important role in the economy and society. The increase the financial inclusion is supported by financial literacy. Women in the urban area have advantages of the financial inclusion facilities and middle-up class are considered to have more resources to save and invest. Unfortunately, 17 out of 21 middle-up women in Bandung are struggling in saving and investing. This research aims to analyze how the level of financial literacy of middle-up women in Bandung affects financial inclusion intention in saving and investing. Therefore, experimental analysis is conducted by distributing questionnaires to respondents before-after the community-based training through arisan. This study revealed that community-based training does increase the financial literacy and inclusion intention level toward middle-up income women who lived in urban areas. The result implies community-based training can be applied to the OJK program to increase women’s financial literacy and inclusion level.

Keywords: financial literacy; financial inclusion intention; community-based training; women; saving; investment
The 4th International Conference on Management in Emerging Markets


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\begin{abstract}

On today’s fast-growing market and industry, investors should be careful with their decision to make investment in a company. Strong growth doesn’t guarantee that a company has healthy financial condition and can’t predict the future business of a company with sufficient degree of accuracy. The DCF methodology in the perspective of value investors has greater margin of error due to its high dependency on growth assumptions. Furthermore, DCF method ignores balance sheet and only emphasize on earning report (Columbia Business 2015). Value investing approach in other side will start valuation process from balance sheet as the source of reliable assumptions of company financial health. Afterward based on current earnings and cash flows, the calculation of company’s earning power can be made. The “moat” test is also important step to assess the value of company from qualitative perspective, the company which has strong competitive advantage and good management capability would bring higher success probability and would continue provide value to shareholders or investors in the future. The growth then can be taken into account on valuation process if a company has strong balance sheet, earning power, competitive advantage, and good management capability (Columbia Business 2015). This case study will conduct the mechanic of valuation process using value investing approach that was developed by Prof. Bruce Greenwald, the company under study is PT. Selamat Sempurna, Tbk. (SMSM), a company which produce automotive parts (Auto Parts industry). Using this approach, comprehensive business valuation and prospect of PT. Selamat Sempurna, Tbk. can be determined.

\textbf{Keywords:} Competitive advantage, greenwald’s method, investment, Intrinsic value, Valuation
\end{abstract}

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A Start-up in seed stage only has prototype and lack of financial record because it has not generate any revenue yet. SMART as a start-up founded in 2018 that tries to help warung managing the stocks, shorten the distribution channels and organizing the financial record and stocks ordered through digital platform for warung. However they are still seed stage and need to find a suitable source of financing to support their business. This study aims to help SMART estimate the enterprise value in order to be a bargaining power in the attempt to look for capital and the suitable source of financing for them. This study uses two valuation methods which are Berkus and Scorecard methods. The data collected was from the interview with the CEO of SMART and find the similar start-up financing deals as comparable data. The results show Berkus method generates USD 1,200,000 valuation and Scorecard method shows USD 39million. For a seed stage start-up like SMART, Berkus and Scorecard are more preferable due to the absence of financial records that makes finding the correct info components utilized the later strategies suppositions for anticipating its future monetary projections is troublesome.

Keywords: start-up valuation; seed stage; berkus method; scorecard method
Improving Financial Health
(Case of PT G)

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Abstract

PT G is a private family company that operates in the seafood industry. The company started with processing and exporting frozen shrimps, specializing in vannamei shrimp. PT G main branch only have general suspicion about that the financial health is doing bad, the need to be a confirmation of the general financial health, not only the profitability level. The financial health analysis was done by using financial ratios. The first indicator that the finance of the company isn’t healthy was the continuous loss that they experience and the retained loss that was carried through until 2018 with the value of minus 12 billion rupiah. As bad as the profitability level, the other financial ratios that indicate problem is the solvency ratios. Improving the financial health means turn the company retained loss must be turned into retained earnings which can be done by forecasting with financial target. There are two types of forecasting the internal and external. The end result is that the external target forecasting yields a more plausible solution to improve their financial situation that is to aim increase the sales by 5% each year, keeping the COGS by 87% and supporting it by long term debt.

Keywords: Financial Health, Financial Ratios, Forecast, Retained Earning

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Abstract

The existing 10-inch pipeline, which carries light crude oil from BLM to BK0, was built in 1972. This condition ends the useful life of the pipeline. The pipelines and supporting facilities such as powerline and maintenance road were built in unpopulated and forested areas over 45 years ago. Numerous houses and community activities have now been found inside the pipeline right of way. Parallel to the community development, the number of illegal road crossings through the pipeline has increased extremely. Heavy vehicle direct contact and passing the pipeline illegally. The current condition of the pipeline which is very close to public roads and the high number of traffics lead to high risk of a pipe crash or vehicle hit. The pipeline replacement will solve the current problems and establish new infrastructure with 20 years of design life to support Indonesia oil production. The replacement project will require high investment costs. Prior to the final investment decision, project economics will be common mandatory input to evaluate whether the investment of pipeline and powerline replacement is feasible or not. This study will assess the financial analysis using gross split scheme to understand the economics of the proposed investment project as considerations prior to final investment decision. Discounted cash flow (DCF) method and sensitivity analysis are used as financial tools with specific profitability measures using IRR, NPV, PI, and Payback Period. This study also performs cost risk assessment using Monte Carlo simulation as one of modern solutions to obtain probabilistic capital investment cost that fully reflect the impact of uncertainty and risk.

Keywords: Discounted cashflow, Investment Project Analysis, Probability Investment Cost, Sensitivity Analysis
Abstract

Consumer preference and capital budgeting will be used in this research to reach the new market in satay taichan culinary business by creating the new product. This research will be conducted in Bandung area with range age of 15-45 years old. By seeing the conceptual framework in this research, to get the consumer preference information will be used online questionnaire. Data of the company and factors from the conceptual framework are used to design the questionnaire. Recent satay taichan products variation used to get the ideal price from consumer preference and their tendency why choosing the product. Consumer preference information is formed for capital budgeting and finding factors causing the tendency to choose the product variation. The most important factor from the findings of this research that used to create the new product variation for satay taichan in Bandung is quality of product. For some current value for a few current packages already appropriate for the market. Differentiation between package and detail rationalization is very important for the consumer to create their choice.

Keywords: Consumer preference, capital budgeting, culinary business, taichan product packages, Bandung
Abstract

The presence of labor strikes in the mining environment impact severely on the financial performance of the organization. This study is based on the historical information and financial statements of several mining companies in Indonesia. Pearson Correlation (significant level 0.01) is used to analyze the relationship between strikes occurrences with the operating profit (EBIT) generated by the organization. The results showed a strong correlation relationship between the impact of labor strikes on operating profit (EBIT) of the company. We therefore continued the analysis to study the negative impact on other financial indicators through comparative analysis of historical financial information from two different mining companies operating in Indonesia. In a condition where one company has gone through labor strikes while the other has not. The company suffered from the strikes has slightly lower financial performance in terms of trend growth, short-term liquidity and long-term liquidity.

Keywords: Labor Strikes; Financial Performance Impact; Indonesian Mining Activities
Case Study in Marketing
Abstract

Disruption era is a phenomenon when people shift activities that were initially carried out in the real world, into cyberspace. This phenomenon developed in the changing patterns of the business world. The appearance of gadgets or the internet is one of the most popular effects in Indonesia. The impact of disruption era is starting from government, economics, law, politics, urban planning, construction, health services, education, business competition and social relations, to the marketing concept is now being disrupted. The era of digital disruption will lead us to a digital world-based business that previously used an offline system to online, but potentially also disrupt the existing business stability that in fact does not use tech support. Property business is a capital intensive business. The company's ability to manage sales acceleration is important to restore the turnover of funds within a measurable period of time. To cover the costs that arise, revenue from sales is needed. In order to achieve sales requires the right marketing strategy. So it becomes important that companies focus on marketing efforts to maintain the continuity of their business survival. One of the difficulties that most company would face is definitely low sales of products. For PT. Taman firdaus kaffah, the struggle is in marketing strategy that still used conventional marketing and does not keep up with trends by not taken maximum action on online promotion, especially in the 16th Taman firdaus housing that are in the process of selling houses.

Keywords: Digital disruption, Property developers, Digital marketing
Influence of Sponsorship Program in Increasing Brand Awareness (Study Of Paragon Sponsorship Program in Wisuda April ITB 2019)

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Abstract

PT. Paragon Technology and Innovation Tbk (PTI) is a cosmetics company active in sponsorship activities and one of them is the Wisuda April ITB 2019. This study uses sponsorship dimension consisting of target audience reach, compatibility with the company’s or brand positioning, and message capacity. This research applies quantitative approach and involves 98 respondents as samples that collected in Wisuda April ITB 2019. The results suggest that sponsorship has strong enough effects towards brand awareness. Further, multiple regression analysis also indicates that the dimensions of sponsorship Target Audience Reach have the biggest influence towards brand awareness than the other two dimensions.

Keywords: Sponsorship, Brand Awareness and Wisuda April ITB 2019

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Abstract

After a long history that began around 5,000 B.C., nowadays cymbal is one of the most important equipment for drummers. Nebulae, a local cymbal brand, is one of the known brands in Indonesia. It is a family owned SME, which was established in 1998. However, from 2010 the company had been suffering from a gradually decreasing sale. At the first 20 years, the company had produced only brass cymbals targeting entry-level drummers and music studio rentals. In 2018, the company has been producing B20 cymbals targeting medium to professional level drummers, which expected to support the sales increase. However, by the end of 2018, the sales record shows no significant increase. Therefore, this research focuses on Nebulae B20 cymbals as the research object.

There are two main factors that cause a decline in sales even after the launch of the B20 cymbals. Firstly, the lack of marketing efforts and the pressure of short-run results. Secondly, the undervalued brand due to the negative perception and unattractive products. These major factors are caused by unfocused competitive positioning. Therefore, the root cause of the problem is the lack of understanding of consumers and competition.

In order to overcome the problem faced by Nebulae, it is necessary to improve the marketing strategy. This research utilizes a strategic management process to define the best strategy in order to have a better understanding of the consumers and competition, reach the company competitiveness, and increase their sales and revenue. Strategic management process starts from understanding the internal and external environments, identifying the root cause, strategy formulation, strategy implementation, and evaluation.

In the end, this research recommends Nebulae to do brand repositioning, so that new segmenting, targeting, and positioning (STP) needs to be reformulated. Therefore, it is also necessary to improve the marketing mix strategy, which includes product, price, place, and promotion.

Keywords: Nebulae, cymbal, STP, Marketing mix, Marketing strategy
Food was the basic need for all living creatures, including humans. Dessert was one of the three main categories of food, serving as the final course. The popularity of dessert was increasing significantly. Artisanal approach was mentioned to be a way of product differentiation. For food product, artisanal could work as an adaptation of international taste to the local taste. Food producers were facing a great challenge due to differences in taste perception and adaptability. 81% of food buying decision depended on taste. Difference in taste perception was a major contributor for this challenge (Fatka, 2018). In fact, taste influenced buying decision more than price. The sustainability of a food business highly depended on the customers' liking towards the product. This was the main homework for a product developer to be able to create product that could satisfy the needs and wants of customer, which in this case was hold by Diandra Irawan, as the Gelatiere or Gelato Master of Cremeria di Dee Gelato. The fitness between product and customer could create a long-term relationship between them, which was usually called loyalty. Loyalty could support the business to be sustained. Aside from being the Gelatiere, Diandra Irawan was also the owner of Cremeria di Dee Gelato. The company was soon celebrating its second anniversary. Diandra beliefs that now was the right time for the company to expand its market to Jakarta, before the year of 2019 ended. She wondered whether the products she offered had already met the customers’ preference to have a good foundation prior to business’s expansion. Several research methods used in this study were Core Competencies (Value Proposition and Business Model Canvas), STP Analysis, Data Analysis, Benchmark Analysis, Sensory Analysis, and SWOT Analysis to validate the market and product to achieve its fitness.

Keywords: Taste perception, sendory analysis, target market, product market fit

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Abstract

Marketing strategy is an important process in the business to generate value and gain profitable relationships for customers. Some of the tools that guide to the marketing strategy are marketing mix and AIDA model. Marketing mix helps the business to engage customers; satisfy customer needs, and build customer relationships (Kotler and Armstrong 2016). AIDA model is a marketing theory in a world of advertising that is based on the perception of customer (Hadiyanti 2016). The aim of this paper is to provide marketing strategy to increase customer purchase intent for cluster house residence using marketing mix and AIDA model. The object of this research is a cluster house residence of Bukit Parama Regency. The marketing mix that is covered in this study includes product, price, place, and promotion. The improvement of marketing mix is expected to increase the sales performance of the residence. AIDA model covers customer journey include attention, interest, desire, and action.

Keywords: marketing strategy; marketing mix; AIDA; cluster house residence

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Case Study in Operation
Abstract

In 1985, Soekarno-Hatta International Airport (CGK) was commercially operated, replacing old Kemayoran Airport as the principal airport of Jakarta, the capital city of Indonesia. The operation was marked by the opening of Terminal I of CGK. This first terminal was operated with expected capacity of 9 (nine) millions passenger per year. In 1991, the second Terminal II is officially operated with total capacity of 9 (nine) millions passenger per year. The latest development was the completion of the Terminal 3 Ultimate which are built to service the total of 22 (twenty two) millions passenger per year. With the latest completion of Terminal 3 Ultimate, the total capacity of CGK has reached 43 (forty three) millions passenger per year. However, in 2017 the total passenger traffic in CGK has reached more than 63 (sixty three) millions passengers. To support the development of CGK, the central government of Indonesia – in this case represents by Transportation Ministry Office, initiate a plan of Airport Train as an alternative access to the airport. At the end of 2018, almost a year since the first operation of the highly anticipated project, the Soekarno-Hatta Airport Train, the project that expected to be one of the solution for traffic conjunction, the daily problems and dilemma for an airlines passengers who needs to access the airport. The train was initially designed to has total daily capacity of 32,640 passengers. Far from the expectation, the daily average occupancy of the train was in the verge of 30% from the current 19,040 daily capacity.

Keywords: Public transportation, airport train, operation, access, transit oriented
Case Study in Strategic Management
Paper ID. 93 SPI: Riding Wave of Electronic Money to Grow

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Abstract

In Indonesia, banking literacy was still very low and the majority of transactions is still based on cash [1], [2]. Electronic money gave a glimmer of hope to make more Indonesian people part of financial system because it is easy to use and inexpensive to produce. More and more Indonesian people were switching from cash to electronic money to transact. Mr. Bayu, the third Chief Executive Officer (CEO) of PT Sistem Pembayaran Indonesia (SPI), saw a big opportunity in electronic money to grow SPI's revenue. Mr. Bayu recalled what Mr. Thomas's proposal, VP Corporate Strategy, said to audience during Management Review Meeting earlier this month. Mr. Thomas confidently proposed that electronic money services be included in the SPI portfolio. According to him, SPI must transition from Automatic Teller Machine (ATM) transactions to electronic money transactions as the main source of revenue. However, some people in the forum doubted whether the proposal could be a good prospect, considering that electronic money transaction service fees are considered too loose. Mr. Bayu was challenged to determine the direction of SPI in picking up opportunities with the presence of electronic money. In 2017, SPI together with three other switching institutions formed the National Payment Gateway (NPG), the interconnection between the four switching institutions to facilitate affordable inter-bank connections, including inter-electronic money operators later. Even though electronic money operators used point-to-point connection [3] to reach each member of ecosystem, they would need switching services that are able to provide scalability and manageability. However, NPG has resulted in the commoditization of switching services because the member switching institutions must have the same Standard Operating Procedure (SOP), Pricing Scheme, Service Level Agreement (SLA). Besides this commoditization, regulations that separated the ownership of front-end systems and back-end made SPI have limited added value. Coupled with government policies that gave more privileges to state-owned companies, the SPI position became increasingly weak. Mr. Bayu thought of the success of SPI in the last two years of his leadership tenure, which mainly relied on ATM transactions. The company's revenue grew but sloped along with the stagnant growth of transactions through ATM machines. He was determined to make SPI have a big role in capturing the value created by electronic money. But he thought what role SPI could play in the electronic money industry so that it could increase revenue in a healthy manner and complied with valid regulations.

Keywords: Business Ecosystem, Business model, Decision making, Electronic Money, payment system, Switching, Strategic management

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Case Study in Decision Making and Negotiation
Paper ID. 235 Decision Making on COCS Remediation Information System in Environment Department PT. Human Energy Indonesia

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Abstract

In an organization, an information system plays a significant role. Its presence can support the operations and the development of strategic decision for the organization. Currently as a new department of PT. Human Energy Indonesia, Environment department has not had a sufficient information system that can cover data and information management for a project that is now being a top priority in the company which is COCS Remediation project. The development of a new information system was expected could solve the problem of delays in data and information processing and storage management. This system will support managers or key personnel to make a business decision more efficient and also as a tool for sharing knowledge and data between teams in order to draw the same data so they can operate more accurately and productively.

This research will analyse the problem using 5 Whys, Fishbone and Current Reality Tree (CRT) Diagram to gain the root cause of the problem. And the Analytic Hierarchy Process (AHP) model will be developed in decision-making process for determining the development of new information systems.

Keywords: Information system, COCS, Remediation project, Root cause analysis, 5whys, fish bone diagram, CRT, AHP, Potential problem analysis
Abstract

Culinary industry is one of the biggest industry in Indonesia. Bandung is an icon for culinary hunters. The customers of the culinary industry are mostly coming from millennials. Due to the technology push, millennials nowadays are more capable in using technology of cashless payment methods for paying the product. Beside that, most of people said that cashless payment methods are more effective. But there are still a lot of people that prefer to use cash payment methods. The objectives of this research are to know Bandung customer’s preferences about cashless payment methods, to explore and understand how people in Bandung’s behavior in using cashless payment methods and to investigate Bandung people’s motivation behind using cashless payment methods. The researcher has conducted the survey through an online questionnaire and deep interview as a tool for data collection. The researcher found that most of people in Bandung are using cashless payment methods especially millennials. Millennials also be the most capable users to do cashless payment methods that consists of debit card, credit card, ATM card and also e-money. The researcher also gives a recommendation for culinary SME in Bandung to provide cashless payment methods beside cash payment methods to do transaction activity.

Keywords: Customer preferences; Cashless; Culinary industry.
Case Study in Entrepreneurship
Utilizing Design Thinking Approach in the Product Creation of Start-up Project ‘S-MART’ Product Acceptance in Bandung Market

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Abstract

Indonesia is a currently thriving country with powerful economic potential (Santoso et al., 2018). In fact, according to the journal ‘Sustaining Indonesia’s Economic Expansion’ published by AT Kearney in 2018, Indonesia had exploded in GDP size by five multipliers compared to the previous years. The country is also cited to have the fastest economic increase among the G20 and is placed number 16 on the world’s most economically advanced countries (Santoso et al., 2018). Indonesia’s annual GDP growth fell in the range of 3.5 to 7 percent with a standard deviation of 0.7, providing stable growth for the country (Santoso et al., 2018). Abaft the tremendous success of Indonesia’s GDP in the past 5 years, lies several sectors that delivered the most prominent donation to the national GDP (in descending order): Trade, hotels and restaurants; manufacturing; and transportation and communication (Ndiame et al., 2018). However, the largest stable growth had been dominated by commodity-related and retail sector under the trade, hotels and restaurants segment (Ndiame et al., 2018). The large market size and stable growth peeks the author’s interest in creating a start-up project specifically in the trade sector.

Annually, hundreds if not thousands of new ideas sprout in Indonesia, in a form of emerging start-up projects. However, considered a business of higher than high risk, start-ups have an extraordinarily high failure rate of 90% (Kalyanasundaram, 2019). According to Kalya in 2019, the reason of most failure is mainly due to the problem identification, solution generated, and management. Hence, the author as the leader of a new start-up project in Bandung named ‘S-MART’, aims to utilize design thinking approach in product and business creation of S-MART. Design thinking approach is an ideal choice to answer the author’s objective for its ability to generate superior solution with lower risks and costs (Liedtka, 2018). By the end of October 2019, the author aims to have officially launch S-MART’s product to the market.

Keywords: Big data analysis, FMCG, MSME, Startup, Design thinking
Paper ID. 85 Propose Brand Strategy to Achieve Virality for Architecture Company

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Abstract

Sudutemu Architect (CV Adevia) is a service company provides design and build architecture services includes design consultancy in exterior and interior design. The design value of Sudutemu Architect is local aspects combined with contemporary design. The people’s design perspective tend to leads to western design that does not fit in tropical country like Indonesia. This study is aimed to propose brand strategy to disrupt people’s design perspective.

The study method used in this analysis was qualitative data analysis. First, define the main factor of tipping points theory which become the bases theory of this analysis. The internal and external analysis of Sudutemu Architect needed to support it. The internal analysis includes Core Competencies and STP analysis. External analysis includes Six Degrees of Separation and Affective Communication Test. Internal and external analysis generates several data to accumulate into new strategy. Benchmarking Analysis used an in-depth interview about their architect studio related to the branding activity.

The solution from previous analysis leads to branding activation includes messages development with treasure hunt technique, visual blending, eye movement method, and repetition technique, messages deployment and publicity in social media and architecture online platform. The branding activation solution in this research is using the three main strategy in tipping point theory. First is the law of the few that generates people division to help message deployment. The stickiness factor that generates messages content and easy accessible social media (Instagram, whatsapp app, line app). The last is the power of context generates final touch of messages content to architecture onilne platform (archdaily and dezeen).

Keywords: branding strategy, virality, tipping points

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Abstract

UD Sony Konveksi (SONY) is a producer, retailer, and wholesaler of school uniform in Pasar Klewer Solo, Central Java. They have changed the market segment in 2015, from providing daily wear clothes and uniform into providing uniform only, from major company loss due to a force majeure. Hartiningsih, the owner, is planning to avoid long-term debt and its usury (riba). In the end of last year, the long-term debt owed by the company had been paid off completely. Facing difficulties in their business aspects, Hartiningsih realized the ineffective and unorganized business system that the company currently adopts, and she is planning to revamp the business by redefining the company’s goal and investing on professional business management. Therefore, SONY plans to do fixed asset investment comprised of replacing the unproductive existing machinery with the new one, and new business system investment comprised of the restructuration of company organization. This research study will evaluate the investment plan of SONY using feasibility analysis, capital budgeting techniques, and risk analysis using Monte Carlo. The result shows that the investment plan is feasible from the NPV, PI, IRR, and PP. Thus, obtained from this research a recommendation that the company should execute the investment.

Keywords: Feasibility analysis, capital budgeting, monte carlo
Abstract

Company X is one of the distribution units of state-owned companies engaged in electricity. Since the last four years, the company has been very concerned about the values of the implementation of community development activities. Community development program is a social activity organized by a company with the aim of helping the community develop and establish good communication between the company and the community. In carrying out its business processes, companies cannot be separated from the role of community support. Therefore, through the community development program, it is hoped that it can become a medium in establishing good communication with the community, so that the community can support the activities and implementation of the company’s business, especially in the region. However, based on observational data by the author, it was found that there was no specific data available regarding the condition and degree of success and effectiveness of the program. This means that the company’s potential in developing and innovating community development program is very limited. While data on the effectiveness of a program becomes important in improvement activities. It needs to be realized that in implementing a program the assessment of effectiveness can be accommodated through in-depth program evaluation activities on the object and subject of the program recipient. By using a descriptive qualitative research approach, the author collected primary data in analyzing the root problems of the issues faced by company X in implementing the community development program. The result of the analysis show that the root cause of the inability of the company to record the success and effectiveness of the program, as an effort to improve, is the unavailability of evaluation activities with external approach. The result of observation and interview with several key people in the company X, explained that so far the company X only uses internal evaluation. The meaning is measuring the success and effectiveness of the program on one side. The final result of this study, found alternative solution to complete need of external evaluation process through use rubric evaluation tool.

Keywords: Community Development Program, External Evaluation and Evaluation Tool

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Digital Marketing, Advertising, and Branding
Abstract

Luxury brands are symbol of the characteristics of the users which represent wealth, success or satisfaction of prestige looking of certain product. Many millennials in upper middle economic class specifically women are starting to invest money in purchasing handbag. This phenomenon lead to increase in luxury industry include its service in Indonesia. As the technology involvement in the handbag service in Indonesia called restoration, it seems many external and internal factor are impacted customer purchase intention toward this service. Nevertheless, the huge opportunities brought by this service can be a new trend in the luxury industries user. Consequently, many luxury handbag user need to increase lifespan and good looking appearance of the handbag that are being used. To make this works, premium and trusted handbag service is important. Actually, as this service categorized are new and being developed in Indonesia, there are no sufficient previous literature that can support the related information of this service. This research intends to find out the relationship of internal and external factors (model, time, compensation, feedback, payment procedure, servicescape, pricing system, and channel promotion) in relation with customer satisfaction and behavioral intention to used this service again. This research are absorbed Technology Acceptance Model(TAM) for the framework with modification also the researcher used PLS-SEM analysis to evaluate the relationship of factors in TAM Model that relate with this service. In addition, the sample used for this research are Momoko Indonesia and Yourbag Spa. The results indicates that there is positive relationship between external variables, perceived usefulness, perceived risk, attitude toward using, customer satisfaction, and behavioral intention to use. This research also not just focused in finding out the relationship but also make a recommendation to improve the service quality of this restoration luxury handbag service in Indonesia which useful for the improvement of the industry itself.

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Keywords: Restoration luxury handbag service; Service Quality; Purchase Intention; Technology Acceptance Model (TAM); PLS-SEM
Innovation, Entrepreneurship and Small Business (IICIES)
Proposed Methodology to Assess Efficiency and Effectiveness of Industry-University Collaboration for Supporting Entrepreneurial University

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Abstract

The shifting paradigm of university from research and teaching university to entrepreneurial university has led to the development of infrastructure in university that focus on maintaining the spirit of entrepreneurship. Infrastructures such as technological or science park (Philpot et al., 2007) liaison office, technology transfer office, and business incubator (Etzkowitz, 2004) had been built and developed in several universities in Indonesia. The optimization of those infrastructures had been questioned to get practical implication and contribution in society through well developed and functioned technology in industry. There are needs to be described in the necessary of technology development through entrepreneurial university through the support of industrial collaboration. This study aims to propose several methodologies that appropriate for identifying the needs and interest whether from industry and university to achieve entrepreneurial university criteria. From previous research the methodology is limited to factor analysis to make certain group in several criteria for entrepreneurial university and qualitative methodology for describing the condition of infrastructure readiness for developing entrepreneurial university. In the end this study produces another methodology such as conjoint analysis, analytical hierarchy process, and agent-based modelling to give a brief description of the contribution and policy development in industrial collaboration and infrastructure development which support the goal of entrepreneurial university. The study was conducted by doing some literature review and synthesized it for developing the factor included for developing entrepreneurial university. This study also proposed the challenges of each methodology, how it will be conducted, and provide several questionnaire/research design for each methodology.

Keywords: entrepreneurial university, industrial collaboration, conjoint analysis, analytical hierarchy process, agent-based modelling

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