ICOBBI

THE 3rd INTERNATIONAL CONFERENCE ON BUSINESS AND BANKING INNOVATIONS

Surabaya, 6 - 7th March 2021

THEME : *" Unlocking New Marketing Strategies on ASEAN After Covid-19 Pandemic "*

COLLABORATION WITH

Magister Manajemen Sekolah Tinggi Ilmu Ekonomi Perbanas Surabaya
Universitas 17 Agustus 1945 Surabaya
Sekolah Tinggi Ilmu Ekonomi 66 Kendari
Institut Bisnis dan Keuangan Nitro Makassar

Proceeding Book of
The 3nd International Conference on Business and Banking Innovations (ICOBBI) 2021
"Unlocking New Marketing Strategies on ASEAN After Covid-19 Pandemic"

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FOREWORD

Alhamdulillah, praise be to Allah Subhanahu Wa Ta'ala for granting us the opportunity to organize and publish the proceedings of the 3nd International Conference on Business and Banking Innovations (ICOBBI) with the topic "*Unlocking New Marketing Strategies on ASEAN After Covid-19 Pandemic*". This proceeding contains several researches articles from many fields in Business & Marketing, Banking & Sharia Banking, Accounting & Financial Management, Human Resources Management, Operations Management, Investasi, Insurance & Capital Market, Strategic Management, Technology Management, and Information System.

The 3nd International Conference on Business and Banking Innovations was held on $6^{th} - 7^{th}$ March 2021 by virtual (online) meeting and organized by the Master Management Study Program of STIE PERBANAS Surabaya in Collaboration with three Higher Education Institutions in Indonesia and two Universities from Asia countries. Keynote speakers in this conference were: Prof. Jessa Frida T Festijo (Lyceum of the Philippines University), Prof. Krisda Tanchaisak, Ph.D (Ramkhamhaeng University Thailand) and Burhanudin, Ph.D (Head of Undergraduate Program In Management of STIE Perbanas Surabaya, Indonesia).

I would like to give high appreciation to the Rector of STIE Perbanas Surabaya for his support at this event. Acknowledgments and thank you to all the steering and organizing committees of the ICOBBI for the extra ordinary effort during the conference until this proceeding published. Thank you very much to all presenter and delegates from various Universities. Beside it, I would like to express our gratitude to the three universities, namely Universitas 17 Agustus Surabaya, STIE 66 Kendari, Institut Institut Bisnis dan Keuangan Nitro Makassar which has been the co-host of this event.

Hopefully, the proceeding will become a reference for academics and practitioners, especially the business and banking industry to get benefit from the various results of the research field of Business and Banking associated with Information Technology. Proceedings also can be accessed online on the website https://pascasarjana.perbanas.ac.id.

Chair of the Master Management Study Program
STIE Perbanas Surabaya

Prof. Dr. Tatik Suryani, M.M.

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Operating Management

Evaluation of Business Strategy Implementation and Its Impact to Consumer Purchase Decision

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ABSTRACT

Snacking is a growing industry with total sales around the world is reaching $491 billion by end of 2019. Improving consumer lifestyle, rapid urbanization rate, and growing middle class has created an increase of the demand for on the go convenience foods. Competition is tight in this industry which coupled by the fact that consumer snacking habits is always evolving. To allow the company staying ahead of competition, a snacking company need to be agile and responsive to address to the evolving needs of the consumers. The right business strategy needed to be formulated to address consumer concerns and have to be well executed to gain sustainable growth and winning against the tight competition.

However, implementing a global strategy is not an easy job, especially when implementing it outside the home country. There would be challenges faced by the company while implementing the strategy which will impact to effectiveness of the strategy on achieving the company's goal.

The purpose of this study is to identify challenge faced by the company on implementing the strategy as well as to measure how strategy implementation will affect consumer purchase decision. Both qualitative and quantitative methodology will be used on this study. For qualitative, interview was conducted to eight department heads to identify the challenge on implementing the strategy in Indonesia business unit, and it's found that some challenges faced for the implementation company is related to economic and administrative distance between home market and targeted market, as explained by CAGE Distance Framework. Solution to overcome the challenge on implementation including supplier strategic partnership program and production planning improvement are provided based on Soft System Methodology approach. Correlation of strategy implementation to consumer purchase decision also being measured using a quantitative approach (questionnaire) and the result will help the company to prioritize the action plan to close gap of strategy implementation.

Keywords: — *CAGE distance Framework, Challenge, Purchase Decision, Strategy*

I. INTRODUCTION

Evolving consumer snacking habits has required company to adapt and formulate the right business strategy to stay ahead of the competition. However, the right strategy only is not enough without an excellent implementation. Implementation of a common global strategy in different countries could face some challenges that could impact to strategy effectiveness on achieving the company's goals. Different condition between company's *home market*, where the strategy being developed, and the condition in the targeted market could be a source of challenge on the implementation. In this research challenge on strategy implementation will be identified through interview and proposed solution will be developed using Soft System Methodology.

In this research, correlation between strategy implementation and consumer purchase decision also being measured to give a picture for the company whether strategy implementation could influence consumer's purchase decision and unlock business opportunity for the company.

II. LITERATURE REVIEW

There are various definitions of strategy by many scholars from different angles. According to Andrews, Strategy is the pattern of settlement in a company that determines and reveals its objectives, purpose of goals, produces the principle policies and plans to achieve these targets and ascertains the scale of business that the company should involved in, the type of economic and human organization and the nature of the economic and non-economic benefits generated for shareholders, employee, and communities (Andrews, 1991).

A common global strategy will face certain challenge when it's to be implemented in different countries outside it home country. This challenge could come from different circumstances between home country and its targeted market. The mission and objective of multi-national company are likely to be rooted in the social and cultural system of the country which the strategy developed. The home country of an organization will influence the way in which the international strategy is developed and managed. Difference around the world in cultures, social value, and economic traditions mean it is possible that some strategy process may be difficult, if not impossible to introduce and manage in certain countries (Lynch, 2006). Ghemawat through its CAGE distance framework also explained that distance between two countries can manifest itself along four basic dimensions: cultural, administrative, geographic, and economic (Ghemawat, 2001).

A good strategy should be able to create a value for the company and influence consumer purchase decision with the value offered.

Purchase decision is a thought process that leads a consumer from identifying needs, generating options, and choosing a specific product/brand. A consumer purchase is a response to a problem. Consumer decision making pertains to making decision regarding product and service offerings. According to Prasad and Jha, consumer purchasing decision can be defined as a process of gathering and processing information, evaluating it, and selecting the best possible option to solve problem or make buying choice (Prasad & Jha, 2014)

3.1 Objectives of the Study
The purpose of this study is to identify the feasibility of strategy implementation in Indonesia as well as challenges faced by the company on the implementation and to identify how will the strategy implementation affecting consumer purchase decision.

3.2 Hypothesis of the Study
H1: Wellbeing concern has positive effect purchasing decision
H2: Sustainability concern has positive effect purchasing decision
H3: Wellbeing and sustainability strategies implementation has positive effect purchasing decision

3.3 Sample and Instrumentation
a. Interview
Structured interview was conducted to eight department heads to gather information related the feasibility, challenges, and support needed on strategy implementation
b. Questionnaire
The questionnaire was given to 580 respondents who used to do snacking in their daily life. The instrument of this study involved two-parts: the first section of the instrument consisted of forced-choice questions about demographic characteristic: Gender, age, occupation, monthly income, educational level. The second section variable chosen for this study in order to measure the influence of wellbeing and sustainability strategy implementation to consumer purchase decision. The dimension of items are evaluated on a four-point Likert scale ranging from 1-4, using the anchors "4=strongly agree, 3=agree, 2=disagree, 1=strongly disagree".

Cronbach's alpha is a coefficient that is used to rate the internal consistency or correlation of items in a test. In this study the Reliability analysis shows that all factors have shown alpha value is greater than 0.7 indicating evidence of reliability. The factors and dimension included for the analysis carry good degree of reliability to support objective formulated. All dimension got significant relationship to make the real representation of the study. Therefore, it's concluded that data collected on this is reliable.

3.4 Data Analysis
Data analysis package in Microsoft Excel was used to conduct the analysis of data collected. Descriptive analysis which including mean, median, mode, and standard deviation were implemented in order to analyze the data, one-way analysis of variance (ANOVA) were used to determine relationship amongst variable. Additionally, the .05 level of statistical significance was set to all statistical test in the present study.

3.5 Result of Data Analysis
From the interview, it's confirmed that the strategy couldn't be fully implemented in Indonesia yet due to some below challenges:

Table 1. Challenge from CAGE distance framework perspective

No	Strategy	Challenge	Support Needed	Distance Category
1	Minimizing Food waste, end to end CO2 emission, priority water usage	Building structure	Advance building structure	Economic
		Production parameter set up	Experienced R&D team and advance baking technology	Economic
		Complex cleaning process	1. Advance cleaning material and equipment 2. Advance water treatment system	Economic
		1. Dough inconsistency 2. Machine breakdown	1. Technology to improve dough consistency 2. Autonomous maintenance	Economic
2	Make all packaging recyclable	Limited supplier capability	Engage with supplier to develop/invest recyclable packaging structure	Economic
		Uncompetitive price due to low demand from industry and consumer	1. Educate consumer about the importance of recyclable packaging 2. Regulation from government to make recyclable packaging mandatory for industry	Economic & Administrative
3	100% cocoa for chocolate product coming from sustainable farming	Limited farming land	Farming intensification through technology intervention	Economic
4	Growing portion control product	Not a concern yet for Indonesian consumer	Educating consumer why mindful snacking is matters	Economic
5	Including portion control amount and mindful snacking information on all packaging	Consumer's understanding and awareness about portion control and mindful snacking	Educating consumer why mindful snacking is matters	Economic

From questionnaire, the descriptive table below provide some useful information that P value is less than 0.05, which means there's significant level of wellbeing and sustainability factor to purchase decision.

Table 2. Multiple linear regression X1+X2 to Y

	Coefficients	Standard Error	t Stat	P-value
Intercept	1.28	0.59	2.17	0.03
Wellbeing	0.32	0.02	13.16	0.00
Sustainability	0.85	0.05	16.58	0.00

While from ANOVA analysis, value of F is much bigger than significant F, there H0 will be rejected:

Table 3. ANOVA of X1+X2 to Y

	df	SS	MS	F	Significance F
Regression	2	2,449.20	1,224.60	312.92	0.00
Residual	577	2,258.05	3.91		
Total	579	4,707.25			

IV. FINDINGS
From data collection it's found that strategies are not feasible to be fully implemented in Indonesia, some challenge faced by the company related with economic and administrative distance, as explained in CAGE distance framework concept.
Distance in economic is including below different:
1. Different in consumer incomes
2. Different in cost and quality of natural, financial,

and human resources

3. Different information and knowledge

Point number 3 related with information and knowledge will impact to the speed of technology advancement in one country. Most of challenge and support needed mostly related with technology advancement in Indonesia as well as the level of information and knowledge absorb by the society related with wellbeing and sustainability concern. Therefore, CAGE distance framework theory is applicable with this strategy implementation challenge in Indonesia. There's some "distance" between home countries (where the strategy being developed) with Indonesia as the subsidiary country.

From questionnaire result, it's shown strong correlation between wellbeing strategy implementation and purchase decision with correlation score 0.98. While sustainability strategy implementation correlated with purchase decision with correlation score by 0.63.

Therefore, it's important for the company to overcome the challenge in order to gain opportunity to create additional value to consumer through strategy implementation in Indonesia and influence consumer purchase decision.

V. CONCLUSION

1. Global company have their business strategy being developed from the head office and being cascaded to its subsidiary in different countries across the globe. These strategies are designed to enable the company achieving their goals. However, different country has different circumstances with company's home country. This different circumstance could be a source of challenge for implementing the global business strategy.

In this final project, feasibility of wellbeing and sustainability strategy implementation are being evaluated. From interview result with department head, it's confirmed that this wellbeing and sustainability strategy can't be fully implemented in Indonesia yet due to some challenges or barriers faced both from internal and external company.

2. Referring to CAGE distance framework, some challenges faced by the company on strategy implementation related with economic and administrative distance.

From economic distance standpoint, there's different related with the quality of human resources, difference in consumer income, as well as different in information and knowledge, as describe below:
a. Limited supplier capability
b. Low demand from consumer
c. Limited option for alternative material
d. Limited internal technical expertise
e. Minimum awareness from consumer on mindful snacking

From administrative distance standpoint, there's different related with government intervention in term of regulation, as describe below:
a. No regulation which regulate the usage of recyclable packaging material
b. Minimum facility to do recycle

3. Based on survey conducted to 580 respondents, it's shown there's positive correlation between wellbeing and sustainability strategy implementation to consumer purchase decision each 0.98 and 0.63. This strategy implantation positively affecting the consumer purchase decision. Therefore, it could be a good opportunity for the company to

be a pioneer on implementing this strategy in Indonesia market.

4. Considering implementation of this strategy will potentially affecting consumer purchase decision in a positive way, then it will worth for the company to overcome those challenges in order to fully implement these strategies in Indonesia. Company could start overcoming the challenge based on its priority coming from ease-benefit matrix. Action that could bring the highest benefit with the lowest effort will be selected as priority in implementation. Below are top 3 actions that company could take to improve the implementation rate in near future:
a) Develop strategic partnership with supplier to develop recyclable packaging material
b) Minimizing cleaning frequency by optimizing production planning to reduce water usage
c) Reduce energy consumption in office facility to reduce end to end CO2 emission

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